

North Muskegon Public Schools  
**SINGLE AUDIT OF FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS**

Financial Report and  
Independent Auditor's Reports

June 30, 2022



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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  
North Muskegon Public Schools  
North Muskegon, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Muskegon Public Schools as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise North Muskegon Public Schools' basic financial statements, and have issued our report thereon dated October 13, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered North Muskegon Public Schools' 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 North Muskegon Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of North Muskegon Public Schools' 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  
North Muskegon Public Schools  
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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether North Muskegon Public Schools’ 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*.

**North Muskegon Public Schools’ Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on North Muskegon Public Schools’ response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. North Muskegon Public Schools’ response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Muskegon, Michigan  
October 13, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
North Muskegon Public Schools  
North Muskegon, Michigan

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

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

We have audited North Muskegon Public Schools' 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 North Muskegon Public Schools' major federal programs for the year ended June 30, 2022. North Muskegon Public Schools' 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, North Muskegon Public Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of North Muskegon Public Schools 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 North Muskegon Public Schools' 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, implantation, 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 North Muskegon Public Schools' federal programs.

Board of Education  
North Muskegon Public Schools  
Page 2

***Auditor’s Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on North Muskegon Public Schools’ 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 North Muskegon Public Schools’ 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 North Muskegon Public Schools’ compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of North Muskegon Public Schools’ 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 North Muskegon Public Schools’ 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 **Finding 2022-001**. 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 North Muskegon Public Schools’ response to noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. North Muskegon Public Schools’ 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  
North Muskegon Public Schools  
Page 3

**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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit Compliance section above 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 North Muskegon Public Schools as of and for the year ended June 30, 2022, and have issued our report thereon dated October 13, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.



Muskegon, Michigan  
October 13, 2022

North Muskegon Public Schools  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2022

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Program or award amount	Accrued (unearned) revenue July 1, 2021	Adjustments and transfers	Cash/ payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2022	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education</i>									
Passed through Michigan Department of Education									
Title I, Grants to Local Educational Agencies	84.010A								
211530 2021		\$ 55,763	\$ 55,763	\$ -	\$ 55,763	\$ 55,763	\$ -	\$ -	\$ -
221530 2122		37,021	-	-	37,021	-	37,021	-	-
		92,784	55,763	-	92,784	55,763	37,021	-	-
Supporting Effective Instruction State Grants	84.367A								
210534 2021		10,000	-	-	8,482	-	8,482	-	-
220750 2122		9,156	-	-	-	-	399	399	-
		19,156	-	-	8,482	-	8,881	399	-
Student Support and Academic Enrichment Program	84.424A								
210750 2021		10,000	10,000	-	10,000	10,000	-	-	-
220750 2122		10,000	-	-	-	-	10,000	10,000	-
		20,000	10,000	-	10,000	10,000	10,000	10,000	-
Education Stabilization Fund									
Governor's Emergency Education Relief Fund	84.425C								
COVID-19 211202 2122		31,750	-	-	31,750	-	31,750	-	-
Elementary and Secondary School Emergency Relief Fund	84.425D								
COVID-19 213712 20-21		113,118	-	-	-	-	95,468	95,468	-
COVID-19 213722 2122		171,600	-	-	126,359	-	150,307	23,948	-
COVID-19 213742 2122		7,700	-	-	7,700	-	7,700	-	-
		292,418	-	-	134,059	-	253,475	119,416	-
American Rescue Plan—Elementary and Secondary School Emergency Relief	84.425U								
COVID-19 213723 2122		814,338	-	-	-	-	4,785	4,785	-
Total Education Stabilization Fund		1,138,506	-	-	165,809	-	290,010	124,201	-
Total passed through Michigan Department of Education		1,270,446	65,763	-	277,075	65,763	345,912	134,600	-



North Muskegon Public Schools  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued**  
For the year ended June 30, 2022

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Program or award amount	Accrued	Adjustments and transfers	Cash/ payments in kind received	Expenditures (accrual basis)		Accrued	Passed through to subrecipients
			(unearned) revenue July 1, 2021		(cash basis)	Prior year(s)	Current year	(unearned) revenue June 30, 2022	
<b><i>U.S. Department of Education—Continued</i></b>									
Passed through Muskegon Area Intermediate School District									
Special Education Cluster									
Special Education - Grant to States	84.027A								
210450 2021		\$ 89,656	\$ 15,501	\$ -	\$ 15,501	\$ 89,656	\$ -	\$ -	\$ -
220450 2122		84,106	-	-	-	-	84,106	84,106	-
Total Special Education Cluster		173,762	15,501	-	15,501	89,656	84,106	84,106	-
Total U.S. Department of Education		1,444,208	81,264	-	292,576	155,419	430,018	218,706	-
<b><i>U.S. Department of Agriculture</i></b>									
Passed through Michigan Department of Education									
Child Nutrition Cluster									
National School Breakfast Program	10.553								
COVID-19 211971		21,796	-	-	21,796	-	21,796	-	-
COVID-19 221971		248,796	-	-	248,796	-	248,796	-	-
		270,592	-	-	270,592	-	270,592	-	-
National School Lunch Program	10.555								
COVID-19 211961		43,667	-	-	43,667	-	43,667	-	-
COVID-19 211965		6,243	6,243	-	6,243	6,243	-	-	-
COVID-19 220910		21,228	-	-	21,228	-	21,228	-	-
COVID-19 221961		341,587	-	-	341,587	-	341,587	-	-
Entitlement Commodities		25,535	-	-	23,715	-	23,715	-	-
		438,260	6,243	-	436,440	6,243	430,197	-	-
Summer Food Service Program for Children	10.559								
COVID-19 210904		466,749	34,645	-	87,351	414,043	52,706	-	-
COVID-19 220904		8,422	-	-	-	-	8,422	8,422	-
		475,171	34,645	-	87,351	414,043	61,128	8,422	-
Total Child Nutrition Cluster		1,184,023	40,888	-	794,383	420,286	761,917	8,422	-
Pandemic Electronic Benefit Transfer (P-EBT)									
Administrative Costs									
COVID-19 210980 2021	10.649	614	-	-	614	-	614	-	-
Total U.S. Department of Agriculture		1,184,637	40,888	-	794,997	420,286	762,531	8,422	-

North Muskegon Public Schools  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued**  
For the year ended June 30, 2022

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Program or award amount	Accrued (unearned) revenue July 1, 2021	Adjustments and transfers	Cash/ payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2022	Passed through to subrecipients
						Prior year(s)	Current year		
<i>Federal Communications Commission</i>									
Passed through Universal Service Administration Company Emergency Connectivity Fund Program ECF202107536	32.009	\$ 60,750	\$ -	\$ -	\$ 60,750	\$ -	\$ 60,750	\$ -	\$ -
<i>U.S. Department of Health and Human Services</i>									
Passed through Muskegon Area Intermediate School District Medicaid Cluster Medical Assistance Program 393	93.778	3,652	-	-	3,652	-	3,652	-	-
<b>TOTAL FEDERAL ASSISTANCE</b>		<b>\$ 2,693,247</b>	<b>\$ 122,152</b>	<b>\$ -</b>	<b>\$ 1,151,975</b>	<b>\$ 575,705</b>	<b>\$ 1,256,951</b>	<b>\$ 227,128</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.

North Muskegon Public Schools  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the year ended June 30, 2022

1. The accompanying Schedule of Expenditures of Federal Awards (the “schedule”) includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or change in net position of the School District.
2. Please see the financial statement footnotes for the significant accounting policies used in preparing this schedule. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The School District is not using the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
3. Management has utilized the Michigan Department of Education NexSys Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.
4. Reconciliation of revenues from federal sources per governmental funds financial statements and expenditures per single audit report Schedule of Expenditures of Federal Awards.

Revenues from federal sources per June 30, 2022

Governmental Funds financial statements

General Fund	\$ 433,670	
Other governmental funds	823,281	\$ 1,256,951

Expenditures per single audit report

Schedule of Expenditures of Federal Awards		<b>\$ 1,256,951</b>
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North Muskegon Public Schools  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For the year ended June 30, 2022

**SECTION I—SUMMARY OF AUDITOR’S RESULTS**

*A. Financial Statements*

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

*B. Federal Awards*

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

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program/Cluster</u>
<b>10.553, 10.555 and 10.559</b>	<b>U.S Department of Agriculture</b>
	<b>• Child Nutrition Cluster</b>
5. Dollar threshold used to distinguish between type A and type B programs: **\$750,000**
6. Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

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

North Muskegon Public Schools  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued**  
For the year ended June 30, 2022

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

*U.S. Department of Agriculture*

**Finding 2022-001: Child Nutrition Cluster Resource Management Procedures**

Pass-through entity: Michigan Department of Education

Assistance Listing Number(s): 10.553, 10.555 and 10.559

Award Numbers: COVID-19 211971, COVID-19 221971, COVID-19 220910, COVID-19 211961, COVID-19 221961, COVID-19 210904, COVID-19 220904, and Entitlement Commodities

Award Year End: June 30, 2022

*Specific Requirement:* Resource Management and Special Tests — General Program Management

*Criteria:* Section 210.14(b) and 210.19(a)(1) 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) requires the School District to limit its net cash resources in the Food Service Fund to the maximum allowable amount of three months of average expenditures.

*Questioned Costs:* None.

*Condition:* During our testing of the Child Nutrition Cluster net cash resources, we noted that the School District Food Service Fund net cash resources were in excess of maximum allowable amount.

*Context:* As of June 30, 2022, the School District Food Service Fund net cash resources were in excess of the maximum allowable amount.

*Effect:* The School District could receive reduced funding in future years if the condition continues.

*Cause:* The School District had planned to reduce its Food Service Fund net cash resources below the maximum threshold, but it was unable to get proper approvals, order and receive purchased items and/or services by the end of the fiscal year.

*Repeat Finding:* A similar finding was reported during the single audit for the year ended June 30, 2021.

*Recommendation:* The School District should develop and complete a spend-down plan to ensure it reduces its Food Service Fund net cash resources below the maximum allowable amount.

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

**CLIENT DOCUMENTS**



North Muskegon Public Schools  
1600 Mills Avenue  
North Muskegon, Michigan 49445

SUPERINTENDENT OF SCHOOLS  
231-719-4100  
MIDDLE SCHOOL & HIGH SCHOOL  
231-719-4110  
ELEMENTARY SCHOOL  
231-719-4200  
FAX 231-744-0739  
[www.nmps.net](http://www.nmps.net)

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

October 13, 2022

Michigan Department of Education  
Lansing, Michigan

North Muskegon Public Schools 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, 2021 dated October 15, 2021.

### SECTION II – FINANCIAL STATEMENT FINDINGS

#### **Finding 2021-001: Budgeting**

*Condition:* The Student Activities Fund was not budgeted for by the District.

*Recommendation:* The District should adopt a budget for its Student Activities Fund.

*Current Status:* This recommendation was implemented during the year ended June 30, 2022. No similar finding was reported during the single audit for the year ended June 30, 2022.

#### **Finding 2021-002: Loan Proceeds Accounting Procedures**

*Condition:* An installment purchase agreement should be reflected in the accounting records as loan proceeds.

*Recommendation:* Proceeds from an installment purchase agreement should be recognized as loan proceeds in other financing resources.

*Current Status:* This recommendation was implemented during the year ended June 30, 2022. No similar finding was reported during the single audit for the year ended June 30, 2022.

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

***U.S. Department of Agriculture***

**Finding 2021-003: Child Nutrition Cluster Reporting Review Procedures**

Pass-through entity: Michigan Department of Education

CFDA/Assistance Listing Number(s): 10.555 and 10.559

Award Numbers: 211965 COVID-19, 200900 COVID-19, 210904 COVID-19 and Bonus and Entitlement Commodities

Award Year End: June 30, 2021

*Condition:* During our detailed testing of the Child Nutrition Cluster claims reports, we noted that while the claims reports were properly performed in accordance with federal requirements, the claims reports performed by the School were not reviewed with documented approval by another qualified individual.

*Recommendation:* The School District should implement procedures to require the documented review and approval of all claims reports.

*Current Status:* This recommendation was implemented during the year ended June 30, 2022. No similar finding was reported during the single audit for the year ended June 30, 2022.

***U.S. Department of Agriculture***

**Finding 2021-004: Child Nutrition Cluster Resource Management Procedures**

Pass-through entity: Michigan Department of Education

CFDA/Assistance Listing Number(s): 10.555 and 10.559

Award Numbers: 211965 COVID-19, 200900 COVID-19, 210904 COVID-19 and Bonus and Entitlement Commodities

Award Year End: June 30, 2021

*Condition:* During our testing of the Child Nutrition Cluster net cash resources, we noted that the School District Food Service Fund net cash resources were in excess of maximum allowable amount.

*Recommendation:* The School District should complete its spend-down plan to reduce Food Service Fund net cash resources below the maximum allowable amount.

*Current Status:* See Finding 2022-001 for a similar finding noted during the single audit for the year ended September 30, 2022.

Sincerely,



Mark Mesbergen  
Director of Business Services





## North Muskegon Public Schools

1600 Mills Avenue  
North Muskegon, Michigan 49445

SUPERINTENDENT OF SCHOOLS  
231-719-4100  
MIDDLE SCHOOL & HIGH SCHOOL  
231-719-4110

ELEMENTARY SCHOOL  
231-719-4200

FAX 231-744-0739

[www.nmps.net](http://www.nmps.net)

### CORRECTIVE ACTION PLAN

October 13, 2022

Michigan Department of Education  
Lansing, Michigan

North Muskegon Public Schools respectfully submits the following Corrective Action Plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

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

Audit period: June 30, 2022

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2022 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 2022-001: Child Nutrition Cluster Resource Management**

*Recommendation:* The School District should develop and complete a spend-down plan to ensure it reduces its Food Service Fund net cash resources below the maximum allowable amount.

*Action Taken:* The School District will develop procedures to ensure net cash resources are below the maximum allowable amount.

*Responsible Person and Anticipated Completion Date:* School Business Manager, June 2023

If the Michigan Department of Education has questions regarding this plan, please call Mark Mesbergen at (231) 719-4102.

Sincerely,

Mark Mesbergen  
Director of Business Services