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# Lapeer Community Schools of Lapeer County

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**Federal Awards Supplemental Information**

**June 30, 2021**

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Education  
Lapeer Community Schools of Lapeer County

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lapeer Community Schools of Lapeer County (the "School District") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 8, 2021, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 8, 2021.

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

October 8, 2021

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

**Independent Auditor's Report**

To Management and the Board of Education  
Lapeer Community Schools of Lapeer County

We have audited, in accordance with 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 Lapeer Community Schools of Lapeer County (the "School District") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 8, 2021.

**Internal Control Over Financial Reporting**

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

To Management and the Board of Education  
Lapeer Community Schools of Lapeer County

**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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moran, PLLC*

October 8, 2021

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance  
Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Education  
Lapeer Community Schools of Lapeer County

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

We have audited Lapeer Community Schools of Lapeer County's (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2021. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

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

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

**Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

To the Board of Education  
Lapeer Community Schools of Lapeer County

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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Plante & Moran, PLLC*

October 8, 2021

Lapeer Community Schools of Lapeer County

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities) - National Lunch Program Commodities 2020-21										
	N/A	10.555	\$ 117,255	\$ -	\$ -	\$ -	\$ 117,255	\$ 117,255	\$ -	\$ -
Cash Assistance:										
COVID-19 Unanticipated School Closure Program 2019-2020										
	200902	10.555	594,923	594,923	112,985	-	112,985	-	-	-
National School Lunch Program (incl. commodities) subtotal										
		10.555	712,178	594,923	112,985	-	230,240	117,255	-	-
Summer Food Service Program for Children										
	200900	10.559	118,995	-	-	-	118,995	118,995	-	-
Extended Summer Food Service Program for Children										
	200904	10.559	1,518,640	-	-	-	1,401,374	1,518,640	117,266	-
Summer Food Service Program for Children subtotal										
		10.559	1,637,635	-	-	-	1,520,369	1,637,635	117,266	-
Total Child Nutrition Cluster										
			2,349,813	594,923	112,985	-	1,750,609	1,754,890	117,266	-
Special Education Cluster - U.S. Department of Education - Passed through the Lapeer County ISD:										
IDEA, Part B 19-20										
	200450-1920	84.027	432,017	432,017	102,300	-	102,300	-	-	-
IDEA, Part B 20-21										
	200450-2021	84.027	447,882	-	-	-	429,567	447,882	18,315	-
IDEA, Part B subtotal										
			879,899	432,017	102,300	-	531,867	447,882	18,315	-
IDEA Preschool 19-20										
	200460-1920	84.173	40,180	40,180	10,728	-	10,728	-	-	-
IDEA Preschool 20-21										
	200460-2021	84.173	38,797	-	-	-	38,797	38,797	-	-
IDEA, Preschool subtotal										
			78,977	40,180	10,728	-	49,525	38,797	-	-
Total Special Education Cluster										
			958,876	472,197	113,028	-	581,392	486,679	18,315	-
Medicaid Cluster -U.S. Department of Health and Human Services - Passed through the Lapeer County ISD - Medical Assistance Program (Medicaid, Title XIX)										
	N/A	93.778	14,422	5,422	5,422	-	14,422	9,000	-	-
Total clusters										
			3,323,111	1,072,542	231,435	-	2,346,423	2,250,569	135,581	-
Other federal awards:										
Title I, Part A - U.S. Department of Education:										
Passed through the Michigan Department of Education:										
Title I Part A 19-20										
	201530	84.010A	721,043	682,954	155,438	-	161,416	5,978	-	-
Title I Part A 20-21										
	211530	84.010A	782,732	-	-	-	549,628	749,870	200,242	-
Passed through the Genesee County ISD:										
Title I Part A 19-20										
	201530	84.010A	140,313	88,096	88,096	-	117,796	29,700	-	-
Title I Part A 20-21										
	211530	84.010A	164,689	-	-	-	42,976	116,259	73,283	-
Total Title I, Part A										
		84.010A	1,808,777	771,050	243,534	-	871,816	901,807	273,525	-



Lapeer Community Schools of Lapeer County

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Improving Teacher Quality, Title II - Part A - U.S. Department of Education - Passed through the Michigan Department of Education - Title II Part A 19-20	200520	84.367	\$ 204,825	\$ 126,401	\$ 6,884	\$ -	\$ 6,884	\$ -	\$ -	\$ -
Title II Part A 20-21	210520	84	256,166	-	-	-	129,667	162,782	33,115	-
Total Title II, Part A		84.367	460,991	126,401	6,884	-	136,551	162,782	33,115	-
Student Support & Academic Enrichment, Title IV - U.S. Department of Education - Passed through the Michigan Department of Education - Title IV 19-20	200750	84.424	86,313	44,105	4,907	-	4,907	-	-	-
Title IV 20-21	210750	84.424	91,874	-	-	-	53,934	59,239	5,305	-
Total Title IV, Part A		84.424	178,187	44,105	4,907	-	58,841	59,239	5,305	-
Child & Adult Care Food Program - U.S. Department of Agriculture - Passed through the Michigan Department of Education: Child and Adult Care Food Program 19-20	201920-202010	10.558	905	-	-	-	905	905	-	-
Child and Adult Care Food Program 20-21	211920-212010	10.558	16,815	-	-	-	15,936	16,815	879	-
Total Child and Adult Care Food Program		10.558	17,720	-	-	-	16,841	17,720	879	-
Education Stabilization Fund Program - U.S. Department of Education - Passed through Michigan Department of Education: COVID-19 ESSER Formula Fund I	203710	84.425D	560,998	-	-	-	510,528	531,047	20,519	-
COVID-19 ESSER Education Equity Fund I	203720	84.425D	89,760	-	-	-	89,754	89,754	-	-
Total Education Stabilization Fund Program		84.425	650,758	-	-	-	600,282	620,801	20,519	-
Coronavirus Relief Fund - U.S. Department of Treasury - Passed through Michigan Department of Education: COVID-19 11p - CRF School Aid	20-21	21.019	1,726,746	-	-	-	1,726,746	1,726,746	-	-
COVID-19 103(2) - District COVID Costs	20-21	21.019	60,781	-	-	-	60,781	60,781	-	-
Total passed through Michigan Department of Education			1,787,527	-	-	-	1,787,527	1,787,527	-	-
Passed through the Copper Country ISD - COVID-19 - CRF MiConnect/MAISA	20-21	21.019	48,977	-	-	-	48,977	48,977	-	-
Total Coronavirus Relief Fund			1,836,504	-	-	-	1,836,504	1,836,504	-	-
Total noncluster programs			4,952,937	941,556	255,325	-	3,520,835	3,598,853	333,343	-
Total federal awards			\$ 8,276,048	\$ 2,014,098	\$ 486,760	\$ -	\$ 5,867,258	\$ 5,849,422	\$ 468,924	\$ -

**Lapeer Community Schools of Lapeer County**

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**Reconciliation of Basic Financial Statements Federal Revenue  
with Schedule of Expenditures of Federal Awards**

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**Year Ended June 30, 2021**

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 6,030,522
CRF - MDE Child Care Relief Fund Payments - Beneficiary payments not subject to single audit	(105,500)
CCDBG - MDE Child Care Relief Fund Payments - Beneficiary payments not subject to single audit	<u>(75,600)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 5,849,422</u></u>

**Notes to Schedule of Expenditures of Federal Awards**

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**Year Ended June 30, 2021**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lapeer Community Schools of Lapeer County (the "School District") under programs of the federal government for the year ended June 30, 2021. The information in the 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* (the "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, changes in net position, or cash flows of the School District.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

CRF does not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, but rather applies the U.S. Department of Treasury's guidance and frequently asked questions, as codified in the Federal Register.

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 pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

**Note 3 - Grant Auditor Report**

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

**Note 4 - Noncash Assistance**

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

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## Schedule of Findings and Questioned Costs

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**Lapeer Community Schools of Lapeer County**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2021**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   None reported

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? \_\_\_\_\_ Yes      X   No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Finding
21.019	Coronavirus Relief Fund	Unmodified

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

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

**Section II - Financial Statement Audit Findings**

Reference Number	Finding
Current Year	None

**Section III - Federal Program Audit Findings**

Reference Number	Finding	Questioned Costs
Current Year	None	