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# Lake Orion Community Schools

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**Federal Awards Supplemental Information**  
**June 30, 2023**

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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  
Lake Orion Community Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Orion Community Schools (the "School District") as of and for the year ended June 30, 2023 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 23, 2023, which contained an unmodified opinion 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. We have not performed any procedures with respect to the audited financial statements subsequent to October 23, 2023.

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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

October 23, 2023

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  
Lake Orion Community Schools

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 basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Orion Community Schools (the "School District") as of and for the year ended June 30, 2023 and the related notes to the basic financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 23, 2023.

**Report on 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 or significant deficiencies may exist that were not identified.

**Report on 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  
Lake Orion Community Schools

**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 & Moreau, PLLC*

October 23, 2023

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  
Lake Orion Community Schools

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

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

We have audited Lake Orion Community Schools' (the "School District") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The 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, the 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 the 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; 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"). 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 the 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 the 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 the School District's federal programs.

### ***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 the 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 the 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 the 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 the 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 the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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 a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2023-001 to be a significant deficiency.

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.

To the Board of Education  
Lake Orion Community Schools

*Government Auditing Standards* require the auditor to perform limited procedures on the School District's response to the internal control over compliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The 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 it.

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 & Moreau, PLLC*

October 23, 2023



# Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received (Repaid)	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2023	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 Entitlement Commodities 2022-23	N/A	10.555	\$ 150,297	\$ -	\$ -	\$ -	\$ 150,297	\$ 150,297	\$ -	\$ -
National Lunch Program Bonus Commodities 2022-23	N/A	10.555	2,847	-	-	-	2,847	2,847	-	-
Noncash Assistance (Commodities) subtotal			153,144	-	-	-	153,144	153,144	-	-
Cash Assistance:										
Seamless Summer Option (SSO) - Breakfast	211971/221971	10.553	385,561	373,762	11,031	(11,031)	11,799	11,799	-	-
Seamless Summer Option (SSO) - Breakfast	221970	10.553	12,963	-	-	11,031	12,963	1,932	-	-
Seamless Summer Option (SSO) - Breakfast	231970	10.553	155,329	-	-	-	147,913	155,329	7,416	-
National School Breakfast Program subtotal			553,853	373,762	11,031	-	172,675	169,060	7,416	-
Seamless Summer Option (SSO) - Lunch	211961	10.555	2,296,564	2,296,564	60,518	(63,454)	(2,936)	-	-	-
Seamless Summer Option (SSO) - Lunch	221960	10.555	90,671	-	-	1,011	91,682	90,671	-	-
Seamless Summer Option (SSO) - Lunch	221961	10.555	1,382	-	-	62,443	63,825	1,382	-	-
Seamless Summer Option (SSO) - Lunch	231960	10.555	798,373	-	-	-	771,957	798,373	26,416	-
Supply Chain Assistance 2021-22	220910	10.555	124,768	-	(124,768)	-	-	124,768	-	-
Supply Chain Assistance 2022-23	220910/230910	10.555	193,422	-	-	-	193,422	146,694	(46,728)	-
National Lunch Program subtotal			3,505,180	2,296,564	(64,250)	-	1,117,950	1,161,888	(20,312)	-
Total Child Nutrition Cluster			4,212,177	2,670,326	(53,219)	-	1,443,769	1,484,092	(12,896)	-
Special Education Cluster - U.S. Department of Education -										
Passed through the Oakland ISD:										
IDEA Flowthrough:										
IDEA Flowthrough 2021	210450	84.027	1,623,386	1,620,971	54,361	-	56,776	2,415	-	-
IDEA Flowthrough 2122	220450	84.027	1,596,207	1,561,558	296,661	-	296,661	23,206	23,206	-
IDEA Flowthrough 2223	230450	84.027	1,618,548	-	-	-	1,128,819	1,618,548	489,729	-
COVID-19 American Rescue Plan - IDEA	221280	84.027X	359,404	131,280	131,280	-	226,415	228,124	132,989	-
Total IDEA Flowthrough			5,197,545	3,313,809	482,302	-	1,708,671	1,872,293	645,924	-
IDEA Preschool Incentive:										
IDEA Preschool 2021	210460	84.173	54,569	54,569	11,373	-	11,373	-	-	-
IDEA Preschool 2122	220460	84.173	54,533	54,533	9,792	-	9,792	-	-	-
IDEA Preschool 2223	230460	84.173	55,570	-	-	-	50,889	55,570	4,681	-
COVID-19 American Rescue Plan - IDEA Preschool	221285	84.173X	32,157	32,157	32,157	-	32,157	-	-	-
Total IDEA Preschool Incentive			196,829	141,259	53,322	-	104,211	55,570	4,681	-
Total Special Education Cluster			5,394,374	3,455,068	535,624	-	1,812,882	1,927,863	650,605	-
Medicaid Cluster - U.S. Department of Health and										
Human Services - Medicaid Administrative										
Outreach Program - 2022	2022AOP	93.778	33,611	-	-	-	33,611	33,611	-	-

# Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received (Repaid)	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipients
Clusters (continued):										
Headstart Cluster - U.S. Department of Health and Human Services -										
Passed through Oakland Livingston Human Service Agency - Headstart:										
Head Start Program 2022 CH0920	05CH052	93.600	\$ 373,987	\$ 176,816	\$ 71,119	\$ -	\$ 268,290	\$ 197,171	\$ -	\$ -
Head Start Program 2023 CH0920	05CH052	93.600	420,235	-	-	-	113,384	158,400	45,016	-
Early Head Start Program - 2022	05CH052	93.600	277,880	165,050	94,082	-	206,912	112,830	-	-
Early Head Start Program - 2023	05CH052	93.600	300,177	-	-	-	121,391	158,112	36,721	-
COVID-19 CARES Act Funding - Head Start Program - 2022	05CH052	93.600	19,500	9,949	-	-	9,551	9,551	-	-
COVID-19 American Rescue Plan - Head Start Program - 2022	05CH052	93.600	71,500	38,939	37,118	-	69,679	32,561	-	-
Total Headstart Cluster			1,463,279	390,754	202,319	-	789,207	668,625	81,737	-
Total clusters			11,103,441	6,516,148	684,724	-	4,079,469	4,114,191	719,446	-
Other federal awards:										
U.S. Department of Agriculture - Passed through the										
Michigan Department of Education:										
COVID-19 Pandemic EBT Local Level Costs	210980	10.649	3,135	-	-	-	3,135	3,135	-	-
Local Food for Schools	230985	10.185	23,836	-	-	-	23,836	23,836	-	-
Total U.S. Department of Agriculture passed through			26,971	-	-	-	26,971	26,971	-	-
Michigan Department of Education										
U.S. Department of Education - Passed through the										
Michigan Department of Education:										
Title I Part A:										
Title I Part A 2122	221530	84.010	215,902	140,552	6,781	-	6,781	-	-	-
Title I Part A 2223	231530	84.010	279,801	-	-	-	205,038	213,370	8,332	-
Total Title I Part A			495,703	140,552	6,781	-	211,819	213,370	8,332	-
Title II Part A - Improving Teacher Quality:										
Title II Part A 2122	220520	84.367	122,531	117,371	25,618	-	25,618	-	-	-
Title II Part A 2223	230520	84.367	105,868	-	-	-	68,263	105,039	36,776	-
Total Title II, Part A			228,399	117,371	25,618	-	93,881	105,039	36,776	-
Title III - English Language Acquisition Grant:										
Title III, English Learners 2122	220580	84.365	45,323	30,130	3,690	-	15,654	11,964	-	-
Title III, English Learners 2223	230580	84.365	30,475	-	-	-	15,504	18,797	3,293	-
Title III, Immigrant 2122	220570	84.365	5,189	392	48	-	48	-	-	-
Title III, Immigrant 2223	230570	84.365	4,204	-	-	-	1,597	2,925	1,328	-
Total Title III			85,191	30,522	3,738	-	32,803	33,686	4,621	-
Title IV Part A - Student Support & Academic Enrichment:										
Title IV Part A 2122	220750	84.424	19,012	11,682	7,267	-	7,267	-	-	-
Title IV Part A 2223	230750	84.424	21,224	-	-	-	12,127	12,127	-	-
Total Title IV			40,236	11,682	7,267	-	19,394	12,127	-	-

# Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received (Repaid)	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
U.S. Department of Education - Passed through the										
Michigan Department of Education (continued):										
Education Stabilization Fund (ESF):										
COVID-19 ESSER II Funds - Formula	213712	84.425D	\$ 599,253	\$ 579,450	\$ -	\$ -	\$ 19,803	\$ 19,803	\$ -	\$ -
COVID-19 ESSER II Funds - Sec 23b Credit Recovery	213742	84.425D	40,700	40,700	5,232	-	5,232	-	-	-
COVID-19 ESSER III Funds - Formula	213713	84.425U	1,346,792	250,324	177,062	-	503,837	362,527	35,752	-
COVID-19 ESSER III Funds - Section 11t Equalization	213723	84.425U	6,537,837	3,156,099	3,156,099	-	4,800,682	2,340,720	696,137	-
COVID-19 MV ARP Homeless II	211012	84.425W	13,762	-	-	-	-	1,439	1,439	-
Total Education Stabilization Funds			8,538,344	4,026,573	3,338,393	-	5,329,554	2,724,489	733,328	-
Total U.S. Department of Education noncluster programs			9,387,873	4,326,700	3,381,797	-	5,687,451	3,088,711	783,057	-
U.S. Department of the Treasury -										
Passed through the Oakland County Board of Commissioners -										
Coronavirus State and Local Fiscal Recovery Fund -										
COVID-19 Oakland County Mental Health Grant	SLFRP2640	21.027	350,000	-	-	-	350,000	143,434	(206,566)	-
Total federal awards			<u>\$ 20,868,285</u>	<u>\$ 10,842,848</u>	<u>\$ 4,066,521</u>	<u>\$ -</u>	<u>\$ 10,143,891</u>	<u>\$ 7,373,307</u>	<u>\$ 1,295,937</u>	<u>\$ -</u>

## Lake Orion Community Schools

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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, 2023**

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 8,457,624
Federal revenue for which the School District is considered a vendor or beneficiary rather than a subrecipient	<u>(1,084,317)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 7,373,307</u></u>

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

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**Year Ended June 30, 2023**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lake Orion Community Schools (the "School District") under programs of the federal government for the year ended June 30, 2023. 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 the same basis of accounting as the basic financial statements. 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, as outlined in the Compliance Supplement. 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 Michigan Department of Education NexSys Grant Auditor Report (GAR) in preparing the schedule of expenditures of federal awards. Differences, if any, between the GAR and the schedule of expenditures of federal awards relate to the timing of payments and the fiscal year to which the payments relate.

**Note 4 - Noncash Assistance**

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance and is reported on the schedule of expenditures of federal awards.

**Note 5 - Adjustments and Transfers**

During the year ended June 30, 2023, there were various transfers related to the application of federal payments within the Breakfast and Lunch programs included in the Child Nutrition Cluster. The transfers were amongst each respective program in total, and there were no adjustments to award amounts.

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## Schedule of Findings and Questioned Costs

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## Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

### 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?   X   Yes    \_\_\_\_\_ None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?   X   Yes    \_\_\_\_\_ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
84.425D, 84.425U, 84.425W 10.555, 10.553	Education Stabilization Fund (ESF) Child Nutrition Cluster (CNC)	Unmodified 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

Finding
None

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2023

### Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2023-001	<p><b>Assistance Listing Number, Federal Agency, and Program Name</b> - 10.555 and 10.553, U.S. Department of Agriculture, Child Nutrition Cluster</p> <p><b>Federal Award Identification Number and Year</b> - 211971, 221971, 221970, 231970, 211961, 221960, 221961, 220910, 2023</p> <p><b>Pass-through Entity</b> - Michigan Department of Education</p> <p><b>Finding Type</b> - Significant deficiency</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Upon preparation of meal reimbursement claims for meals served, a separate review ensuring the accuracy of the request for reimbursement, submitted to drawdown funds, is an important part of internal control process that reduces the risk of errors in reporting.</p> <p><b>Condition</b> - The Michigan Nutrition Data (MiND) system auto calculates the number of full-paid meals after the district enters the free, reduced, and total number of meals. Therefore, if the number of free or reduced meals is typed incorrectly, the difference automatically adds or subtracts to the number of full-paid meals. While there is review and approval of amounts prior to entering meal counts into the MiND system, the School District did not consider that, once free and reduced meals are entered into the system, the number of full-pay meals autofills to the number required to match/balance the total meals served. This resulted in the School District not identifying that two claims requests undercounted reimbursable meals, which shorted the School District receiving additional funding of \$7,639.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - N/A</p> <p><b>Context</b> - It was noted that the School District incorrectly submitted for reimbursement of the meals served in two months of four months tested.</p> <p><b>Cause and Effect</b> - The absence of a secondary review of the final data, including the auto-calculated data, in the MiND system resulted in the School District being reimbursed for an amount less than the actual meals served.</p> <p><b>Recommendation</b> - The School District should implement a procedure to ensure there is an additional separate review and documented approval of the final claims data after entry into the MiND system to ensure it agrees with the School District's internal meal claims data report.</p> <p><b>Views of Responsible Officials and Corrective Action Plan</b> - After an in-depth review of the circumstances that led to the incorrect (under count) request for meal reimbursement error, an additional review and approval procedure has been implemented. This will ensure the final meal claims data, including the MiND system auto-calculated data, reflects the School District's internal meal count data reporting.</p>	None