



**CLIMAX-SCOTT'S COMMUNITY SCHOOLS  
KALAMAZOO COUNTY, MICHIGAN**

**FEDERAL AWARDS SUPPLEMENTARY INFORMATION**

**June 30, 2021**

## TABLE OF CONTENTS

	<u>Page No.</u>
<b>Independent Auditors' Reports</b>	
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance	4-5
<b>Schedule of Expenditures of Federal Awards</b>	6
<b>Notes to Schedules of Expenditures of Federal Awards</b>	7
<b>Schedule of Findings and Questioned Costs</b>	8

# SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education  
Climax-Scotts Community Schools, State of Michigan, County of Kalamazoo

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Climax-Scotts Community Schools (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 25, 2021, which contained an unmodified opinion of 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 25, 2021.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is 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.

*Seber Tans, PLC*

Seber Tans, PLC  
Kalamazoo, Michigan

October 25, 2021

# SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' 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

To the Board of Education  
Climax-Scotts Community Schools  
County of Kalamazoo, State of 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 Climax-Scotts Community Schools (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 25, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 District's financial statements are free of 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 determination of financial statement amounts. 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Seber Tans, PLC

Seber Tans, PLC  
Kalamazoo, Michigan

October 25, 2021

# SEBER TANS, PLC

## CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education  
Climax-Scotts Community Schools  
County of Kalamazoo, State of Michigan

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

We have audited the Climax-Scotts Community Schools (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are 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 programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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* (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 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 District's compliance.

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

In our opinion, the District complied, in all material respects, with the types of 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, 2021.

#### **Report on Internal Control over Compliance**

Management of the 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 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 District's 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.

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.

*Seber Tans, PLC*

Seber Tans, PLC  
Kalamazoo, Michigan

October 25, 2021

**Climax-Scotts Community Schools  
Kalamazoo and Calhoun Counties Michigan  
Schedule of Expenditures of Federal Awards  
June 30, 2021**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass Through Grantor's Number	Program or Award Amount	Accrued (Deferred) Revenue July 1, 2020	Prior Year Expenditures	Passed Through to Subrecipients	Total Federal Current Year Expenditures	Current Year Receipts	Accrued (Deferred) Revenue June 30, 2021
U.S. Department of Agriculture									
Nutrition Cluster									
Passed through Michigan Department of Education:									
Noncash assistance (commodities):									
National School Lunch Program - Commodities	10.555	N/A	\$ 11,548	\$ -	\$ -	\$ -	\$ 11,548	\$ 11,548	\$ -
National School Lunch Program - Bonus Commodities	10.555	N/A	967	-	-	-	967	967	-
Cash assistance:									
National School Lunch Program - Child Care Relief Fund	10.555	N/A	10,800	-	-	-	10,800	10,800	-
SFSP COVID19 (Unanticipated Grant Payments)	10.555	200902	78,480	18,460	60,020	-	-	18,460	-
Emergency Operations-SNP Meals	10.555	211965	1,850	-	-	-	1,850	-	1,850
Subtotal National School Lunch Program (incl. commodities)			<u>103,645</u>	<u>18,460</u>	<u>60,020</u>	<u>-</u>	<u>25,165</u>	<u>41,775</u>	<u>1,850</u>
Emergency Operations-CACFP meals	10.558	211925	2,510	-	-	-	2,510	-	2,510
Child and Adult Care Food Program	10.558	201920	5,742	-	5,692	-	50	50	-
Child and Adult Care Food Program	10.558	211920	864	-	-	-	864	864	-
Subtotal Child and Adult Care Food Program			<u>9,116</u>	<u>-</u>	<u>5,692</u>	<u>-</u>	<u>3,424</u>	<u>914</u>	<u>2,510</u>
Summer Food Service for Children	10.559	200900	20,164	-	-	-	20,164	20,164	-
Summer Food Service for Children	10.559	210904	289,927	-	-	-	285,154	263,590	21,564
Subtotal Summer Food Service for Children			<u>310,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,318</u>	<u>283,754</u>	<u>21,564</u>
Total U.S. Department of Agriculture - Nutrition Cluster			<u>422,852</u>	<u>18,460</u>	<u>65,712</u>	<u>-</u>	<u>333,907</u>	<u>326,443</u>	<u>25,924</u>
U.S. Department of Education									
Passed through Michigan Department of Education:									
Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	213712-2021	157,355	-	-	-	157,355	-	157,355
Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	203710-2021	56,659	-	-	-	56,659	56,659	-
Governor's Emergency Education Relief Funds	84.425C	201200-2021	28,757	-	-	-	28,757	28,757	-
Title I Part A Grants to Local Education Agencies	84.010A	201530	69,231	35,364	69,231	-	-	35,364	-
Title I Part A Grants to Local Education Agencies	84.010A	211530	104,275	-	-	-	66,894	32,731	34,163
Title II Part A Supporting Effective Instruction State Grant	84.367A	210520	22,858	-	-	-	22,858	16,050	6,808
Small Rural Schools Grants, Rural Education Achievement Program	84.358A		33,955	-	-	-	33,955	33,955	-
Title IV Part A Student Support and Academic Enrichment Program	84.424A	200750	10,000	1,770	9,205	-	-	1,770	-
Title IV Part A Student Support and Academic Enrichment Program	84.424A	210750	10,795	-	-	-	4,396	4,352	44
Total U.S. Department of Education			<u>493,885</u>	<u>37,134</u>	<u>78,436</u>	<u>-</u>	<u>370,874</u>	<u>209,638</u>	<u>198,370</u>
U.S. Department of Treasury									
Passed through Michigan Department of Education:									
COVID-19 - 119 Coronavirus Relief Funds	21.019	N/A	193,554	-	-	-	193,554	193,554	-
COVID-19 - Device Purchasing Program	21.019	N/A	20,463	-	-	-	20,463	20,463	-
COVID-19 - 103(2) District COVID Costs	21.019	N/A	6,813	-	-	-	6,813	6,813	-
Total U.S. Department of Treasury			<u>220,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,830</u>	<u>220,830</u>	<u>-</u>
<b>Total Federal Awards</b>			<u>\$ 1,137,567</u>	<u>\$ 55,594</u>	<u>\$ 144,148</u>	<u>\$ -</u>	<u>\$ 925,611</u>	<u>\$ 756,911</u>	<u>\$ 224,294</u>

See Independent Auditors' Report and the Notes to the Schedule of Expenditures of Federal Awards.



**Climax-Scotts Community Schools  
Kalamazoo and Calhoun Counties Michigan  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021**

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**NOTE A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Climax-Scotts Community Schools (the District) under programs of the federal government for the year ended June 30, 2021. 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 District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

**NOTE B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles in OMB A-87 or 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. 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. Pass-through entity identifying numbers are presented where available.

The District has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

**NOTE C – Subrecipients**

No amounts were provided to subrecipients.

**NOTE D – Michigan Department of Education Disclosures**

The federal amounts reported on the grant auditor report are in agreement with the schedule.

The amounts reported on the recipient entitlement balance report agrees with the Schedule for USDA donated food commodities.

**Climax-Scotts Community Schools  
Kalamazoo and Calhoun Counties Michigan  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021**

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**SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? No

Significant deficiency identified that is not considered to be a material weakness? No

Noncompliance material to combined financial statements noted? No

Federal Awards

Type of auditors' report issued on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness identified? No

Significant deficiency identified that is not considered to be a material weakness? No

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Section 200.516 (a)? No

**Major programs:**

**Assistance Listing Number**

21.019

84.425C&D

**Name of Federal Program or Cluster**

Federal Coronavirus Relief Fund

Elementary & Secondary School Emergency Relief Fund

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

Auditee qualified as low-risk auditee? No

Financial Statement Audit Findings

None

Federal Program Audit Findings

None

Financial Statement and Federal Program Audit Findings – Prior Year

Not applicable, no single audit was required in prior year