
Lake Shore Public Schools

Federal Awards Supplemental Information
June 30, 2022

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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 Shore Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Shore Public Schools (the "School District") as of and for the year ended June 30, 2022 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 7, 2022, 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 7, 2022.

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 the 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 7, 2022

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 Shore Public 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 Shore Public Schools (the "School District") as of and for the year ended June 30, 2022 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 7, 2022.

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 Shore Public 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 & Moran, PLLC

October 7, 2022

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 Shore Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lake Shore Public 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, 2022. 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, 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; 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.

To the Board of Education
Lake Shore Public Schools

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

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 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. 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.

To the Board of Education
Lake Shore Public Schools

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 7, 2022

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2021	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2022	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 School Lunch Program Entitlement Commodities 2021-22										
	N/A	10.555	\$ 98,333	\$ -	\$ -	\$ -	\$ 88,011	\$ 88,011	\$ -	\$ -
Cash Assistance -										
Supply Chain Assistance:										
Supply Chain Assistance:	220910	10.555	61,909	-	-	-	61,909	-	(61,909)	-
Seamless Summer Option (SSO) - Lunch	211961	10.555	110,368	-	-	-	110,368	110,368	-	-
Seamless Summer Option (SSO) - Lunch	221961	10.555	1,203,998	-	-	-	1,116,626	1,203,998	87,372	-
National School Lunch Program (incl. commodities)			1,474,608	-	-	-	1,376,914	1,402,377	25,463	-
Seamless Summer Option (SSO) - Breakfast	211971	10.553	10,259	-	-	-	10,259	10,259	-	-
Seamless Summer Option (SSO) - Breakfast	221971	10.553	193,638	-	-	-	177,441	193,638	16,197	-
SSO - Breakfast Subtotal			203,897	-	-	-	187,700	203,897	16,197	-
Summer Food Service Program for Children (SFSPC) Extended Summer Food Service Program 2020-2021	210904/220904	10.559	1,041,512	950,282	94,895	-	182,285	91,230	3,840	-
Total Child Nutrition Cluster			2,720,017	950,282	94,895	-	1,746,899	1,697,504	45,500	-
Special Education Cluster - U.S. Department of Education - Passed through the Macomb County ISD:										
Special Education - Grants to States (IDEA, Part B):										
IDEA Flowthrough 1920	200450	84.027	1,734,390	644,955	302,784	-	302,784	-	-	-
IDEA Flowthrough 2021	210450	84.027	1,727,218	1,390,460	639,903	-	927,394	336,758	49,267	-
IDEA Flowthrough 2022	220450	84.027	1,744,637	-	-	-	1,509,915	1,744,637	234,722	-
COVID-19 American Rescue Plan - IDEA	221280	84.027X	213,065	-	-	-	180,576	213,065	32,489	-
Subtotal IDEA, Part B			5,419,310	2,035,415	942,687	-	2,920,669	2,294,460	316,478	-
Special Education - Preschool Grants (IDEA Preschool):										
IDEA Preschool 2021	210460	84.173	27,200	27,200	12,421	-	12,421	-	-	-
IDEA Preschool 2022	220460	84.173	30,569	-	-	-	26,056	30,569	4,513	-
COVID-19 American Rescue Plan - IDEA Preschool	221285	84.173X	15,061	-	-	-	12,553	15,061	2,508	-
Subtotal IDEA Preschool			72,830	27,200	12,421	-	51,030	45,630	7,021	-
Total Special Education Cluster			5,492,140	2,062,615	955,108	-	2,971,699	2,340,090	323,499	-
Total clusters			8,212,157	3,012,897	1,050,003	-	4,718,598	4,037,594	368,999	-

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2021	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2022	Current Year Cash Transferred to Subrecipients
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	\$ 3,063	\$ -	\$ -	\$ -	\$ 3,063	\$ 3,063	\$ -	\$ -
U.S. Department of Education:										
Passed through the Michigan Department of Education:										
Title I, Part A - Improving Basic Programs:										
Title I Part A 2021	211530	84.010	335,044	304,384	136,437	-	136,437	-	-	-
Title I Part A 2122	221530	84.010	333,589	-	-	-	264,073	304,200	40,127	-
Total Title I, Part A			668,633	304,384	136,437	-	400,510	304,200	40,127	-
Title II, Part A - Improving Teacher Quality:										
Title II Part A 2021	210520	84.367	86,103	73,530	27,749	-	27,749	-	-	-
Title II Part A 2122	220520	84.367	76,421	-	-	-	70,481	72,025	1,544	-
Total Title II, Part A			162,524	73,530	27,749	-	98,230	72,025	1,544	-
Title IV - Student Support & Academic Enrichment -										
Title IV - Part A SSAE 2122	220750	84.424	33,384	-	-	-	31,129	31,129	-	-
Education Stabilization Fund (ESF):										
COVID-19 GEER II Funds - Teacher & Support Staff Payments 2122	211202-2122	84.425C	81,750	-	-	-	81,750	81,750	-	-
COVID-19 ESSER I Funds - Formula 1920	203710-1920	84.425D	245,442	245,442	115,320	-	115,320	-	-	-
COVID-19 ESSER II Funds - Formula 2021	213712-20-21	84.425D	1,130,203	389,643	389,643	-	1,130,203	740,560	-	-
COVID-19 ESSER II Funds - Sec 23b Summer School 2122	213722-2122	84.425D	355,300	-	-	-	355,300	355,300	-	-
COVID-19 ESSER II Funds - Sec 23b Credit Recovery 2122	213742-2122	84.425D	183,150	-	-	-	183,150	183,150	-	-
COVID-19 ESSER Benchmark Assessment 2122	213762	84.425D	25,825	-	-	-	25,825	25,825	-	-
COVID-19 American Rescue Plan - ESSER III 2122	213713-2122	84.425U	1,724,704	-	-	-	1,622,933	1,718,422	95,489	-
COVID-19 American Rescue Plan - ESSER III Sec 11t 2122	213723-2122	84.425U	1,142,213	-	-	-	-	42,630	42,630	-
Total ESF passed through the Michigan Department of Education			4,888,587	635,085	504,963	-	3,514,481	3,147,637	138,119	-
Passed through the State of Michigan -										
Department of Labor and Economic Opportunity, Workforce Development - COVID-19 GEER - Future for Frontliners 21-22	LEO-WDAEF4F-23	84.425C	25,000	-	-	-	1,750	1,750	-	-
Total ESF			4,913,587	635,085	504,963	-	3,516,231	3,149,387	138,119	-
Adult Education:										
Project number 211714	211130	84.002	66,750	66,744	41,283	-	41,283	-	-	-
Project number 215004	211120	84.002	18,750	18,750	15,287	-	15,287	-	-	-
Project number 221714	221130	84.002	67,781	-	-	-	52,926	67,781	14,855	-
Total Adult Education			153,281	85,494	56,570	-	109,496	67,781	14,855	-
Passed through the Macomb County ISD -										
Career and Technical Education - Basic Grants to States: (Perkins IV) - Project number 2021	213520/211216	84.048	18,000	18,000	6,893	-	6,893	-	-	-
(Perkins IV) - Project number 2022	223520/221216	84.048	17,000	-	-	-	8,025	17,000	8,975	-
Total Career and Technical Education - Basic Grants to States			35,000	18,000	6,893	-	14,918	17,000	8,975	-
Total U.S. Department of Education noncluster programs			5,966,409	1,116,493	732,612	-	4,170,514	3,641,522	203,620	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2021	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2022	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
U.S. Department of the Treasury - Passed through the Macomb County ISD - COVID-19 Coronavirus State Fiscal Recovery Fund (GSRP)	222390	21.027	\$ 202,536	\$ -	\$ -	\$ -	\$ 156,712	\$ 202,536	\$ 45,824	\$ -
Federal Communications Commission - COVID-19 Emergency Connectivity Funds - 2021-22	N/A	32.009	1,174,800	-	-	-	1,174,800	1,174,800	-	-
Employment Services Training Contracts with the Macomb/St. Clair Workforce Development Board, Incorporated - Contract- 21-19-235:			1,818,614							
U.S. Department of Labor - Employment Services Cluster - Wagner-Peyser Act 20/21	N/A	17.207		779,967	117,691	-	117,691	-	-	-
U.S. Department of Labor - Employment Services Cluster - Wagner-Peyser Act 21/22	N/A	17.207		-	-	-	1,221,227	1,377,730	156,503	-
Total Employment Service Cluster				779,967	117,691	-	1,338,918	1,377,730	156,503	-
U.S. Department of Labor - Unemployment Insurance State Admin Funds 21/22	N/A	17.225		-	-	-	206,575	223,025	16,450	-
Total Employment Services Training Contracts with the Macomb/St. Clair Workforce Development Board, Incorporated				779,967	117,691	-	1,545,493	1,600,755	172,953	-
Jobs, Education, and Training (PATH/JET) Contracts with the Macomb/St. Clair Workforce Development Board, Incorporated: Contracts: 19-19-234, 22-19-236			813,708							
U.S. Department of Health and Human Services (TANF): Temporary Assistance for Needy Families 20/21	N/A	93.558		205,265	5,281	-	5,281	-	-	-
Temporary Assistance for Needy Families 21/22	N/A	93.558		-	-	-	174,288	213,295	39,007	-
Total Temporary Assistance for Needy Families				205,265	5,281	-	179,569	213,295	39,007	-
Total federal awards			\$ 18,191,287	\$ 5,114,622	\$ 1,905,587	\$ -	\$ 11,948,749	\$ 10,873,565	\$ 830,403	\$ -

Lake Shore Public Schools

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

Year Ended June 30, 2022

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 11,384,548
Federal revenue for which the School District is considered a vendor rather than a subrecipient	<u>(510,983)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 10,873,565</u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lake Shore Public Schools (the "School District") under programs of the federal government for the year ended June 30, 2022. 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.

Note 5 - Nonfederal Funding Sources

During the year ended June 30, 2022, the School District received \$187,581 in revenue from the State of Michigan, passed through the Macomb/St. Clair Workforce Development Board, to settle school district reimbursement requests under the Jobs, Education, and Training (JET) Program and the Employment Services Program. The related expenditures and cash receipts are not included on the schedule of expenditures of federal awards.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

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:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
32.009	Emergency Connectivity Fund Program (ECF)	Unmodified
84.425C 84.425D 84.425U	Education Stabilization Fund (ESF)	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

Current Year None

Section III - Federal Program Audit Findings

Current Year None