

Trenton Public Schools

Single Audit Report

June 30, 2022



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Single Audit Report

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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 Auditors' Report

Management and the Board of Education
Trenton Public Schools
Trenton, 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 Trenton Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Trenton Public Schools' basic financial statements, and have issued our report thereon dated September 15, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Trenton Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Trenton Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Trenton Public Schools' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Trenton Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeo & Yeo, P.C.

Ann Arbor, Michigan
September 15, 2022



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Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Management and the Board of Education
Trenton Public Schools
Trenton, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Trenton Public Schools' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Trenton Public Schools' major federal programs for the year ended June 30, 2022. Trenton Public Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Trenton Public Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

on compliance for each major federal program. Our audit does not provide a legal determination of Trenton Public Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to Trenton Public Schools' federal programs.

Auditors' 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 Trenton Public Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Trenton Public Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Trenton Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Trenton Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Trenton Public Schools' internal control over compliance. Accordingly, no such opinion is expressed. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 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 Auditors' 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. 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 may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Trenton Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Trenton Public Schools' basic financial statements. We issued our report thereon dated September 15, 2022, which contained unmodified opinions 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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Ann Arbor, Michigan
September 15, 2022

Trenton Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grant Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue July 1, 2021	Current Year Receipts	Current Year Expenditures	Accrued (Unearned) Revenue June 30, 2022
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Nutrition Cluster								
Non-cash assistance (commodities)								
National School Lunch Program								
Entitlement Commodities	10.555	N/A	\$ 60,084	\$ -	\$ -	\$ 60,084	\$ 60,084	\$ -
Cash assistance								
COVID-19 Seamless Summer Option (SSO) - Breakfast	10.553	211971	25,285	-	-	25,285	25,285	-
COVID-19 Seamless Summer Option (SSO) - Breakfast	10.553	221971	323,290	-	-	301,215	323,290	22,075
					-	326,500	348,575	22,075
COVID-19 Seamless Summer Option (SSO) - Lunch	10.555	211961	86,026	-	-	86,026	86,026	-
COVID-19 Seamless Summer Option (SSO) - Lunch	10.555	220910	43,406	-	-	48,092	43,406	(4,686)
COVID-19 Seamless Summer Option (SSO) - Lunch	10.555	221961	769,240	-	-	722,826	769,240	46,414
					-	856,944	898,672	41,728
Summer Food Service Program for Children	10.559	200900	214,961	215,391	-	(430)	(430)	-
Summer Food Service Program for Children	10.559	200901	(783)	-	-	(783)	(783)	-
Summer Food Service Program for Children	10.559	210904	859,218	768,621	73,423	162,794	90,597	1,226
Total Summer Food Service Program for Children					73,423	161,581	89,384	1,226
Total cash assistance					73,423	1,345,025	1,336,631	65,029
Total Nutrition Cluster					73,423	1,405,109	1,396,715	65,029
Passed through Michigan Department of Education								
COVID-19 Pandemic EBT Local Level Costs	10.649	210980	614	-	-	614	614	-
Total U.S. Department of Agriculture					73,423	1,405,723	1,397,329	65,029
U.S. Department of Education								
Passed through Wayne RESA								
Special Education Cluster								
IDEA Flowthrough CPO	84.027	210450	94,995	94,995	50,241	50,241	-	-
IDEA Flowthrough	84.027	210450	772,626	764,419	418,186	418,186	8,207	8,207
IDEA Flowthrough CPO	84.027	220450	101,650	-	-	101,650	101,650	-
IDEA Flowthrough	84.027	220450	981,725	-	-	835,479	970,904	135,425
					468,427	1,405,556	1,080,761	143,632
Preschool Incentive	84.173	210460	27,216	27,216	15,432	15,432	-	-
Preschool Incentive	84.173	220460	30,473	-	-	25,566	30,473	4,907
Preschool Incentive	84.173	220460	18,283	-	-	2,294	15,298	13,004
					15,432	43,292	45,771	17,911
Total Special Education Cluster					483,859	1,448,848	1,126,532	161,543

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Trenton Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grant Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue July 1, 2021	Current Year Receipts	Current Year Expenditures	Accrued (Unearned) Revenue June 30, 2022
U.S. Department of Education (Continued)								
Passed through Michigan Department of Education								
Title I - Part A	84.010	211530	\$ 269,326	\$ 227,551	\$ 137,551	\$ 147,249	\$ 9,698	\$ -
Title I - Part A	84.010	221530	263,520	-	-	180,000	214,917	34,917
					<u>137,551</u>	<u>327,249</u>	<u>224,615</u>	<u>34,917</u>
Passed through Michigan Department of Education								
Title II - Part A	84.367	210520	87,337	51,682	21,682	22,887	1,205	-
Title II - Part A	84.367	220520	105,335	-	-	73,805	76,660	2,855
					<u>21,682</u>	<u>96,692</u>	<u>77,865</u>	<u>2,855</u>
Passed through Michigan Department of Education								
Title IV - Part A - Student Support & Academic Enrichment	84.424A	210750	21,045	2,870	2,870	2,870	-	-
Title IV - Part A - Student Support & Academic Enrichment	84.424A	220750	34,062	-	-	31,811	31,811	-
					<u>2,870</u>	<u>34,681</u>	<u>31,811</u>	<u>-</u>
Passed through Michigan Department of Education								
Education Stabilization Funds								
COVID-19 Governor's Emergency Education Relief II Teacher & Support Staff Payments	84.425C	211202	19,000	-	-	19,000	19,000	-
COVID-19 Elementary and Secondary School Emergency Relief I Formula Funds	84.425D	203710	193,046	193,046	63,046	63,046	-	-
COVID-19 Elementary and Secondary School Emergency Relief II Formula Funds	84.425D	213712	778,377	-	-	512,000	581,180	69,180
COVID-19 Elementary and Secondary School Emergency Relief II Summer Programming Formula Funds	84.425D	213722	213,950	-	-	96,307	117,810	21,503
COVID-19 Elementary and Secondary School Emergency Relief II Credit Recovery Formula Funds	84.425D	213742	54,450	-	-	11,426	20,478	9,052
COVID-19 11T Formula Funds	84.425U	213723	964,977	-	-	-	57,990	57,990
COVID-19 American Rescue Plan / Elementary and Secondary School Emergency Relief III Formula Funds	84.425U	213713	1,219,136	-	-	789,964	876,316	86,352
Total Education Stabilization Funds					<u>63,046</u>	<u>1,491,743</u>	<u>1,672,774</u>	<u>244,077</u>
Total U.S. Department of Education					<u>709,008</u>	<u>3,399,213</u>	<u>3,133,597</u>	<u>443,392</u>
U.S. Department of Health and Human Services								
Passed through Wayne RESA								
Medicaid Outreach	93.778	N/A	22,059	-	-	22,059	22,059	-
Total Federal Expenditures					<u>\$ 782,431</u>	<u>\$ 4,826,995</u>	<u>\$ 4,552,985</u>	<u>\$ 508,421</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Trenton Public Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of Trenton Public Schools under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Trenton Public Schools, it is not intended to and does not present the financial position and changes in financial position of Trenton Public Schools.

Note 2 - Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

Trenton Public Schools has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

The federal revenues per the financial statements reconcile with the schedule of expenditures of federal awards as follows:

Expenditures per the schedule of expenditures of federal awards	\$ 4,552,985
Beneficiary payments from federal sources not reportable on the schedule of expenditures of federal awards	<u>171,768</u>
Federal revenues per the financial statements	<u><u>\$ 4,724,753</u></u>

Trenton Public Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2022

Note 4 - Subrecipients

No amounts were provided to subrecipients.

Note 5 - Michigan Department of Education Disclosures

The federal amounts reported on the grant auditor report are in agreement with the schedule of expenditures of federal awards except for the following differences caused by the timing of cash receipts:

Federal Grantor Program Title	Federal Assistance Listing Number	Grant Number	Reported on Grant Auditor Report	Reported on Schedule of Expenditures of Federal Awards	Variance
Seamless Summer Option	10.553	221971	\$ 323,290	\$ 301,215	\$ 22,075
Seamless Summer Option	10.555	221961	769,240	722,826	46,414
Title I - Part A	84.010	211530	29,419	147,249	(117,830)
Title II - Part A	84.367	210520	1,205	22,887	(21,682)
Title IV-Part A	84.424A	210750	52	2,870	(2,818)
Education Stabilization Fund - ESSER I Formula Funds	84.425D	203710	20,426	63,046	(42,620)

The amounts reported on the recipient entitlement balance report agree with the schedule of expenditures of federal awards for U.S.D.A. donated food commodities.

Trenton Public Schools
Schedule of Findings and Questioned Costs
June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles:

Unmodified

Internal control over financial reporting:

- | | | |
|---|-----------|------------------------------------|
| • Material weakness(es) identified? | _____ Yes | <u> X </u> No |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ Yes | <u> X </u> None reported |
| Noncompliance material to financial statements noted? | _____ Yes | <u> X </u> No |

Federal Awards

Internal control over major programs:

- | | | |
|---|-----------|------------------------------------|
| • Material weakness(es) identified? | _____ Yes | <u> X </u> No |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____ Yes | <u> X </u> None reported |

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516(a)?

_____ Yes X No

Trenton Public Schools
Schedule of Findings and Questioned Costs
June 30, 2022

Identification of major programs:

AL Numbers

84.425C / 84.425D / 84.425U

Name of Federal Program

Education Stabilization Funds

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 - Government Auditing Standards Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2022.

Section III - Federal Award Findings

There were no findings or questioned cost for Federal Awards for the year ended June 30, 2022.

Trenton Public Schools
Summary Schedule of Prior Audit Findings
June 30, 2022

Section IV – Prior Audit Findings

There were no audit findings for the year ended June 30, 2021.