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# Berrien Regional Education Service Agency

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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  
Berrien Regional Education Service Agency

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Berrien Regional Education Service Agency (the "Agency") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Agency'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 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 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 is 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  
Berrien Regional Education Service Agency

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 Berrien Regional Education Service Agency (the "Agency") as of and for the year ended June 30, 2023 and the related notes to the basic financial statements, which collectively comprise the Agency'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 Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs as Finding 2023-01, we identified a certain deficiency in internal control that we consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency'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*.

**The Agency's Response to the Finding**

*Government Auditing Standards* require the auditor to perform limited procedures on the Agency's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

To Management and the Board of Education  
Berrien Regional Education Service Agency

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

*Plante & Moran, 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  
Berrien Regional Education Service Agency

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

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

We have audited Berrien Regional Education Service Agency's (the "Agency") 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 the Agency's major federal program for the year ended June 30, 2023. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program 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* ("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 Agency 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 Agency'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 Agency's federal program.

***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 Agency'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 Agency's compliance with the requirements of each major federal program as a whole.

To the Board of Education  
Berrien Regional Education Service Agency

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 Agency'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 Agency'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 Agency'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.

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 23, 2023

Program Title/Project Number/Subrecipient Name	Assistance Listing Number	Pass-through Entity/Identifying Number	Approved Awards Amount	(Memo Only) Prior Years Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Total Amount Provided to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education (MDE):										
Noncash assistance (commodities) -										
National Lunch Program Entitlement Commodities 2022-2023	10.555	N/A	\$ 18,179	\$ -	\$ -	\$ -	\$ 18,179	\$ 18,179	\$ -	\$ -
Cash assistance:										
National School Lunch Program:										
Supply Chain Assistance	10.555	220910	11,953	-	-	-	11,953	11,953	-	-
National School Lunch Program	10.555	221960	11,480	-	-	-	11,480	11,480	-	-
National School Lunch Program	10.555	231960	105,951	-	-	-	88,980	91,733	2,753	-
Seamless Summer Option (SSO) - Lunch	10.555	221961	131,744	-	-	-	2,738	2,738	-	-
Total National School Lunch Program (incl. commodities)			279,307	-	-	-	133,330	136,083	2,753	-
School Breakfast Program	10.553	221970	55,881	-	-	-	6,071	6,071	-	-
School Breakfast Program	10.553	231970	48,203	-	-	-	46,209	48,203	1,994	-
Seamless Summer Option (SSO) - Breakfast	10.553	221971	57,950	-	-	-	1,607	1,607	-	-
Total School Breakfast Program			162,034	-	-	-	53,887	55,881	1,994	-
Total Child Nutrition Cluster			441,341	-	-	-	187,217	191,964	4,747	-
Special Education Cluster - U.S. Department of Education: Passed through the Michigan Department of Education -										
Special Education Flowthrough:										
COVID-19 ARP Project number 221280 2122	84.027X	221280 2122	1,467,259	-	-	-	493,387	639,848	146,461	61,810
Project number 230450 2223	84.027	230450 2223	7,032,681	-	-	-	4,897,817	7,032,661	2,134,844	1,679,633
Project number 220450 2122	84.027	220450 2122	6,934,081	6,934,081	2,226,967	-	2,226,967	-	-	-
Project number 230493 2223	84.027	230493 2223	156,900	-	-	-	156,900	156,900	-	-
Project number 220493 2122	84.027	220493 2122	142,600	142,600	142,600	-	142,600	-	-	-
Total Special Education Flowthrough passed through MDE			15,733,521	7,076,681	2,369,567	-	7,917,671	7,829,409	2,281,305	1,741,443
Passed through the Marquette-Alger Regional Education Service Agency - Project number 220493 2122										
	84.027A	230470 2D33	8,486	-	-	-	8,486	8,486	-	-
Total Special Education Flowthrough			15,742,007	7,076,681	2,369,567	-	7,926,157	7,837,895	2,281,305	1,741,443
Preschool Incentive:										
COVID-19 ARP Project number 221285 2122	84.173X	221285 2122	114,387	-	-	-	47,722	73,485	25,763	-
Project number 230460 2223	84.173	230460 2223	223,170	-	-	-	26,591	223,170	196,579	127,702
Project number 210460 2021	84.173	210460/2021	214,490	178,676	(35,370)	-	-	-	(35,370)	-
Project number 220460 2122	84.173	220460 2122	215,603	211,022	114,851	-	114,851	-	-	-
Total Preschool Incentive			767,650	389,698	79,481	-	189,164	296,655	186,972	127,702
Total Special Education Cluster			16,509,657	7,466,379	2,449,048	-	8,115,321	8,134,550	2,468,277	1,869,145
477 Cluster - U.S. Department of Health and Human Services - Passed through the Michigan Department of Education -										
Child Care and Development Block Grant:										
ARPA Stabilization Project number 2131AC 2223	93.575	2131AC 2223	37,667	-	-	-	37,667	37,667	-	37,667
ARPA Stabilization Project number 2131AC 2122	93.575	2131AC 2122	12,333	-	-	-	12,333	12,333	-	12,333
Total Child Care and Development Block Grant			50,000	-	-	-	50,000	50,000	-	50,000
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the Michigan Department of Community Health -										
Medicaid Outreach - 2022-2023										
	93.778	N/A	161,476	-	-	-	161,476	161,476	-	150,046
Total clusters			17,162,474	7,466,379	2,449,048	-	8,514,014	8,537,990	2,473,024	2,069,191



Program Title/Project Number/Subrecipient Name	Assistance Listing Number	Pass-through Entity/Identifying Number	Approved Awards Amount	(Memo Only) Prior Years Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Total Amount Provided to Subrecipients
Other federal awards:										
U.S. Department of Agriculture -										
Passed through the Michigan Department of Education -										
COVID-19 Pandemic EBT Local Level Costs	10.649	220980 2022	\$ 628	\$ -	\$ -	\$ -	\$ 628	\$ 628	\$ -	\$ -
U.S. Department of Education -										
Passed through the Michigan Department of Education:										
Title I, Regional Assistance Grant:										
Project number 231570/2223	84.010	231570 2223	712,846	-	-	-	-	608,237	608,237	1,079,438
Project number 221570/2122	84.010	221570 2122	793,280	729,164	647,618	-	653,065	5,447	-	-
Total Title I, Regional Assistance Grant			1,506,126	729,164	647,618	-	653,065	613,684	608,237	1,079,438
Education Stabilization Fund (ESF):										
COVID-19 ARP Homeless Children and Youth	84.425W	211013 2223	92,688	-	-	-	-	25,812	25,812	-
COVID-19 ESSER II Funds - Summer Programming	84.425D	213722 2122	433,950	383,013	63,800	-	114,737	50,937	-	101,797
COVID-19 ESSER II Funds - Sec 23b Credit Recovery	84.425D	213742 2122	257,950	172,450	74,800	-	159,507	84,707	-	162,780
COVID-19 ESSER II Funds - Before and After School Programs	84.425D	213752 2122	25,000	-	-	-	14,454	14,454	-	13,976
Total Education Stabilization Fund			809,588	555,463	138,600	-	288,698	175,910	25,812	278,553
Title I, Part D:										
Project number 231700 2223	84.013	231700 2223	233,976	-	-	-	94,684	157,675	62,991	-
Project number 221700 2122	84.013	221700 2122	189,132	97,983	40,740	-	86,825	46,085	-	-
Total Title I, Part D			423,108	97,983	40,740	-	181,509	203,760	62,991	-
Early Intervention Services (IDEA):										
Project number 221283 2122	84.181X	221283 2122	80,398	-	-	-	-	73,217	73,217	-
Project number 231340 2223	84.181	231340 2223	187,340	-	-	-	141,389	187,340	45,951	-
Project number 221340 2122	84.181	221340 2122	185,733	185,733	11,914	-	11,914	-	-	-
Total Early Intervention Services (IDEA)			453,471	185,733	11,914	-	153,303	260,557	119,168	-
Homeless Students Assistance Grants:										
Project number 232320 2223	84.196	232320 2223	201,794	-	-	-	129,818	150,318	20,500	13,000
Project number 222320 2122	84.196	222320 2122	218,133	149,463	14,914	-	14,914	-	-	-
Total Homeless Students Assistance Grants			419,927	149,463	14,914	-	144,732	150,318	20,500	13,000
Career and Technical Education - Basic Grants to States:										
CTE Perkins 233520/231219	84.048	233520/231219	726,741	-	-	-	572,642	726,741	154,099	504,363
CTE Perkins 223520/221219	84.048	223520/221219	697,353	697,353	215,970	-	215,970	-	-	-
Criteria for Career Pathways 213480 221266	84.048	223480 221266	140,769	140,769	22,424	-	22,424	-	-	22,425
Criteria for Career Pathways 213480 221267	84.048	223480 221267	133,432	133,432	24,016	-	24,016	-	-	24,016
Criteria for Career Pathways 203480 201230	84.048	203480 201230	98,374	98,374	97,374	-	97,374	-	-	97,374
Criteria for Career Pathways 203480 201229	84.048	203480 201229	89,272	89,272	89,272	-	89,272	-	-	89,272
Total Career and Technical Education			1,885,941	1,159,200	449,056	-	1,021,698	726,741	154,099	737,450
Total U.S. Department of Education noncluster programs			5,498,789	2,877,006	1,302,842	-	2,443,633	2,131,598	990,807	2,108,441

**Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2023**

Program Title/Project Number/Subrecipient Name	Assistance Listing Number	Pass-through Entity/Identifying Number	Approved Awards Amount	(Memo Only) Prior Years Expenditures	Accrued (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Total Amount Provided to Subrecipients
Other federal awards (continued):										
U.S. Department of Health and Human Services -										
Passed through the Michigan Department of Education:										
Health Resource Advocates Grant	84.412	232810 HRA2023	\$ 237,590	\$ 224,000	\$ 181,826	\$ -	\$ 181,826	\$ 13,590	\$ 13,590	\$ -
Every Student Succeeds/Preschool Development Grants - PDG B-5 Literacy Support	94.434	223962 PDGB54.13	131,456	-	-	-	131,456	131,456	-	-
U.S. Department of the Treasury -										
Passed through the Michigan Department of Education -										
Coronavirus State and Local Fiscal Recovery Funds -										
COVID-19 ARP TRAILS Program	21.027	232425/2223	892,857	-	-	-	267,857	267,857	-	-
Total federal awards			<b>\$ 23,923,166</b>	<b>\$ 10,567,385</b>	<b>\$ 3,933,716</b>	<b>\$ -</b>	<b>\$ 11,538,786</b>	<b>\$ 11,082,491</b>	<b>\$ 3,477,421</b>	<b>\$ 4,177,632</b>

**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 Berrien Regional Education Service Agency (the “Agency”) 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 Agency, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Agency.

**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. 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 Agency 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 in which the payments relate to.

**Note 4 - Noncash Assistance**

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance. Noncash assistance received by the grantee during the year ended June 30, 2023 is included in the schedule of expenditures of federal awards.

**Berrien Regional Education Service Agency**

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

**Year Ended June 30, 2023**

**Note 5 - Federal Awards Provided to Subrecipients**

The cash transferred to subrecipients related to federal awards for the year ended June 30, 2023 are as follows:

Program Title/Subrecipient Name	ALN	Program Number	Current Year Cash Transferred to Subrecipient
Career and Technical Education - CTE Perkins - Passed through to:			
Berrien Springs Public Schools	84.048	233520/231219	\$ 10,767
Brandywine Public Schools			21,553
Bridgeman Public Schools			11,678
Buchanan Public Schools			14,661
Coloma Public Schools			21,837
Lakeshore Public Schools			34,324
Niles Public Schools			53,517
River Valley			4,921
St. Joseph Public Schools			24,809
Heritage Southwest ISD			125,303
		233520/231219	
		223480 221266	
		223480 221267	
		203480 201230	
Van Buren ISD		203480 201229	<u>414,080</u>
Total Career and Technical Education - CTE Perkins			737,450
Special Education - ARP Special Education Flowthrough - Passed through to:			
Berrien Springs Public Schools	84.027X	221280 2122	20,182
Niles Public Schools			<u>41,628</u>
Total Special Education - ARP Special Education Flowthrough			61,810
Special Education - IDEA Flowthrough - Passed through to:			
Berrien Springs Public Schools	84.027	230450 2223	65,863
Lakeshore Public Schools			304,423
Niles Public Schools			<u>1,309,347</u>
Total Special Education - IDEA Flowthrough			1,679,633
Special Education - Preschool - Passed through to:			
Coloma Public Schools	84.173	230460 2223	929
Niles Public Schools			<u>126,773</u>
Total Special Education - Preschool			127,702
Child Care and Development - ARPA Stabilization - Passed through to:			
Blessed Noah's Ark Daycare	93.575	2131AC	25,000
Lyabugs and Buttons Childcare Center		2223/2122	<u>25,000</u>
Total Child Care and Development - ARPA Stabilization			50,000

# Berrien Regional Education Service Agency

## Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

### Note 5 - Federal Awards Provided to Subrecipients (Continued)

Program Title/Subrecipient Name	ALN	Program Number	Current Year Cash Transferred to Subrecipient
Medicaid Outreach - Passed through to:			
Benton Harbor Public Schools	93.778	2022-2023	\$ 8,577
Benton Harbor Charter			2,629
Berrien Springs Public Schools			28,892
Brandywine Public Schools			7,783
Bridgeman Public Schools			5,064
Bridge Academy			563
Buchanan Public Schools			9,292
Coloma Public Schools			7,008
Countryside Academy			4,567
Eau Claire Public Schools			3,943
Lakeshore Public Schools			16,257
New Buffalo Public Schools			3,095
Niles Public Schools			20,624
River School			394
River Valley			2,950
Riverside School			418
St. Joseph Public Schools			17,917
Watervliet Public Schools			8,746
M.C. Wells			1,327
Total Medicaid Outreach			150,046
Title I Regional Assistance - Passed through to:			
Benton Harbor Public Schools	84.010	231570/2223	833,944
Niles Public Schools			38,638
M.C. Wells			206,856
Total Title I Regional Assistance			1,079,438
Homeless Students Assistance - Passed through to:			
Benton Harbor Public Schools	84.196	232320 2223	3,590
Berrien Springs Public Schools			513
Brandywine Public Schools			4,532
Eau Claire Public Schools			100
Lakeshore Public Schools			2,000
New Buffalo Public Schools			1,037
River Valley			224
Riverside School			832
Van Buren ISD			172
Total Homeless Students Assistance			13,000
Elementary and Secondary School Emergency Relief (ESSER) - Summer Programming - Passed through to:			
Benton Harbor Public Schools	84.425D	213722 2122	37,997
Brandywine Public Schools			63,800
Total Elementary and Secondary School Emergency Relief (ESSER) - Summer Programming			101,797

**Berrien Regional Education Service Agency**

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

**Year Ended June 30, 2023**

**Note 5 - Federal Awards Provided to Subrecipients (Continued)**

Program Title/Subrecipient Name	ALN	Program Number	Current Year Cash Transferred to Subrecipient
Elementary and Secondary School Emergency Relief (ESSER) - Credit Recovery - Passed through to:			
Benton Harbor Public Schools	84.425D	213742 2122	\$ 70,380
Brandywine Public Schools			35,200
Watervliet Brandywine Public Schools			<u>57,200</u>
Total Elementary and Secondary School Emergency Relief (ESSER) - Credit Recovery			162,780
Elementary and Secondary School Emergency Relief (ESSER) - Before & After School Programs - Passed through to -			
Benton Harbor Public Schools	84.425D	213752 2122	<u>13,976</u>
Total			<u><u>\$ 4,177,632</u></u>

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## Schedule of Findings and Questioned Costs

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**Berrien Regional Education Service Agency**

**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?  X  Yes   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

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

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:

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee?  X  Yes   No



**Berrien Regional Education Service Agency**

**Schedule of Findings and Questioned Costs (Continued)**

**Year Ended June 30, 2023**

**Section II - Financial Statement Audit Findings**

Reference Number	Finding
2023-01	<p><b>Finding Type</b> Material weakness</p> <p><b>Criteria</b> - The Agency's internal control structure should ensure that proper segregation of duties is in place to prevent intentional or unintentional errors in recording accounting data, to ensure that balances are properly supported and reported, and to prevent the intentional misappropriation of assets. Controls surrounding information technology (IT) should be segregated, and the director of business and finance should not have administrative access.</p> <p><b>Condition</b> - Inadequate segregation of duties exists within the IT environment and online banking finance functions of the Agency.</p> <p><b>Context</b> - The director of business and finance has administrative access to the general ledger and online banking and has the ability to post transactions, add new vendors, and perform cash disbursements without any preventive controls in place.</p> <p><b>Cause</b> - There are not proper procedures and controls in place to ensure the proper segregation of duties.</p> <p><b>Effect</b> - The lack of segregation of duties could limit the Agency's ability to reliably prevent or detect erroneous or inappropriate activity, including misappropriation of cash, in a timely manner.</p> <p><b>Recommendation</b> - We recommend that the Agency review its internal control structure to ensure that sufficient segregation of duties has been established. The Agency should review staff responsibilities and access in the system and online banking to ensure appropriate segregation of duties is in place.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The Agency agrees with the above recommendation. The Agency will review its internal control structure and work to implement appropriate segregation of duties.</p>

**Section III - Federal Program Audit Findings**

Reference Number	Finding	Questioned Costs
<b>Current Year</b>	None	