
Berrien Regional Education Service Agency

Federal Awards Supplemental Information
June 30, 2024

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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, 2024 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements. We issued our report thereon dated October 29, 2024, which contained an unmodified opinion on 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 29, 2024.

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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

October 29, 2024

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, 2024 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 29, 2024.

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. 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 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*.

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 29, 2024

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 U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2024. The Agency'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 Agency 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, 2024.

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 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 programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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.

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.

To the Board of Education
Berrien Regional Education Service Agency

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 29, 2024

Berrien Regional Education Service Agency

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Program Title/Project Number/Subrecipient Name	Assistance Listing Number	Pass-through Entity/Identifying Number	Award Amount	(Memo Only) Prior Years Expenditures	Accrued (Deferred) Revenue at July 1, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2024	Current Year Cash Transferred 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 2023-2024	10.555	N/A	\$ 19,739	\$ -	\$ -	\$ -	\$ 19,739	\$ 19,739	\$ -	\$ -
Cash assistance:										
National School Lunch Program:										
Supply Chain Assistance	10.555	230985	966	-	-	-	966	966	-	-
National School Lunch Program	10.555	240910	15,536	-	-	-	15,536	15,536	-	-
National School Lunch Program	10.555	241960	99,550	-	-	-	97,186	99,550	2,364	-
Seamless Summer Option (SSO) - Lunch	10.555	231960	109,117	91,733	2,753	-	20,137	17,384	-	-
Total National School Lunch Program (incl. commodities)	10.555		244,908	91,733	2,753	-	153,564	153,175	2,364	-
School Breakfast Program	10.553	241970	59,730	-	-	-	57,748	59,730	1,982	-
School Breakfast Program	10.553	231970	58,079	48,203	1,994	-	11,870	9,876	-	-
Total School Breakfast Program	10.553		117,809	48,203	1,994	-	69,618	69,606	1,982	-
Total Child Nutrition Cluster			362,717	139,936	4,747	-	223,182	222,781	4,346	-
Special Education Cluster - U.S. Department of Education - Passed through the Michigan Department of Education:										
Special Education Grants to States:										
COVID-19 ARP Project number 221280 2122	84.027X	221280 2122	1,467,259	639,848	146,461	-	973,872	827,411	-	-
IDEA Flowthrough Project number 240450 2324	84.027	240450 2324	7,482,007	-	-	(20)	5,124,669	7,460,954	2,336,265	1,456,523
IDEA Flowthrough Project number 230450 2223	84.027	230450 2223	7,032,681	7,032,661	2,134,844	20	2,134,864	-	-	-
IDEA Flowthrough Project number 220493 2122	84.027	240493 2324	172,600	-	-	-	172,600	172,600	-	-
Total Special Education IDEA Flowthrough	84.027		16,154,547	7,672,509	2,281,305	-	8,406,005	8,460,965	2,336,265	1,456,523
Special Education Preschool Incentive:										
COVID-19 ARP Project number 221285 2122	84.173X	221285 2122	114,387	73,485	25,763	-	66,665	40,902	-	-
IDEA Preschool Project number 210460 2021	84.173	210460/2021	214,490	178,676	(35,370)	35,370	-	-	-	-
IDEA Preschool Project number 240460 2324	84.173	240460 2324	229,238	-	-	-	33,945	229,238	195,293	33,945
IDEA Preschool Project number 230460 2223	84.173	230460 2223	223,170	223,170	196,579	-	196,579	-	-	-
Total IDEA Preschool Incentive	84.173		781,285	475,331	186,972	35,370	297,189	270,140	195,293	33,945
Total Special Education Cluster			16,935,832	8,147,840	2,468,277	35,370	8,703,194	8,731,105	2,531,558	1,490,468
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the Michigan Department of Community Health - Medicaid Outreach - 2023-2024										
	93.778	N/A	295,678	-	-	-	295,678	295,678	-	460,904
Total clusters			17,594,227	8,287,776	2,473,024	35,370	9,222,054	9,249,564	2,535,904	1,951,372

Berrien Regional Education Service Agency

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Program Title/Project Number/Subrecipient Name	Assistance Listing Number	Pass-through Entity/Identifying Number	Award Amount	(Memo Only) Prior Years Expenditures	Accrued (Deferred) Revenue at July 1, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2024	Current Year Cash Transferred to Subrecipients
Other federal awards:										
U.S. Department of Education -										
Passed through the Michigan Department of Education:										
Title I, Part A Grants to Local Education Agencies:										
Project number 241570/2324	84.010	241570 2324	1,019,163	-	-	-	207,880	862,953	655,073	528,550
Project number 231570/2223	84.010	231570 2223	724,071	608,237	608,237	-	616,317	8,080	-	-
Total Title I, Part A	84.010		1,743,234	608,237	608,237	-	824,197	871,033	655,073	528,550
Title I, Part D State Agency Program for Neglected and Delinquent Children and Youth:										
Project number 241700 2324	84.013	241700 2324	194,207	-	-	-	40,204	104,116	63,912	-
Project number 231700 2223	84.013	231700 2223	233,976	157,675	62,991	-	92,255	29,264	-	-
Total Title I, Part D	84.013		428,183	157,675	62,991	-	132,459	133,380	63,912	-
Early Intervention Services - Grants for Infants and Families (IDEA):										
COVID-19 Project number 221283 2122	84.181X	221283-EOARP	90,279	73,217	73,217	-	90,279	17,062	-	-
Project number 241340 2324	84.181	241340 2324	201,662	-	-	-	113,041	201,662	88,621	-
Project number 231340 2223	84.181	231340 2223	187,340	187,340	45,951	-	45,951	-	-	-
Total Early Intervention Services (IDEA)	84.181		479,281	260,557	119,168	-	249,271	218,724	88,621	-
Education Stabilization Fund (ESF) -										
COVID-19 ARP Homeless Children and Youth 211013 2223	84.425W	211013-2223	200,294	25,812	25,812	-	25,812	140,986	140,986	-
Education for Homeless Children and Youth:										
Project number 242320 2324	84.196	242320 2324	153,817	-	-	-	9,325	59,880	50,555	346
Project number 232320 2223	84.196	232320 2223	201,794	150,318	20,500	-	32,148	11,648	-	3,867
Total Education for Homeless Children and Youth	84.196		355,611	150,318	20,500	-	41,473	71,528	50,555	4,213
Career and Technical Education - Basic Grants to States:										
CTE Perkins 243520/241219	84.048A	243520/241219	906,318	-	-	-	572,063	906,318	334,255	507,484
CTE Perkins 233520/231219	84.048	233520/231219	726,741	726,741	154,099	-	154,099	-	-	-
Total Career and Technical Education	84.048		1,633,059	726,741	154,099	-	726,162	906,318	334,255	507,484
Total U.S. Department of Education noncluster programs			4,839,662	1,929,340	990,807	-	1,999,374	2,341,969	1,333,402	1,040,247
U.S. Department of Health and Human Services -										
Passed through the Michigan Department of Education:										
Health Resource Advocates Grant	93.323	232810 HRA2023	224,000	224,000	13,590	-	13,590	-	-	-
Every Student Succeeds/Preschool Development Grants - PDG B-5 Literacy Support	94.434	223962 PDGB54.13	180,000	131,456	-	-	48,544	48,544	-	-
Total federal awards			\$ 22,837,889	\$ 10,572,572	\$ 3,477,421	\$ 35,370	\$ 11,283,562	\$ 11,640,077	\$ 3,869,306	\$ 2,991,619

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

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, 2024. 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, 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 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, 2024 is included in the schedule of expenditures of federal awards.

Note 5 - Adjustments and Transfers

During the year ended June 30, 2024, there were adjustments of \$35,370 in the Special Education Preschool Incentive grant (ALN 84.173) reflecting adjustments made during the year for prior year payments recaptured. There was also the following transfer identified:

<u>Transferred From</u>	<u>Amount</u>	<u>Transferred To</u>
Special Education Grants to States (ALN 84.027) IDEA Flowthrough 240450 2324 \$	20	Special Education Grants to States (ALN 84.027) IDEA Flowthrough 230450 2223

Berrien Regional Education Service Agency

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 6 - Federal Awards Provided to Subrecipients

The expenditures related to federal awards provided to subrecipients for the year ended June 30, 2024 are as follows:

Program Title/Subrecipient Name	ALN	Program Number	Current Year Cash Transferred to Subrecipient
Career and Technical Education - Basic Grants to States - Passed through to:			
Benton Harbor Public Schools	84.048A	243520/241219	\$ 11,105
Benton Harbor Charter Schools			17,073
Brandywine Public Schools			23,766
Bridgman Public School			20,992
Buchanan Public Schools			18,911
Coloma Public Schools			33,301
Countryside Academy			22,841
Lakeshore Public Schools			66,161
Niles Public Schools			54,551
River Valley			4,859
St. Joseph Public Schools			33,818
Heritage Southwest ISD			85,197
Van Buren ISD			114,909
Total Career and Technical Education			507,484
Special Education Grants to States - Passed through to:			
Berrien Springs Public Schools	84.027	240450 2324	317,936
Lakeshore Public Schools			134,808
Niles Public Schools			1,003,779
Total Special Education Grants to States			1,456,523
Special Education Preschool Incentive - Passed through to Coloma Public Schools	84.173	240460 2324	33,945
Medicaid Outreach - Passed through to:			
Benton Harbor Public Schools	93.778	2023-2024	15,308
Benton Harbor Charter			5,301
Berrien Springs Public Schools			77,045
Bridgeman Public Schools			25,998
Bridge Academy			1,410
Buchanan Public Schools			29,098
Coloma Public Schools			57,549
Countryside Academy			8,760
Eau Claire Public Schools			29,072
Lakeshore Public Schools			74,919
New Buffalo Public Schools			5,918
Niles Public Schools			38,863
River School			699
River Valley			5,638
Riverside School			850
St. Joseph Public Schools			55,842
Watervliet Public Schools			28,634
Total Medicaid Outreach			460,904

Title I, Part A Grants to Local Education Agencies - Passed through to:

Berrien Regional Education Service Agency

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 6 - Federal Awards Provided to Subrecipients (Continued)

Program Title/Subrecipient Name	ALN	Program Number	Current Year Cash Transferred to Subrecipient
Benton Harbor Public Schools	84.010	241570 2324	\$ 409,323
Benton Harbor Charter			31,140
Buchanan Public Schools			258
Niles Public Schools			46,972
M.C. Wells			40,857
Total Title I, Part A Grants to Local Education Agencies			528,550
Education for Homeless Children and Youth - Passed through to:			
Brandywine Public Schools	84.196	242320 2324	46
River School			300
Riverside Public Schools		232320 2223	1,736
Heritage Southwest ISD			2,131
Total Education for Homeless Children and Youth			4,213
Total			<u>\$ 2,991,619</u>

Berrien Regional Education Service Agency

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

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
84.027X, 84.027, 84.173 84.048A 84.010	Special Education Cluster Career and Technical Education - Basic Grants to States Title I, Part A Grants to Local Education Agencies	Unmodified Unmodified Unmodified

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

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	