
Berrien Regional Education Service Agency

Federal Awards Supplemental Information
June 30, 2025

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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, 2025 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, 2025, 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, 2025.

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

Plante & Moran, PLLC

December 9, 2025

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 (*Government Auditing Standards*), 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, 2025 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated October 29, 2025.

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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2025-001, 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 requires the auditor to perform limited procedures on the Agency's response to the finding 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 29, 2025

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 the Agency's major federal program for the year ended June 30, 2025. 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, 2025.

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 program.

To the Board of Education
Berrien Regional Education Service Agency

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

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, and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2025-002 to be a material weakness.

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 of those charged with governance.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the internal control over compliance finding 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 compliance, and, accordingly, we express no opinion on it.

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

December 9, 2025

Berrien Regional Education Service Agency

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Program Title/Project Number/Subrecipient Name	Assistance Listing Number	Pass-through Entity/Identifying Number	Award Amount	(Memo Only) Prior Years Expenditures	Accrued Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2025	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 2024-2025	10.555	N/A	\$ 23,456	\$ -	\$ -	\$ -	\$ 23,456	\$ 23,456	\$ -	\$ -
Cash assistance:										
National School Lunch Program:										
National School Lunch Program	10.555	251960	103,468	-	-	-	101,094	103,468	2,374	-
National School Lunch Program	10.555	241960	<u>120,317</u>	<u>99,550</u>	<u>2,364</u>	-	<u>23,131</u>	<u>20,767</u>	-	-
Total National School Lunch Program (incl. commodities)	10.555		247,241	99,550	2,364	-	147,681	147,691	2,374	-
School Breakfast Program	10.553	251970	64,043	-	-	-	61,939	64,043	2,104	-
School Breakfast Program	10.553	241970	<u>14,132</u>	<u>59,730</u>	<u>1,982</u>	-	<u>14,132</u>	<u>12,150</u>	-	-
Total School Breakfast Program	10.553		<u>78,175</u>	<u>59,730</u>	<u>1,982</u>	-	<u>76,071</u>	<u>76,193</u>	<u>2,104</u>	-
Total Child Nutrition Cluster			325,416	159,280	4,346	-	223,752	223,884	4,478	-
Special Education Cluster - U.S. Department of Education -										
Passed through the Michigan Department of Education:										
Special Education Grants to States:										
IDEA Flowthrough Project number 250450 2425	84.027	250450 2425	7,527,409	-	-	-	5,102,312	7,293,241	2,190,929	2,580,033
IDEA Flowthrough Project number 240450 2324	84.027	240450 2324	7,482,007	7,460,954	2,336,265	21,073	2,357,338	-	-	-
IDEA Flowthrough Project number 250493 2324	84.027	250493 2425	<u>172,600</u>	-	-	-	-	<u>172,600</u>	<u>172,600</u>	-
Total Special Education IDEA Flowthrough	84.027		15,182,016	7,460,954	2,336,265	21,073	7,459,650	7,465,841	2,363,529	2,580,033
Special Education Preschool Incentive -										
IDEA Preschool Project number 240460 2324	84.173	240460 2324	<u>363,344</u>	<u>229,238</u>	<u>195,293</u>	-	<u>195,293</u>	<u>134,106</u>	<u>134,106</u>	<u>47,418</u>
Total Special Education Cluster			15,545,360	7,690,192	2,531,558	21,073	7,654,943	7,599,947	2,497,635	2,627,451
Medicaid Cluster - U.S. Department of Health and Human Services -										
Passed through the Michigan Department of Community Health -										
Medicaid Outreach - 2024-2025	93.778	N/A	<u>403,235</u>	-	-	-	<u>403,235</u>	<u>403,235</u>	-	<u>550,602</u>
Total clusters			16,274,011	7,849,472	2,535,904	21,073	8,281,930	8,227,066	2,502,113	3,178,053

Berrien Regional Education Service Agency

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Program Title/Project Number/Subrecipient Name	Assistance Listing Number	Pass-through Entity/Identifying Number	Award Amount	(Memo Only) Prior Years Expenditures	Accrued Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipients
Other federal awards:										
U.S. Department of the Agriculture -										
Passed through the Michigan Department of Education -										
Local Food for Schools Cooperative Agreement Program	10.185	221991	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -
U.S. Department of Education:										
Passed through the Michigan Department of Education:										
Title I, Part A Grants to Local Education Agencies:										
Project number 251570 2425	84.010	251570 2425	1,046,876	-	-	-	371,162	884,723	513,561	1,260,069
Project number 241570 2324	84.010	241570 2324	<u>1,019,163</u>	<u>862,953</u>	<u>655,073</u>	-	<u>655,073</u>	-	-	-
Total Title I, Part A	84.010		2,066,039	862,953	655,073	-	1,026,235	884,723	513,561	1,260,069
Title I, Part D State Agency Program for Neglected and Delinquent Children and Youth:										
Project number 251700 2425	84.013	251700 2425	159,618	-	-	-	41,164	96,465	55,301	-
Project number 241700 2324	84.013	241700 2324	<u>194,207</u>	<u>104,116</u>	<u>63,912</u>	-	<u>83,610</u>	<u>19,698</u>	-	-
Total Title I, Part D	84.013		353,825	104,116	63,912	-	124,774	116,163	55,301	-
Career and Technical Education - Basic Grants to States:										
CTE Perkins 253520 251219	84.048A	253520/251219	705,513	-	-	-	591,606	705,513	113,907	727,800
CTE Perkins 243520 241219	84.048A	243520/241219	<u>906,318</u>	<u>906,318</u>	<u>334,255</u>	-	<u>334,255</u>	-	-	-
Total Career and Technical Education	84.048		1,611,831	906,318	334,255	-	925,861	705,513	113,907	727,800
Early Intervention Services - Grants for Infants and Families (IDEA):										
Project number 251340 2425	84.181	251340 2425	195,539	-	-	-	98,385	195,539	97,154	-
Project number 241340 2324	84.181	241340 2324	<u>201,662</u>	<u>201,662</u>	<u>88,621</u>	-	<u>88,621</u>	-	-	-
Total Early Intervention Services (IDEA)	84.181		397,201	201,662	88,621	-	187,006	195,539	97,154	-
Education for Homeless Children and Youth:										
Project number 252320 2425	84.196	252320 2425	299,825	-	-	-	63,813	167,517	103,704	3,801
Project number 242320 2324	84.196	242320 2324	<u>153,817</u>	<u>59,880</u>	<u>50,555</u>	-	<u>57,133</u>	<u>6,578</u>	-	<u>8,353</u>
Total Education for Homeless Children and Youth	84.196		453,642	59,880	50,555	-	120,946	174,095	103,704	12,154
Student Support and Academic Enrichment Program:										
Project Number 240770 2324	84.424	240770 2324	123,000	-	-	-	122,465	122,465	-	-
Project Number 240775 2025	84.424	240775 2025	10,000	-	-	3,259	-	4,796	8,055	-
Project Number 230775 2024	84.424	230775 2024	<u>20,000</u>	-	-	-	<u>20,000</u>	<u>20,000</u>	-	-
Total Student Support and Academic Enrichment Program	84.424		153,000	-	-	3,259	142,465	147,261	8,055	-

Berrien Regional Education Service Agency

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Program Title/Project Number/Subrecipient Name	Assistance Listing Number	Pass-through Entity/Identifying Number	Award Amount	(Memo Only) Prior Years Expenditures	Accrued Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
U.S. Department of Education (continued) -										
Passed through the Michigan Department of Education (continued):										
Education Stabilization Fund (ESF):										
COVID-19 ARP Project number 211012 2122	84.425W	211012-2122	\$ 27,100	\$ -	\$ -	\$ -	\$ 27,100	\$ 27,100	\$ -	\$ -
COVID-19 ARP Project number 211013 2223	84.425W	211013-2223	200,294	140,986	140,986	-	174,483	38,570	5,073	-
COVID-19 ARP Project number 221037 2324	84.425V	221037 2324	<u>6,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,351</u>	<u>6,351</u>	<u>-</u>	<u>-</u>
Total Education Stabilization Fund (ESF)	84.425		<u>233,925</u>	<u>140,986</u>	<u>140,986</u>	<u>-</u>	<u>207,934</u>	<u>72,021</u>	<u>5,073</u>	<u>-</u>
Total U.S. Department of Education noncluster programs			5,269,463	2,275,915	1,333,402	3,259	2,735,221	2,295,315	896,755	2,000,023
U.S. Department of the Treasury -										
Passed through the Michigan Department of Education -										
Coronavirus State and Local Fiscal Recovery Funds	21.027	232425/2223	<u>892,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,786</u>	<u>401,786</u>	<u>-</u>	<u>-</u>
Total federal awards			<u>\$ 22,461,331</u>	<u>\$ 10,125,387</u>	<u>\$ 3,869,306</u>	<u>\$ 24,332</u>	<u>\$ 11,443,937</u>	<u>\$ 10,949,167</u>	<u>\$ 3,398,868</u>	<u>\$ 5,178,076</u>

Berrien Regional Education Service Agency

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

Year Ended June 30, 2025

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 8,044,692
State revenue reported as federal revenue	(105,754)
Add grant expenditures incurred in the current year but not recognized for basic financial statement purposes as not meeting the available criteria of GASB Statement No. 33 in the current year	<u>3,010,229</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 10,949,167</u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

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, 2025. 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 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 to which the payments relate.

Note 4 - Adjustments and Transfers

During the year ended June 30, 2025, there was an adjustment of \$3,259 within ALN 84.424, Project 240775, to account for federal revenue in fiscal year 2025 that relates to federal expenditures incurred in a previous fiscal year, not previously reported on the Schedule. There was also an adjustment of \$21,073 within ALN 84.027, Project 240450, to account for proportionate share federal revenue in fiscal year 2025 that relates to federal expenditures incurred in a previous fiscal year, not previously reported on the Schedule.

Note 5 - 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, 2025 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, 2025

Note 6 - Federal Awards Provided to Subrecipients

The expenditures related to federal awards provided to subrecipients for the year ended June 30, 2025 are as follows:

Program Title/Subrecipient Name	ALN	Program Number	Current Year Cash Transferred to Subrecipients
Career and Technical Education - Basic Grants to States - Passed through to:			
Benton Harbor Public Schools	84.048A	253520/251219	\$ 23,238
Berrien Springs Public Schools			9,765
Brandywine Public Schools			22,567
Bridgman Public Schools			5,448
Buchanan Public Schools			17,338
Coloma Public Schools			26,924
Countryside Academy			9,286
Lakeshore Public Schools			29,223
Niles Public Schools			46,993
River Valley			3,670
St. Joseph Public Schools			33,818
Heritage Southwest ISD			215,547
Van Burren ISD			283,983
Total Career and Technical Education			727,800
Special Education Grants to States - Passed through to:			
Berrien Springs Public Schools	84.027	250450 2425	724,012
Lakeshore Public Schools			558,528
Niles Public Schools			1,276,189
Watervliet Public Schools			21,304
Total Special Education Grants to States			2,580,033
Special Education Preschool Incentive - Passed through to - Coloma Public Schools			
			47,418
Medicaid Outreach - Passed through to:			
Benton Harbor Public Schools	93.778	2024-2025	20,068
Benton Harbor Charter			6,759
Berrien Springs Public Schools			98,081
Bridgman Public Schools			34,713
Bridge Academy			1,811
Buchanan Public Schools			42,793
Coloma Public Schools			52,290
Countryside Academy			12,452
Eau Claire Public Schools			23,325
Lakeshore Public Schools			90,162
New Buffalo Public Schools			8,344
Niles Public Schools			50,954
River School			1,132
River Valley			7,439
Riverside School			1,164
St. Joseph Public Schools			61,214
Watervliet Public Schools			37,901
Total Medicaid Outreach			550,602

Berrien Regional Education Service Agency

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Note 6 - Federal Awards Provided to Subrecipients (Continued)

Program Title/Subrecipient Name	ALN	Program Number	Current Year Cash Transferred to Subrecipients
Title I, Part A Grants to Local Education Agencies - Passed through to:			
Benton Harbor Public Schools	84.010	251570 2425	\$ 834,752
Benton Harbor Charter			134,401
Buchanan Public Schools			33,712
Niles Public Schools			33,813
M.C. Wells			<u>223,391</u>
Total Title I, Part A Grants to Local Education Agencies			1,260,069
Education for Homeless Children and Youth - Passed through to:			
Bridgman Public Schools	84.196	252320 2425	1,884
Countryside Academy		252320 2425	1,918
River School		242320 2324	4,348
Riverside School		242320 2324	457
Heritage Southwest ISD		242320 2324	<u>3,547</u>
Total Education for Homeless Children and Youth			<u>12,154</u>
Total			<u><u>\$ 5,178,076</u></u>

Schedule of Findings and Questioned Costs

Berrien Regional Education Service Agency

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

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? X Yes 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)? X Yes No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
84.027, 84.173	Special Education Cluster	Unmodified

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

Auditee qualified as low-risk auditee? Yes X No

Berrien Regional Education Service Agency

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section II - Financial Statement Audit Findings

Reference Number	Finding
2025-001	<p data-bbox="362 531 773 556">Finding Type - Material weakness</p> <p data-bbox="362 581 1479 669">Criteria - The Agency's internal control structure should ensure that accounting data is properly calculated, reconciled on a timely basis, and reported across all accounting cycles in accordance with generally accepted accounting principles (GAAP).</p> <p data-bbox="362 695 1479 842">Condition - The Agency did not accurately reconcile activity throughout various accounting cycles. The Agency is required to ensure the balance sheet and income statement activity is accurately reconciled. As a result, adjustments to various accounts, including cash, account receivables, account payables, interfund activity, accrued liabilities, unearned revenue, deferred inflows, revenue, and expenditures, were identified and proposed by the auditors.</p> <p data-bbox="362 867 1479 982">Context - This issue was identified across various cycles and affected the preparation of the financial statements. There were multiple instances where account balances were misstated due to unreconciled accounts and several correcting entries were proposed during the audit process.</p> <p data-bbox="362 1008 1479 1064">Cause - The Agency did not complete accurate account reconciliations across multiple accounting cycles due to staff turnover during critical year-end closing procedures.</p> <p data-bbox="362 1089 1479 1146">Effect - Prior to the adjustments, the cycles did not have accurate balances in accordance with GAAP.</p> <p data-bbox="362 1171 1479 1255">Recommendation - We recommend the Agency implement procedures and controls to ensure that financial records are maintained in accordance with generally accepted accounting principles.</p> <p data-bbox="362 1281 1479 1392">Views of Responsible Officials and Planned Corrective Actions - The Agency agrees with the recommendations above and has recorded all adjusting journal entries. The Agency will implement procedures and controls to ensure year-end reconciliation's are prepared and agree to underlying records before the annual audit.</p>

Berrien Regional Education Service Agency

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2025-002	<p>Assistance Listing Number, Federal Agency, and Program Name - 84.027, 84.173, Department of Education, Special Education Cluster</p> <p>Federal Award Identification Number and Year - 250450 2425, 250493 2425</p> <p>Pass-through Entity - Michigan Department of Education</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - Per 2 CFR 200.430, costs charged to federal awards must be allowable, allocable, and reasonable for the performance of the award. Payroll costs must be supported by appropriate documentation and reflect work performed for the federal program.</p> <p>Condition - The fiscal year 2025 schedule of federal expenditures of federal awards (SEFA) that was initially provided to the auditors included payroll and fringe expenses that were incorrectly coded to the grant.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs are Not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could Not be Reported - N/A</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - Within the Special Education Cluster, prior to submission of reimbursement requests, three employee's time was coded to the Special Education Cluster when these employees were not eligible to be covered by the grant funds. Additionally, one employee's time that should have been coded to the grant based on qualifications was not coded to the grant.</p> <p>Cause and Effect - Although identified prior to submission of request for reimbursement from the granting agency, the Agency did not perform a timely reconciliation of the listing of grant eligible employees to those employees that were being coded to the Special Education Cluster in the general ledger, causing expenses for the Special Education Cluster to be misstated on the draft SEFA initially provided to the auditors.</p> <p>Recommendation - The Agency should put in place processes to ensure that a timely reconciliation of the listing of grant eligible employees to those employees that were being coded to the Special Education Cluster in the general ledger is performed during reviews of each reimbursement request.</p> <p>Views of Responsible Officials and Corrective Action Plan - The Agency agrees with the recommendations above and will implement a process to ensure that a reconciliation of the listing of grant eligible employees to those employees that were being coded to the Special Education Cluster in the general ledger is performed.</p>	None