

CLINTONDALE COMMUNITY SCHOOLS

SINGLE AUDIT REPORT

JUNE 30, 2025

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CLINTONDALE COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass - Through Grantor/ Program Title	Federal ALN	Pass- Through Project Number	Approved Grant Award Amount	Accrued (Unearned) Revenue July 1, 2024	Prior Year Expenditures	Current Year Expenditures	Adjustments Prior Years	Current Year Cash/ Payment In Kind Received	Accrued (Unearned) Revenue June 30, 2025
<u>U.S. DEPARTMENT OF EDUCATION</u>									
Passed Through Michigan Department of Education:									
Title I Grants to Local Educational Agencies:	84.010								
ESEA Title I - Regular (22-23)		241530-2324	\$952,701	\$0	\$453,428	\$376,801	\$0	\$432,746	(\$55,945)
ESEA Title I - Regular (22-23)		251530-2425	965,878	0	0	639,000	0	639,000	0
Passed Through Macomb ISD:									
Title I - Regional Assistance Grant (23-24)	84.010	241570-2334	70,336	21,633	91,395	10,648	0	32,281	0
Title I - Regional Assistance Grant (24-25)	84.010	251570-2425	84,772	0	0	82,578	0	80,283	2,295
Total ALN 84.010			\$2,073,687	\$21,633	\$544,823	\$1,109,027	\$0	\$1,184,310	(\$53,650)
Title II - Supporting Effective Instruction									
Title IIA (23-24)	84.367	240520-2324	140,503	0	73,227	54,746	0	54,746	0
Title IIA (24-25)		250520-2425	107,022	0	0	36,753	0	36,753	0
Total ALN 84.367			\$247,525	\$0	\$73,227	\$91,499	\$0	\$91,499	\$0
Student Support & Academic Achievement									
Title IV (23-24)	84.424	240750-2324	80,079	0	11,057	21,544	0	21,544	0
Education Stabilization Fund									
Covid 19 - ARP ESSER III Formula Funds	84.425U	213713-2122	6,221,412	0	5,733,372	404,906	0	488,040	(83,134)
Covid 19 - EANS II Section 11bb	84.425V	221037-2324	56,547	0	0	56,547	0	56,547	0
Covid-19 - ARP Homeless II	84.425W	211012-2122	38,565	(14,406)	12,402	26,163	0	11,757	0
Total ALN 84.425			\$6,316,524	(\$14,406)	\$5,745,774	\$487,616	\$0	\$556,344	(\$83,134)
Passed Through Macomb ISD:									
Special Education - Grants to States:	84.027								
IDEA Flowthrough (23-24)		240450-2324	571,000	211,111	563,866	7,134	0	218,245	0
IDEA Flowthrough (24-25)		250450-2425	631,172	0	0	631,172	0	457,555	173,617
Total ALN 84.027			\$1,202,172	\$211,111	\$563,866	\$638,306	\$0	\$675,800	\$173,617
Special Education - Preschool Grants									
IDEA PPI (23-24)	84.173	240460-2324	19,376	5,969	19,376	0	0	5,969	0
Total Special Education Cluster			\$1,221,548	\$217,080	\$583,242	\$638,306	\$0	\$681,769	\$173,617

CLINTONDALE COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass - Through Grantor/ Program Title	Federal ALN	Pass- Through Project Number	Approved Grant Award Amount	Accrued (Unearned) Revenue July 1, 2024	Prior Year Expenditures	Current Year Expenditures	Adjustments Prior Years	Current Year Cash/ Payment In Kind Received	Accrued (Unearned) Revenue June 30, 2025
<u>U.S. DEPARTMENT OF EDUCATION(Continued)</u>									
Passed Through Macomb ISD:									
Vocational Education - Grants to States - Perkins:	84.048								
Vocational Education - Grants to States (23-24)		243520-241216	\$24,214	\$14,086	\$24,214	\$0	\$0	\$14,086	\$0
Vocational Education - Grants to States (24-25)		253520-251216	18,000	0	0	18,000	0	18,000	0
Total ALN 84.048			<u>\$42,214</u>	<u>\$14,086</u>	<u>\$24,214</u>	<u>\$18,000</u>	<u>\$0</u>	<u>\$32,086</u>	<u>\$0</u>
<u>TOTAL U.S. DEPARTMENT OF EDUCATION</u>			<u>\$9,981,577</u>	<u>\$238,393</u>	<u>\$6,982,337</u>	<u>\$2,365,992</u>	<u>\$0</u>	<u>\$2,567,552</u>	<u>\$36,833</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>									
Passed Through Michigan Department of Education:									
School Breakfast Program (23-24)	10.553	241970	281,313	50,445	331,758	45,105	0	95,550	0
School Breakfast Program (24-25)	10.553	251970	294,136	0	0	310,165	0	294,136	16,029
Total ALN 10.553			<u>\$575,449</u>	<u>\$50,445</u>	<u>\$331,758</u>	<u>\$355,270</u>	<u>\$0</u>	<u>\$389,686</u>	<u>\$16,029</u>
Non-Cash Assistance									
Entitlement Commodities	10.555	N/A	61,827	0	0	61,827	0	61,827	0
Cash Assistance									
National School Lunch Program (23-24)	10.555	241960	499,215	103,056	602,271	85,093	0	188,149	0
National School Lunch Program (24-25)	10.555	251960	569,697	0	0	591,185	0	569,697	21,488
Total Cash Assistance			<u>\$1,068,912</u>	<u>\$103,056</u>	<u>\$602,271</u>	<u>\$676,278</u>	<u>\$0</u>	<u>\$757,846</u>	<u>\$21,488</u>
Total ALN 10.555			<u>\$1,130,739</u>	<u>\$103,056</u>	<u>\$602,271</u>	<u>\$738,105</u>	<u>\$0</u>	<u>\$819,673</u>	<u>\$21,488</u>
Summer Food Service Program	10.559	240900	12,909	1,270	14,180	11,052	0	12,322	0
Summer Food Service Program	10.559	250900	8,403	0	0	8,403	0	0	8,403
Total ALN 10.559			<u>\$21,312</u>	<u>\$1,270</u>	<u>\$14,180</u>	<u>\$19,455</u>	<u>\$0</u>	<u>\$12,322</u>	<u>\$8,403</u>
Total Nutrition Cluster			<u>\$1,727,500</u>	<u>\$154,771</u>	<u>\$948,209</u>	<u>\$1,112,830</u>	<u>\$0</u>	<u>\$1,221,681</u>	<u>\$45,920</u>
CACFP Meals	10.558								
CACFP Meals (23-24)		241920	42,146	6,640	48,786	18,811	0	25,451	0
CACFP - Cash in Lieu (23-24)		242010	2,978	532	3,510	1,887	0	2,419	0
CACFP Meals (24-25)		251920	114,381	0	0	125,062	0	114,381	10,681
CACFP - Cash in Lieu (24-25)		252010	8,378	0	0	8,975	0	8,378	597
Total CACFP Meals			<u>\$167,883</u>	<u>\$7,172</u>	<u>\$52,296</u>	<u>\$154,735</u>	<u>\$0</u>	<u>\$150,629</u>	<u>\$11,278</u>
<u>TOTAL U.S. DEPARTMENT OF AGRICULTURE</u>			<u>\$1,895,383</u>	<u>\$161,943</u>	<u>\$1,000,505</u>	<u>\$1,267,565</u>	<u>\$0</u>	<u>\$1,372,310</u>	<u>\$57,198</u>
<u>TOTAL FEDERAL AWARDS</u>			<u>\$11,876,960</u>	<u>\$400,336</u>	<u>\$7,982,842</u>	<u>\$3,633,557</u>	<u>\$0</u>	<u>\$3,939,862</u>	<u>\$94,031</u>

CLINTONDALE COMMUNITY SCHOOLS
NOTES/RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

FEDERAL REVENUE RECOGNIZED FOR THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS

\$3,633,557

FEDERAL REVENUE RECOGNIZED PER THE GENERAL
PURPOSE FINANCIAL STATEMENTS

General Fund
School Service Fund

\$2,365,992
1,267,565

TOTAL

\$3,633,557

- 1) Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Clintondale Community Schools for the year ended June 30, 2025.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Clintondale Community Schools, it is not intended to and does not present the financial position or changes in net position of Clintondale Community Schools.

Management has utilized the NexSys System in preparing the Schedule of Expenditures of Federal Awards. All differences between the Schedule of Expenditures of Federal Awards and the Grant Auditor's Report have been reconciled in the attached reconciliation on page 4 of this report.

The District did not qualify for low-risk auditee status.

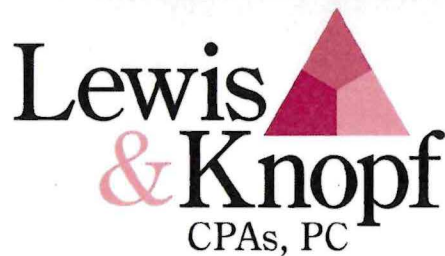
- 2) Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Expenditures are recognized following the cost principles in the Uniform Guidance as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The District has elected not to use the 10 percent de minimis indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

- 3) Noncash Assistance - The value of noncash assistance received was determined in accordance with the provisions of the Uniform Guidance. The grantee received no noncash assistance during the year ended June 30, 2025 that is not included on the schedule of expenditures of federal awards.
- 4) The District did not pass-through any federal awards to sub recipients.

CLINTONDALE COMMUNITY SCHOOLS
RECONCILIATION OF FORM "GRANT AUDITOR'S REPORT"
TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Current Payments Per the Grant Auditor's Report		
NexSys System		\$3,051,616
<u>Add:</u> Grants Passed Through Macomb ISD:		
Title I - Regional Assistance Grant (ALN 84.010)	\$112,564	
Special Education Grants (ALN 84.027)	675,800	
Special Education - Preschool Grants (ALN 84.173)	5,969	
Vocational Education - Grants to States - Perkins (ALN 84.048)	32,086	
Total Grants Passed Through Macomb ISD		826,419
Entitlement Commodities		<u>61,827</u>
<u>TOTAL CURRENT YEAR RECEIPTS PER SCHEDULE OF</u>		
<u>EXPENDITURES OF FEDERAL AWARDS</u>		<u>\$3,939,862</u>



December 2, 2025

**INDEPENDENT AUDITOR'S 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**

To the Board of Education of
Clintondale Community Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clintondale Community Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Clintondale Community Schools' basic financial statements, and have issued our report thereon dated December 2, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clintondale Community Schools' 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 Clintondale Community Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Clintondale Community Schools' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clintondale Community Schools financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2025-001.

Clintondale Community Schools Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



December 2, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education of
Clintondale Community Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clintondale Community Schools compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Clintondale Community Schools' major federal programs for the year ended June 30, 2025. Clintondale Community Schools' 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, Clintondale Community Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; 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 Clintondale Community Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Clintondale Community Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Clintondale Community Schools' 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 Clintondale Community Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 Clintondale Community Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Clintondale Community Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Clintondale Community Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Clintondale Community Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items (2025-002, 2025-003 and 2025-004). Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Clintondale Community Schools' response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Clintondale Community Schools' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items (2025-002, 2025-003 and 2025-004) to be material weaknesses.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on Clintondale Community Schools' response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Clintondale Community Schools' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clintondale Community Schools, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise Clintondale Community Schools' basic financial statements. We issued our report thereon dated December 2, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

CLINTONDALE COMMUNITY SCHOOLS
SUMMARY 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? ☒ Yes ☐ No
- Significant deficiency (ies) identified? ☐ Yes ☒ No

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency (ies) identified? ☐ Yes ☒ 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 ☐ No

Identification of major programs:

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I
84.027/84.173	Special Education Cluster

Dollar threshold use to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

CLINTONDALE COMMUNITY SCHOOLS
SUMMARY OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2025-001 (Repeat Finding)

Criteria: Auditing standards emphasize that management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows (where applicable), including the notes to the financial statements, in conformity with U.S. generally accepted accounting principles (GAAP).

Condition: Material journal entries for the proper recognition of grant revenue and related amounts due to/from other governmental units were proposed by the auditors. These misstatements were not detected by the District's internal control over financial reporting. These entries were brought to the attention of management and were subsequently recorded in the District's general ledger.

Cause: The District hired a new interim CFO and she is continuing to learn and understand school district accounting.

Effect: Prior to the audit adjustments, the financial statements were materially misstated and budget variances and violations could occur due to inadequate records and monitoring.

Recommendation: We recommend that the interim CFO attend training and consult advisors as needed to ensure year-end records are properly adjusted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2025-002

Program Name – Title I (ALN 84.010)

Pass-through Entity – Michigan Department of Education

Finding Type – Cash Management (Material Weakness)

Criteria – Requests for cash reimbursements for the program should not occur before expenditures have been incurred.

Condition – The District requested cash reimbursement in excess of expenditures for the program listed above.

Questioned Costs – \$55,945

Context – The District had requested cash reimbursement without first incurring the necessary expenditures.

Cause/Effect – The District requested cash in excess of expenditures in the amount of \$55,945.

Recommendation – We recommend that the district has an additional responsible party who has knowledge of the grant review the transactions and any adjustments to the amounts charged to the grant before reimbursement requests are made.

Views of responsible official(s) of the auditee – See corrective action plan.

CLINTONDALE COMMUNITY SCHOOLS
SUMMARY OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2025-003

Program Name – ESSER III Formula (ALN 84.425U)

Pass-through Entity – Michigan Department of Education

Finding Type – Allowable Costs (Material Weakness)

Criteria – The district did not fully liquidate expenditures by 12/30/24.

Condition – The district prepaid for professional development that never occurred. The vendor never received payment and instead applied the payment to a replacement service that occurred after the 12/30/24 deadline.

Questioned Costs – \$56,400

Context – The district prepaid for professional development that never occurred. The vendor never received payment and instead applied the payment to a replacement service that occurred after the 12/30/24 deadline.

Cause/Effect – The District requested cash reimbursement based upon unallowable costs.

Recommendation – We recommend that the district has an additional responsible party who has knowledge of the grant review the transactions and any adjustments to the amounts charged to the grant before reimbursement requests are made.

Views of responsible official(s) of the auditee – See corrective action plan.

Finding 2025-004

Program Name – ESSER III Formula (ALN 84.425U)

Pass-through Entity – Michigan Department of Education

Finding Type – Cash Management (Material Weakness)

Criteria – Requests for cash reimbursements for the program should not occur before expenditures have been incurred.

Condition – The District requested cash reimbursement in excess of expenditures for the program listed above.

Questioned Costs – \$26,734

Context – The district did not properly identify expenditures by state & responsibility code and received revenue in excess of expenditures for the program noted above.

Cause/Effect – The District requested cash in excess of expenditures in the amount of \$26,734.

Recommendation – We recommend that the district has an additional responsible party who has knowledge of the grant review the transactions and any adjustments to the amounts charged to the grant before reimbursement requests are made.

Views of responsible official(s) of the auditee – See corrective action plan.

CLINTONDALE COMMUNITY SCHOOLS
STATUS OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2024-001

Criteria: Auditing standards emphasize that management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows (where applicable), including the notes to the financial statements, in conformity with U.S. generally accepted accounting principles (GAAP).

Condition: Material journal entries for the proper recognition of grant revenue and related amounts due to/from other governmental units were proposed by the auditors. These misstatements were not detected by the District's internal control over financial reporting. These entries were brought to the attention of management and were subsequently recorded in the District's general ledger.

Cause: The District hired a new interim CFO and she is continuing to learn and understand school district accounting.

Effect: Prior to the audit adjustments, the financial statements were materially misstated and budget variances and violations could occur due to inadequate records and monitoring.

Recommendation: We recommend that the interim CFO attend training and consult advisors as needed to ensure year-end records are properly adjusted.

Status:

Repeat Finding

Finding 2024-002

Finding Type – Material Weakness in Internal Control over Financial Reporting

Criteria – The statute or regulation requires that a school district must prepare a budget for the general fund and any special revenue fund it may utilize.

Condition – The District failed to complete initial budget for 2024-25 school year for Food Service Revenue, child care and student activity fund (special revenue funds).

Cause/Effect – The District hired a new interim CFO and she is continuing to learn and understand school district accounting. The budgets were prepared for 2023-2024 school year. Lack of budgeting can contribute to misuse of limited school funds and excess expenditures.

Recommendation: We recommend that the interim CFO attend training and consult advisors as needed to ensure year-end records are properly adjusted.

Status:

This was corrected.

CLINTONDALE COMMUNITY SCHOOLS
STATUS OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2025

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2024-003

Program Name – ARP Homeless II (ALN 84.425W)

Pass-through Entity – Michigan Department of Education

Finding Type – Cash Management (Material Weakness)

Criteria – Requests for cash reimbursements for the program should not occur before expenditures have been incurred. Amounts for related expenditures were requested before they were actually incurred.

Condition – The District requested cash reimbursement in excess of expenditures for the program listed above.

Questioned Costs – \$14,406

Context – The District had requested cash reimbursement without first incurring the necessary expenditures.

Cause/Effect – The District requested cash in excess of expenditures in the amount of \$14,406.

Recommendation: We recommend that the District has an additional responsible party who has knowledge of the grant review the transactions and any adjustments to the amounts charged to the grant before reimbursement requests are made

Status:

This was corrected.

Finding 2024-004

Program Name – IDEA Flowthrough (ALN 84.173)

Pass-through Entity – Macomb ISD

Finding Type – Cash Management (Significant Deficiency)

Criteria – Requests for cash reimbursements for the program should not occur before expenditures have been incurred. Amounts for payroll related expenditures were requested before they were actually incurred.

Condition – The District requested cash reimbursement in excess of expenditures for the program listed above.

Questioned Costs – \$7,134

Context – Subsequent to the final draw request, the District posted journal entries to remove 147c retirement expenses that were accrued. This resulted in a reduction of total Flowthrough expenses that caused the grant revenues to be greater than expenses.

CLINTONDALE COMMUNITY SCHOOLS
STATUS OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2025

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Cause/Effect – The District requested cash in excess of expenditures in the amount of \$7,134.

Recommendation: We recommend that the District has an additional responsible party who has knowledge of the grant review the transactions and any adjustments to the amounts charged to the grant before reimbursement requests are made.

Status:

This was corrected.

Finding 2024-005

Program Name – ESSER III - Formula (ALN 84.425U)

Pass-through Entity – Michigan Department of Education

Finding Type – Procurement (Material Weakness)

Criteria – The statute or regulation requires that federal funds be managed in a manner that ensures full and open competition (e.g., 2 CFR Part 200.320 - Methods of Procurement for Federal Awards). The entity failed to meet this requirement by not putting the project out to bid as mandated by federal procurement standards.

Condition – The District failed to properly bid out their playground project.

Questioned Costs – \$487,116

Context – Due to a lack of awareness/understanding, internal control deficiency, time constraint or administrative oversight, the district failed to meet the federal bidding requirements.

Cause/Effect – The District incurred expenditures of \$487,116 that were not in compliance with procurement standards resulting from not properly putting the project out to bid.

Recommendation: We recommend that the district has an additional responsible party who has knowledge of federal procurement requirements review all projects to ensure compliance is maintained.

Status:

Waiting on a determination from Michigan Department of Education.



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CLINTONDALE COMMUNITY SCHOOLS CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2025

Clintondale Community Schools respectfully submits the following corrective action plan for the year ended June 30, 2025.

Auditor: Lewis & Knopf, PC
5206 Gateway Centre – Ste 100
Flint, MI 48507

Audit Period: Year ended June 30, 2025

District Contact Person: Kenneth Janczarek, Superintendent

The findings from the June 30, 2025 schedule of findings and responses are discussed below. The findings are numbered consistently with the number assigned in the schedule

Finding - 2025-001 Financial Statement Findings (Repeat Finding)

Recommendation – We recommend that the interim CFO attend training and consult advisors as needed to ensure year-end records are properly adjusted.

Actions to be taken: The District concurs with the audit finding and will implement a standardized month-end close checklist to ensure that all accounts are reconciled within 30 days following month-end. In addition, the District has engaged an external accounting service to assist in strengthening internal controls and implementing best practices to support a successful year end close process and prevent recurrence of this issue in the future.

Anticipated Completion Date: June 30, 2026

Finding - 2025-002 Federal Award Findings and Questioned Costs

Recommendation – We recommend that the district has an additional responsible party who has knowledge of the grant review the transactions and any adjustments to the amounts charged to the grant before reimbursement requests are made.

Actions to be taken: The District concurs with the audit finding and will implement a standardized month-end close checklist to ensure all balance sheet, revenue, and expense accounts associated with federal funds are reconciled within 30 days of month-end. Additionally, the District has engaged an external accounting service to assist with grant review and reconciliation.

Anticipated Completion Date: June 30, 2026

Finding - 2025-003 Federal Award Findings and Questioned Costs

Recommendation – We recommend that the district has an additional responsible party who has knowledge of the grant review the transaction and any adjustments to the amounts charged to the grant before reimbursement requests are made.

Actions to be taken: The District concurs with the audit finding and will implement a standardized month-end close checklist to ensure all balance sheet, revenue, and expense accounts associated with federal funds are reconciled within 30 days of month-end. Additionally, the District has engaged an external accounting service to assist with grant review and reconciliation.

Anticipated Completion Date: June 30, 2026

Finding - 2025-004 ESSER III Formula

Recommendation – We recommend that the district has an additional responsible party who has knowledge of the grant review the transaction and any adjustments to the amounts charged to the grant before reimbursement requests are made.

Actions to be taken: The District concurs with the audit finding and will implement a standardized month-end close checklist to ensure all balance sheet, revenue, and expense accounts associated with federal funds are reconciled within 30 days of month-end. Additionally, the District has engaged an external accounting service to assist with grant review and reconciliation.

Anticipated Completion Date: June 30, 2026