

**EVART PUBLIC SCHOOLS**

**EVART, MICHIGAN**

**SINGLE AUDIT**

**JUNE 30, 2020**



**Baird, Cotter & Bishop, P.C.**  
SERVING YOUR PAST, PRESENT & FUTURE

CERTIFIED PUBLIC ACCOUNTANTS  
134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601 PHONE: (231) 775-9789 FAX: (231) 775-9749  
[www.bcbcpa.com](http://www.bcbcpa.com)



EVART PUBLIC SCHOOLS  
EVART, MICHIGAN

SINGLE AUDIT  
YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>PAGES</u>
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 <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6-7
Notes to Schedule of Expenditures of Federal Awards	8-9
Summary Schedule of Prior Audit Findings	10-11
Schedule of Findings and Questioned Costs	12-13





# Baird, Cotter & Bishop, P.C.

SERVING YOUR PAST, PRESENT & FUTURE

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601 PHONE: (231) 775-9789 FAX: (231) 775-9749

www.bcbcpa.com

October 1, 2020

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  
Evert Public Schools  
Evert, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Evert Public Schools, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Evert Public Schools' basic financial statements, and have issued our report thereon dated October 1, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Evert Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## PURPOSE OF THIS REPORT

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

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*



# Baird, Cotter & Bishop, P.C.

SERVING YOUR PAST, PRESENT & FUTURE

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601 PHONE: (231) 775-9789 FAX: (231) 775-9749  
www.bcbcpa.com

October 1, 2020

## 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  
Evert Public Schools  
Evert, Michigan

### REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Evert Public Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Evert Public Schools' major federal programs for the year ended June 30, 2020. Evert Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of Evert Public Schools' major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Evert Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Evert Public Schools' compliance.

## OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, Evert Public 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, 2020.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of Evert Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Evert Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Evert Public Schools' 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## 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 Evert Public Schools, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Evert Public Schools basic financial statements. We issued our report thereon dated October 1, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the 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.

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.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*

EVART PUBLIC SCHOOLS  
EVART, MICHIGAN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE/ GRANT NUMBER	FEDERAL CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	INVENTORY/ ACCRUED UNEARNED REVENUE JULY 1, 2019	(MEMO ONLY) PRIOR YEAR EXPENDITURES	(A) CURRENT YEAR EXPENDITURES	CURRENT YEAR RECEIPTS (CASH BASIS)	INVENTORY/ ACCRUED UNEARNED REVENUE JUNE 30, 2020	ADJUSTMENTS	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENT
<b>U.S. Department of Education</b>									
Passed Through Michigan Department of Education (M.D.E.)									
Title I Part A Imp Basic Program									
Project No. 201530-1920	84.010	\$ 349,999	\$ 0	\$ 0	\$ 346,579	\$ 290,511	56,068	\$ 0	\$ 0
Project No. 191530-1819	84.010	388,472	35,571	353,018	17,141	52,712	0	0	0
Total Title I Part A		738,471	35,571	353,018	363,720	343,223	56,068	0	0
Education Stabilization Fund									
COVID-19 Elementary and Secondary School Emergency Relief Fund									
Project No. 203710-1920	84.425D	271,452	0	0	271,452	0	271,452	0	0
Title I Part D Prevention/Intervention Program									
Project No. 201700-1920	84.013	9,902	0	0	1,942	1,876	66	0	0
Project No. 191700-1819	84.013	11,730	553	9,008	0	553	0	0	0
Total Title I Part D		21,632	553	9,008	1,942	2,429	66	0	0
Title IV Part A Student Support and Academic Enrichment									
Project No. 190750-1819	84.424	25,241	5,703	24,324	0	5,703	0	0	0
Project No. 200750-1920	84.424	25,127	0	0	25,127	19,888	5,239	0	0
Total Title IV		50,368	5,703	24,324	25,127	25,591	5,239	0	0
Title V Part B Subpart 2 Rural and Low-Income School Program									
Project No. 200660-1920	84.358	17,281	0	0	17,281	7,921	9,360	0	0
Project No. 190660-1819	84.358	17,266	17,266	17,266	0	17,266	0	0	0
Total Title V		34,547	17,266	17,266	17,281	25,187	9,360	0	0
Title II Part A Supporting Effective Instruction									
Project No. 200520-1920	84.367	92,766	0	0	80,257	66,950	13,307	0	0
Project No. 190520-1819	84.367	117,301	14,879	70,496	6,496	21,375	0	0	0
Total Title II Part A		210,067	14,879	70,496	86,753	88,325	13,307	0	0
Total Passed Through M.D.E.		1,326,537	73,972	474,112	766,275	484,755	355,492	0	0
<b>Total U.S. Department of Education</b>		<b>1,326,537</b>	<b>73,972</b>	<b>474,112</b>	<b>766,275</b>	<b>484,755</b>	<b>355,492</b>	<b>0</b>	<b>0</b>

The accompanying notes are an integral part of this schedule.

EVART PUBLIC SCHOOLS  
EVART, MICHIGAN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE/ GRANT NUMBER	FEDERAL CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	INVENTORY/ ACCRUED UNEARNED REVENUE JULY 1, 2019	(MEMO ONLY) PRIOR YEAR EXPENDITURES	(A) CURRENT YEAR EXPENDITURES	CURRENT YEAR RECEIPTS (CASH BASIS)	INVENTORY/ ACCRUED UNEARNED REVENUE JUNE 30, 2020	ADJUSTMENTS	CURRENT YEAR CASH TRANSFERRED TO SUBRECIPIENT
<b>U.S Department of Health and Human Services</b>									
Passed through Mecosta-Osceola Intermediate School District (I.S.D)									
Medicaid Cluster									
Medical Assistance Program									
Project No. None	93.778	2,655	0	0	2,655	2,655	0	0	0
<b>Total U.S. Department of Health and Human Services</b>		2,655	0	0	2,655	2,655	0	0	0
<b>U.S Department of Agriculture</b>									
Passed Through Michigan Department of Education									
Child Nutrition Cluster									
Non-Cash Assistance (Commodities & Equipment):									
National School Lunch									
Entitlement Commodities	10.555	34,509	0	0	34,509	34,509	0	0	0
Cash Assistance:									
National School Lunch									
Section 11 - Total Servings - 201960 and 191960	10.555	210,026	10,272	277,747	210,026	220,298	0	0	0
National School Lunch - Breakfast 201970 and 191970	10.553	104,490	5,723	139,094	104,490	110,213	0	0	0
COVID-19 SFSP (Unanticipated School Closure Grant Payments) 200902	10.555	501,547	0	0	501,547	501,547	0	0	0
Summer Food Service Program 190900 and 191900	10.559	5,484	0	0	5,484	5,484	0	0	0
Total Cash Assistance		821,547	15,995	416,841	821,547	837,542	0	0	0
Total Child Nutrition Cluster		856,056	15,995	416,841	856,056	872,051	0	0	0
<b>Total U.S. Department of Agriculture</b>		856,056	15,995	416,841	856,056	872,051	0	0	0
<b>Total Federal Financial Assistance</b>		\$ 2,185,248	\$ 89,967	\$ 890,953	\$ 1,624,986	\$ 1,359,461	\$ 355,492	\$ 0	\$ 0
						(D)	(E)		

The accompanying notes are an integral part of this schedule.

EVART PUBLIC SCHOOLS  
EVART, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**(A) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (“the Schedule”) includes the federal grant activity of Evart Public Schools under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of Evart Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows of Evart Public Schools.

**(B) Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and in OMB Circular A-87, Cost Principles for States, Local, and Indian Tribal Governments, 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. Evart Public Schools has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**(C) Grant Auditor Report**

Management has utilized the cash management system (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. The District does not pass through federal funds to sub recipients.

**(D) Reconciliation of Revenues with Expenditures for Federal Financial Assistance Programs**

Revenues from Governmental Funds – Statement of Revenues,	<u>\$ 1,624,986</u>
Expenditures and Changes in Fund Balance	
Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 1,624,986</u>

EVART PUBLIC SCHOOLS  
EVART, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**(E) Reconciliation of Grant Auditor Report with Schedule of Expenditures of Federal Awards**

Current Cash Payments per Cash Management System (CMS)		\$ 1,582,229
Add Items Not on CMS Report:		
Food Distribution Program - Entitlement Commodities	\$ 34,509	
Medicaid Administrative Outreach	2,655	
Subtract Items on CMS Report:		
Timing Differences with 19-20 Awards	<u>(259,931)</u>	(222,767)
Rounding		<u>(1)</u>
Current Year Receipts (Cash Basis) per		
Schedule of Expenditures of Federal Awards		<u><u>\$ 1,359,461</u></u>

EVART PUBLIC SCHOOLS  
EVART, MICHIGAN

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

---

**Section I - Financial Statement Findings**

---

None

---

**Section II - Federal Award Findings and Questioned Costs**

---

2019-001 U.S. DEPARTMENT OF EDUCATION

Program Title: Improving Basic Programs Operated by Local Educational Agencies

CFDA Number: 84.010

Federal Award Number: 191530-1819

Federal Award Year: July 1, 2018 to September 30, 2019

Pass-Through Entity: Passed-Through Michigan Department of Education

Type of Compliance: Significant Deficiency in Internal Control Over Compliance (Activities Allowed and Allowable Costs)

Criteria: Internal control requirements require an individual from the proper level of management to properly approve all monthly federally funded non-single cost objective educator's personal daily activity reports (PARS) in a timely manner.

Condition: The proper level of management failed to sign and date all monthly PARS which is a key control in preventing and detecting noncompliance over federal awards.

Cause: The District did not have proper controls in place to prevent, detect, or correct the fact that monthly PARS for all non-single cost objective educators were getting properly completed and therefore ran the risk that properly allocated federal funds per the consolidated application were not getting charged correctly.

Effect: The District's internal controls over compliance with federal awards were found to be ineffective since PARS did not contain proper approval which if left uncorrected could lead to material noncompliance since educator Title I funds could be charged differently than indicated in the District's consolidated application.

Questioned Costs: None

Perspective Information: The finding represents a systematic problem based on the number of non-single cost objective PAR's that went unapproved, which if left uncorrected, has potential to lead to material quantified costs. No sampling was performed due to all non-single cost objective educator PARS being taken into consideration.

EVART PUBLIC SCHOOLS  
EVART, MICHIGAN

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Identification of Repeat Findings: None

Recommendations: The District should increase its detection or correction controls by appointing an individual to oversee that the person in charge of approving PARS does so in a timely manner by providing a signature and date.

Views of Responsible Officials: Per discussion with Zoe Babb, Business Manager, on July 3, 2019, the District is implementing additional procedures to ensure that the same problem is not repeated in the future.

Status: Corrected

EVART PUBLIC SCHOOLS  
EVART, MICHIGAN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**Section I - Summary of Auditor's Results**

---

***Financial Statements***

Type of auditor's report issued based on financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP):

Unmodified

Internal control over financial reporting:

Material Weakness(es) identified?            Yes     X     No

Significant deficiency(ies) identified?            Yes     X     None reported

Noncompliance material to financial statements noted?            Yes     X     No

***Federal Awards***

Internal control over major programs:

Material Weakness(es) identified?            Yes     X     No

Significant deficiency(ies) identified?            Yes     X     None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR section 200.516(a)            Yes     X     No

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I, Part A

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee under Title 2 CFR section 200.520.

    X     Yes            No



EVART PUBLIC SCHOOLS  
EVART, MICHIGAN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**Section II - Financial Statement Findings**

---

None

**Section III - Federal Award Findings and Questioned Costs**

---

None



