

ROCKFORD PUBLIC SCHOOLS

Kent County, Michigan

Additional Reports Required by the Uniform Guidance

For the year ended June 30, 2024

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ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024

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**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**

October 30, 2024

The Board of Education
Rockford Public Schools
Kent County, 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 Rockford Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Rockford Public Schools' basic financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rockford Public 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 Rockford Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Rockford 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rockford 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 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*.

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.

A handwritten signature in black ink that reads "Hungerford". The script is cursive and fluid, with the first letter 'H' being particularly large and stylized.

Certified Public Accountants
Grand Rapids, Michigan

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

October 30, 2024

The Board of Education
Rockford Public Schools
Kent County, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rockford Public 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 Rockford Public Schools' major federal program for the year ended June 30, 2024. Rockford Public Schools' 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, Rockford 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 its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Rockford Public 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 the major federal program. Our audit does not provide a legal determination of Rockford Public 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 the provisions of contracts or grant agreements applicable to Rockford Public Schools' federal programs.

Auditor's Responsibility 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 Rockford Public 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 Rockford Public Schools' compliance with the requirements of the 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 Rockford Public 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 Rockford Public 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 the Rockford Public 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.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 Rockford Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise of Rockford Public Schools' basic financial statements. We issued our report thereon dated October 30, 2024, 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 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.

A handwritten signature in black ink that reads "Hungerford". The script is cursive and fluid, with the letters connected. The "H" is large and prominent, and the "d" has a long, sweeping tail.

Certified Public Accountants
Grand Rapids, Michigan

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Assistance Listing Number	Approved Grant Award Amount
U. S. Department of Education		
Passed through Michigan Department of Education:		
Adult Education Grants to States:	84.002	
231130 231925		\$ 23,337
 Title I, Part A:	84.010	
231530 2223		253,547
241530 2324		<u>250,001</u>
 Total Title I, Part A		<u>503,548</u>
 Title III, Part A:	84.365	
230570 2223		7,117
240570 2324		<u>5,243</u>
 Total Title III, Part A		<u>12,360</u>
 Title II, Part A:	84.367	
230520 2223		154,962
240520 2324		<u>140,687</u>
 Total Title II, Part A		<u>295,649</u>
 Title IV, Part A:	84.424	
230750 2223		20,910
240750 2324		<u>27,289</u>
 Total Title IV, Part A		<u>48,199</u>
 Education Stabilization Fund:	84.425	
213712 2021 ESSER Formula Funds II	84.425D	789,433
213752 2122 ESSER II - Before & After School	84.425D	25,000
213782 2223 98c Learning Loss Grant	84.425D	401,603
213713 2122 ARP/ESSER III	84.425U	1,774,217
213723 2122 11t Equalization Payments	84.425U	6,866,964
211012 2122 MV ARP Homeless II	84.425W	<u>20,189</u>
 Total Education Stabilization Fund		<u>9,877,406</u>

Accrued (Deferred) Revenue At July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2024
\$ 23,337	\$ 23,337	\$ -	\$ 23,337	\$ -
127,857	221,232	-	127,857	-
-	-	216,701	141,413	75,288
127,857	221,232	216,701	269,270	75,288
3,317	3,317	-	3,317	-
-	-	4,987	4,018	969
3,317	3,317	4,987	7,335	969
7,370	133,591	-	7,370	-
-	-	115,302	96,475	18,827
7,370	133,591	115,302	103,845	18,827
10,571	10,571	-	10,571	-
-	-	21,335	16,421	4,914
10,571	10,571	21,335	26,992	4,914
239,915	239,915	-	239,915	-
25,000	25,000	-	25,000	-
-	-	401,603	401,603	-
743,507	743,507	1,030,710	1,353,844	420,373
1,800,000	1,800,000	4,500,000	6,300,000	-
-	-	13,116	3,116	10,000
2,808,422	2,808,422	5,945,429	8,323,478	430,373

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Assistance Listing Number	Approved Grant Award Amount
Passed through Kent Intermediate School District:		
Special Education Cluster:		
I.D.E.A. Grants to States:	84.027	
230450 2223	84.027A	\$ 1,407,725
240450 2324	84.027A	1,379,505
221280 2122 ARP IDEA Flowthrough	84.027X	<u>37,737</u>
Total I.D.E.A. Grants to States		<u>2,824,967</u>
I.D.E.A. Preschool:	84.173	
230460 2223	84.173A	59,882
240460 2324	84.173A	68,994
221285 2122 ARP IDEA Preschool	84.173X	<u>11,769</u>
Total I.D.E.A. Preschool		<u>140,645</u>
Total Special Education Cluster		<u>2,965,612</u>
Title III, Part A:	84.365	
240580 2324		<u>6,711</u>
Total U.S. Department of Education		<u>13,732,822</u>
U.S. Department of Treasury		
Passed through Michigan Department of Education:		
Coronavirus State and Local Fiscal Recovery Fund:	21.027	
232423 20231 - ARP Grow Your Own Program		<u>8,522,341</u>
Total U.S. Department of Treasury		<u>8,522,341</u>
U.S. Department of Health and Human Services		
Passed through Kent Intermediate School District:		
Epidemiology and Laboratory Capacity for Infectious Diseases:	93.323	
Health Resource Advocate Funding:		
232810 - HRA 2023		125,125
242810 - HRA 2024		<u>135,407</u>
Total Health Resource Advocate Funding		<u>260,532</u>

Accrued (Deferred) Revenue At July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2024
\$ 324,862	\$ 1,407,725	\$ -	\$ 324,862	\$ -
-	-	1,379,505	1,061,157	318,348
37,737	37,737	-	37,737	-
362,599	1,445,462	1,379,505	1,423,756	318,348
13,818	59,882	-	13,818	-
-	-	68,994	53,075	15,919
2,715	11,769	-	2,715	-
16,533	71,651	68,994	69,608	15,919
379,132	1,517,113	1,448,499	1,493,364	334,267
-	-	6,711	6,711	-
3,360,006	4,717,583	7,758,964	10,254,332	864,638
-	-	330,810	220,795	110,015
-	-	330,810	220,795	110,015
58,860	125,125	-	58,860	-
-	-	135,407	135,407	-
58,860	125,125	135,407	194,267	-

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Assistance Listing Number	Approved Grant Award Amount
Medicaid Cluster:		
Medical Assistance Program:	93.778	
2122 Medicaid Outreach		<u>\$ 71,357</u>
Total U.S. Department of Health and Human Services		<u>331,889</u>
U.S. Department of Agriculture		
Passed through Michigan Department of Education:		
Child Nutrition Cluster:		
Non-Cash Assistance (USDA Commodities):		
Entitlement Commodities	10.555	193,144
Bonus Commodities		<u>408</u>
Total Non-Cash Assistance (USDA Commodities)		<u>193,552</u>
Cash Assistance:		
School Breakfast Program:	10.553	
231970		47,425
241970		<u>151,924</u>
Total School Breakfast Program		<u>199,349</u>
National School Lunch Program:	10.555	
231960		719,149
240910		190,993
241960		<u>646,115</u>
Total National School Lunch Program		<u>1,556,257</u>
Total Cash Assistance		<u>1,755,606</u>
Total Child Nutrition Cluster		<u>1,949,158</u>
Total U.S. Department of Agriculture		<u>1,949,158</u>
Total Federal Financial Assistance		<u><u>\$ 24,536,210</u></u>

Accrued (Deferred) Revenue At July 1, 2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2024
\$ 27,318	\$ 27,318	\$ 44,039	\$ 71,357	\$ -
86,178	152,443	179,446	265,624	-
-	-	193,144	193,144	-
-	-	408	408	-
-	-	193,552	193,552	-
-	21,491	25,934	25,934	-
-	-	151,924	151,924	-
-	21,491	177,858	177,858	-
-	600,980	118,169	118,169	-
-	-	190,993	190,993	-
-	-	646,115	646,115	-
-	600,980	955,277	955,277	-
-	622,471	1,133,135	1,133,135	-
-	622,471	1,326,687	1,326,687	-
-	622,471	1,326,687	1,326,687	-
\$ 3,446,184	\$ 5,492,497	\$ 9,595,907	\$ 12,067,438	\$ 974,653

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Rockford Public Schools under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with 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). Because the Schedule presents only a selected portion of the operations of Rockford Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows, as applicable, of Rockford Public Schools.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Rockford Public Schools has not elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note D – Grant Section Auditor Report

Management has utilized the MDE NexSys Grant, Application and Cash Management System Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards.

Note E – Non-Cash Assistance

The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with the Schedule for USDA donated food commodities.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024

Note F – Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
Title I, Part A	\$ 216,701	\$ 216,701	\$ -
Title II, Part A	115,302	115,302	-
Title IV, Part A	21,335	21,335	-
Title III, Part A	11,698	11,698	-
Education Stabilization Fund	5,945,429	5,945,429	-
Coronavirus State & Local Fiscal Recovery Fund	330,810	330,810	-
Special Education Cluster	1,448,499	1,448,499	-
Health Resource Advocate Funding	135,407	135,407	-
Medicaid Cluster	44,039	44,039	-
Child Nutrition Cluster	1,326,687	1,326,687	-
	<u>\$ 9,595,907</u>	<u>\$ 9,595,907</u>	<u>\$ -</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

ROCKFORD PUBLIC SCHOOLS

For the year ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? 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 on accordance with the Uniform Guidance?

 Yes X No

Identification of major programs audited:

84.425 - Education Stabilization Fund

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

\$750,000

Auditee qualified as low-risk auditee?

 X Yes No

Section II - Financial Statements Audit Findings

There were no findings that are required to be reported under *Government Auditing Standards*.

Section III - Major Federal Award Programs Findings and Questioned Costs

There were no findings or questioned costs.