

Holton Public Schools
**SINGLE AUDIT OF FEDERAL
FINANCIAL ASSISTANCE PROGRAMS**
Financial Report and
Independent Auditor's Reports
June 30, 2023



C O N T E N T S

FINANCIAL REPORT AND INDEPENDENT AUDITOR’S REPORTS

INTERNAL CONTROL AND COMPLIANCE REPORTS

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*.....1

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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***

Board of Education
Holton Public Schools
Holton, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holton Public Schools as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Holton Public Schools’ basic financial statements, and have issued our report thereon dated September 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Holton 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 Holton Public Schools’ internal control. Accordingly, we do not express an opinion on the effectiveness of Holton 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 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 a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as **Finding 2023-001** that we consider to be a significant deficiency.

Board of Education
Holton Public Schools
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Holton 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*.

Holton Public Schools’ Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Holton Public Schools’ response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Holton Public 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.



Hart, Michigan
September 27, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Holton Public Schools
Holton, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Holton 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 each of Holton Public Schools' major federal programs for the year ended June 30, 2023. Holton Public 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, Holton Public Schools complied, in all material respects, with the 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, 2023.

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 (*Government Auditing Standards*); 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 Holton 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 each major federal program. Our audit does not provide a legal determination of Holton 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 provisions of contracts or grant agreements applicable to Holton Public 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 Holton 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 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 Holton Public Schools’ 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 Holton 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 Holton 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 Holton 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.

Board of Education
Holton Public Schools
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Report on Internal Control Over Compliance—Continued

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 limitation, 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 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 Holton Public Schools as of and for the year ended June 30, 2023, and have issued our report thereon dated September 27, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.



Hart, Michigan
September 27, 2023

Holton Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2022	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2023	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education</i>									
Passed through Michigan Department of Education:									
Title I Grants to Local Educational Agencies	84.010A								
221530 2122		\$ 244,712	\$ 79,040	\$ -	\$ 79,040	\$ 244,712	\$ -	\$ -	\$ -
231530 2223		245,673	-	-	205,160	-	245,673	40,513	-
		<u>490,385</u>	<u>79,040</u>	<u>-</u>	<u>284,200</u>	<u>244,712</u>	<u>245,673</u>	<u>40,513</u>	<u>-</u>
Supporting Effective Instruction State Grants	84.367A								
220520 2122		38,611	13,327	-	13,327	38,611	-	-	-
230520 2223		38,918	-	-	33,668	-	38,918	5,250	-
		<u>77,529</u>	<u>13,327</u>	<u>-</u>	<u>46,995</u>	<u>38,611</u>	<u>38,918</u>	<u>5,250</u>	<u>-</u>
Student Support and Academic Enrichment Program	84.424A								
220750 2122		18,303	5,661	-	5,661	18,303	-	-	-
230750 2223		18,155	-	-	15,050	-	18,145	3,095	-
		<u>36,458</u>	<u>5,661</u>	<u>-</u>	<u>20,711</u>	<u>18,303</u>	<u>18,145</u>	<u>3,095</u>	<u>-</u>
Education Stabilization Fund									
Elementary and Secondary School Emergency Relief Fund	84.425D								
COVID-19 213712 20-21		862,409	166,096	-	404,759	569,793	292,615	53,952	-
COVID-19 213742 2122		12,650	4,174	-	5,685	11,139	1,511	-	-
COVID-19 213752 2122		20,000	3,557	-	3,557	9,907	-	-	-
COVID-19 213782 2223		41,840	-	-	-	-	41,840	41,840	-
		<u>936,899</u>	<u>173,827</u>	<u>-</u>	<u>414,001</u>	<u>590,839</u>	<u>335,966</u>	<u>95,792</u>	<u>-</u>
American Rescue Plan—Elementary and Secondary School Emergency Relief	84.425U								
COVID-19 213713 2122		1,938,226	173,711	-	804,438	653,155	661,109	30,382	-
American Rescue Plan—Homeless II	84.425W								
COVID-19 211012 2122		9,168	-	-	-	-	338	338	-
		<u>9,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338</u>	<u>338</u>	<u>-</u>
Total Education Stabilization Fund		<u>2,884,293</u>	<u>347,538</u>	<u>-</u>	<u>1,218,439</u>	<u>1,243,994</u>	<u>997,413</u>	<u>126,512</u>	<u>-</u>
Total passed through Michigan Department of Education		<u>3,488,665</u>	<u>445,566</u>	<u>-</u>	<u>1,570,345</u>	<u>1,545,620</u>	<u>1,300,149</u>	<u>175,370</u>	<u>-</u>

Holton Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2023

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2022	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2023	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education—Continued</i>									
Passed through Muskegon Area Intermediate School District:									
Special Education Cluster									
Special Education—Grants to States	84.027A								
220450 21-22		\$ 105,916	\$ 6,033	\$ -	\$ 6,033	\$ 105,916	\$ -	\$ -	\$ -
230450 22-23		105,916	-	-	105,916	-	105,916	-	-
		<u>211,832</u>	<u>6,033</u>	<u>-</u>	<u>111,949</u>	<u>105,916</u>	<u>105,916</u>	<u>-</u>	<u>-</u>
Special Education—ARP Grants to States	84.027X								
COVID-19 221280 21-22		21,551	-	-	21,551	-	21,551	-	-
Total Special Education Cluster passed through Muskegon Area Intermediate School District		<u>233,383</u>	<u>6,033</u>	<u>-</u>	<u>133,500</u>	<u>105,916</u>	<u>127,467</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Education		<u>3,722,048</u>	<u>451,599</u>	<u>-</u>	<u>1,703,845</u>	<u>1,651,536</u>	<u>1,427,616</u>	<u>175,370</u>	<u>-</u>
<i>U.S. Department of Agriculture</i>									
Passed through Michigan Department of Education:									
Child Nutrition Cluster									
School Breakfast Program	10.553								
221971		173,124	8,841	-	8,841	173,124	-	-	-
221970		27,583	-	-	27,583	-	27,583	-	-
231970		192,748	-	-	185,609	-	192,748	7,139	-
		<u>393,455</u>	<u>8,841</u>	<u>-</u>	<u>222,033</u>	<u>173,124</u>	<u>220,331</u>	<u>7,139</u>	<u>-</u>
National School Lunch Program	10.555								
221961		378,740	17,324	-	17,324	378,740	-	-	-
220910 2023		20,022	-	-	20,022	-	20,022	-	-
221960		59,111	-	-	59,111	-	59,111	-	-
230910 2023		12,512	-	-	12,512	-	12,512	-	-
231960		386,996	-	-	374,298	-	386,996	12,698	-
Entitlement Commodities		48,557	-	-	48,557	-	48,557	-	-
Bonus Commodities		1,956	-	-	1,956	-	1,956	-	-
		<u>907,894</u>	<u>17,324</u>	<u>-</u>	<u>533,780</u>	<u>378,740</u>	<u>529,154</u>	<u>12,698</u>	<u>-</u>
Summer Food Service Program for Children	10.559								
220900		34,609	3,373	-	31,236	3,373	27,863	-	-
230900		15,905	-	-	-	-	15,905	15,905	-
		<u>50,514</u>	<u>3,373</u>	<u>-</u>	<u>31,236</u>	<u>3,373</u>	<u>43,768</u>	<u>15,905</u>	<u>-</u>
Total Child Nutrition Cluster		<u>1,351,863</u>	<u>29,538</u>	<u>-</u>	<u>787,049</u>	<u>555,237</u>	<u>793,253</u>	<u>35,742</u>	<u>-</u>
Child Nutrition Discretionary Grants Limited Availability	10.579								
221995 2023		9,660	-	-	-	-	9,660	9,660	-
Child and Adult Care Food Program	10.558								
221920		40,629	3,332	-	6,930	37,031	3,598	-	-
222010		2,097	143	-	328	1,912	185	-	-
231920		26,165	-	-	25,853	-	26,165	312	-
232010		1,280	-	-	1,271	-	1,280	9	-
		<u>70,171</u>	<u>3,475</u>	<u>-</u>	<u>34,382</u>	<u>38,943</u>	<u>31,228</u>	<u>321</u>	<u>-</u>

Holton Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2023

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2022	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2023	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Agriculture—Continued</i>									
Passed through Michigan Department of Education—Continued Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs COVID-19 220980 2022	10.649	\$ 628	\$ -	\$ -	\$ 628	\$ -	\$ 628	\$ -	\$ -
Passed through Michigan Department of Education		1,432,322	33,013	-	822,059	594,180	834,769	45,723	-
Passed through County of Muskegon: Forest Service Schools and Roads Cluster Schools and Roads—Grants to States	10.665	3,003	-	-	3,003	-	3,003	-	-
Total U.S. Department of Agriculture		1,435,325	33,013	-	825,062	594,180	837,772	45,723	-
<i>Federal Communications Commission</i>									
Passed through Universal Service Administration Company: Emergency Connectivity Fund Program	32.009	3,352	571	-	571	3,352	-	-	-
<i>U.S. Department of Health and Human Services</i>									
Passed through Muskegon Area Intermediate School District: Medicaid Cluster Medical Assistance Program 393	93.778	2,316	-	-	2,316	-	2,316	-	-
TOTAL FEDERAL ASSISTANCE		\$ 5,163,041	\$ 485,183	\$ -	\$ 2,531,794	\$ 2,249,068	\$ 2,267,704	\$ 221,093	\$ -

The accompanying notes are an integral part of this schedule.

Holton Public Schools
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2023

1. The accompanying Schedule of Expenditures of Federal Awards (the “schedule”) includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2023. 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 (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or change in net position of the School District.
2. Please see the financial statement footnotes for the significant accounting policies used in preparing this schedule. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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 School District is not using the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
3. Management has utilized the Michigan Department of Education NexSys Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.
4. Reconciliation of revenues from federal sources per governmental funds financial statements and expenditures per single audit report Schedule of Expenditures of Federal Awards.

Revenues from federal sources per June 30, 2023

Governmental Funds financial statements

General Fund	\$ 1,432,935	
Other governmental funds (includes Food Service Fund)	<u>834,769</u>	<u>\$ 2,267,704</u>

Expenditures per single audit report

Schedule of Expenditures of Federal Awards		<u><u>\$ 2,267,704</u></u>
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Holton Public Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2023

SECTION I—SUMMARY OF AUDITOR’S RESULTS

A. Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? X yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes X no

B. Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditor’s report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

4. Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D, 84.425U and 84.425W	U.S. Department of Education • Education Stabilization Fund

5. Dollar threshold used to distinguish between type A and type B programs: **\$750,000**
6. Auditee qualified as low-risk auditee? X yes _____ no

Holton Public Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued
Year ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2023-001: Segregation of Duties Within Accounting Department

Criteria or Specific Requirement: The School District should have adequate segregation of duties and/or mitigating controls in the Business Office. The basic premise is that no one employee should have access to both physical assets and the related accounting records or access to all phases of a transaction.

Condition: During our review of internal controls in the Business Office, we noted the Business Manager has access to nearly all aspects of transactions that occur within the financial system. While the School District has taken certain steps to mitigate the situation, there are not enough resources, both in personnel and funding, to overcome the condition.

Context: The School District has this condition primarily due to the size of School District's staff and the lack of financial resources to fund additional staff to further segregate duties.

Effect: The lack of sufficient segregation of duties and internal controls could allow errors or misappropriation of funds to go undetected.

Cause: Small organizations with limited resources and personnel inherently have difficulty in establishing and maintaining an accounting system with strong internal accounting control.

Repeat Finding: A similar finding was reported during the single audit for the year ended June 30, 2022.

Recommendation: The School District should continue adding effective mitigating controls to those implemented in the past and look for additional steps that could be taken to separate incompatible duties. Often, one of the most effective approaches is the expansion of documented approval of transactions and reconciliations by someone outside the Business Office staff.

Views of Responsible Officials: The School District agrees with the finding. The School District has implemented mitigating controls to the extent possible given its limited resources.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were *no* findings reported in relation to major federal awards during the single audit for the year ended June 30, 2023.

CLIENT DOCUMENTS



HOLTON PUBLIC SCHOOLS
“Rooted in Community, Reaching for Excellence”

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

September 27, 2023

Michigan Department of Education
Lansing, Michigan

Holton Public Schools respectfully submits the following summary of the current status of prior audit findings contained in the single audit report for the year ended June 30, 2022 dated September 28, 2022.

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2022-001: Segregation of Duties Within Accounting Department

Recommendation: The School District should continue adding effective mitigating controls to those implemented in the past and look for additional steps that could be taken to separate incompatible duties. Often, one of the most effective approaches is the expansion of documented approval of transactions and reconciliations by someone outside the Business Office staff.

Current Status: The Superintendent and accounting department have implemented the above mitigating controls and accept the risk of not implementing other controls.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were *no* findings reported in relation to major federal award programs during the single audit for the year ended June 30, 2022.

Sincerely,

Adam Bayne
Superintendent



HOLTON PUBLIC SCHOOLS
“Rooted in Community, Reaching for Excellence”

CORRECTIVE ACTION PLAN

September 27, 2023

Michigan Department of Education
Lansing, Michigan

Holton Public Schools respectfully submits the following Corrective Action Plan for the year ended June 30, 2023.

Name and address of independent public accounting firm:

Brickley DeLong, P.C.
907 S. State Street
Hart, Michigan 49420

Audit period: June 30, 2023

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2023 are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2023-001: Segregation of Duties Within Accounting Department

Recommendation: The School District should continue adding effective mitigating controls to those implemented in the past and look for additional steps that could be taken to separate incompatible duties. Often, one of the most effective approaches is the expansion of documented approval of transactions and reconciliations by someone outside the Business Office staff.

Action Taken: Due to the limited resources, the School District is unable to segregate duties in the Accounting Department. The District has implemented the following mitigating controls:

1. Completed bank reconciliations are reviewed by the Administrative Assistant to the Superintendent.
2. Receipts are logged by the Administrative Assistant prior to being forwarded to the Business Manager.
3. All invoices are approved by an administrator prior to issuance of payment by the Business Manager.

Current Status: The Superintendent and accounting department have implemented the above mitigating controls and accept the risk of not implementing other controls.

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September 27, 2023
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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were *no* findings reported in relation to major federal awards during the single audit for the year ended June 30, 2023.

If the Michigan Department of Education has questions regarding this plan, please call Adam Bayne at (231) 821-1702.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Bayne", written in a cursive style.

Adam Bayne
Superintendent