

Whitehall District Schools
**SINGLE AUDIT OF FEDERAL
FINANCIAL ASSISTANCE PROGRAMS**
Financial Report and
Independent Auditor's Reports
June 30, 2020



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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
Whitehall District Schools
Whitehall, 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 the *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 Whitehall District Schools as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Whitehall District Schools' basic financial statements, and have issued our report thereon dated October 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Whitehall District 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 Whitehall District Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Whitehall District 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 and significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as **Finding 2020-001** that we consider to be a significant deficiency.

Board of Education
Whitehall District Schools
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Whitehall District 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*.

Whitehall District Schools’ Response to Findings

Whitehall District Schools’ response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Whitehall District Schools’ response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Muskegon, Michigan
October 15, 2020

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
Whitehall District Schools
Whitehall, Michigan

Report on Compliance for Each Major Federal Program

We have audited Whitehall District 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 Whitehall District Schools' major federal programs for the year ended June 30, 2020. Whitehall District 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 Whitehall District 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 Whitehall District 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 of Whitehall District Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Whitehall District 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.

Board of Education
Whitehall District Schools
Page 2

Report on Internal Control Over Compliance

Management of Whitehall District 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 Whitehall District 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 Whitehall District 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs, as **Finding 2020-002**, that we consider to be a significant deficiency.

Whitehall District Schools’ response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Whitehall District Schools’ response was not subjected to the 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.

Board of Education
Whitehall District Schools
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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 Whitehall District Schools as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Whitehall District Schools' basic financial statements. We issued our report thereon dated October 15, 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 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.



Muskegon, Michigan
October 15, 2020

Whitehall District Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2020

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Federal CFDA number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2019	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2020	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education</i>									
Passed through Michigan Department of Education:									
Adult Education—Basic Grants to States	84.002								
191130-191731		\$ 93,000	\$ 11,424	\$ -	\$ 11,424	\$ 93,000	\$ -	\$ -	\$ -
191190-191731		12,058	519	-	519	10,424	-	-	-
201130-201731		95,000	-	-	57,815	-	95,000	37,185	-
201190-201731		12,058	-	-	10,329	-	12,058	1,729	-
		<u>212,116</u>	<u>11,943</u>	<u>-</u>	<u>80,087</u>	<u>103,424</u>	<u>107,058</u>	<u>38,914</u>	<u>-</u>
Title I Grants to Local Educational Agencies	84.010								
191530-1819		338,878	26,150	-	26,150	271,901	-	-	-
201530-1920		367,356	-	-	234,780	-	329,008	94,228	-
		<u>706,234</u>	<u>26,150</u>	<u>-</u>	<u>260,930</u>	<u>271,901</u>	<u>329,008</u>	<u>94,228</u>	<u>-</u>
Supporting Effective Instruction State Grants	84.367								
190520-1819		96,373	17,056	-	17,056	87,155	-	-	-
200520-1920		74,161	-	-	60,870	-	74,161	13,291	-
		<u>170,534</u>	<u>17,056</u>	<u>-</u>	<u>77,926</u>	<u>87,155</u>	<u>74,161</u>	<u>13,291</u>	<u>-</u>
Student Support and Academic Enrichment Program	84.424								
200750-1920		24,056	-	-	24,056	-	24,056	-	-
		<u>24,056</u>	<u>-</u>	<u>-</u>	<u>24,056</u>	<u>-</u>	<u>24,056</u>	<u>-</u>	<u>-</u>
Total passed through Michigan Department of Education		1,112,940	55,149	-	442,999	462,480	534,283	146,433	-
Passed through Ottawa Area Intermediate School District:									
Student Support and Academic Enrichment Program	84.424								
200750-1920		1,073	-	-	-	-	1,073	1,073	-
Passed through Muskegon Area Intermediate School District:									
Special Education Cluster									
Special Education—Grants to States	84.027								
190450-1819		403,950	25,242	-	25,242	403,950	-	-	-
200450-1920		387,392	-	-	358,646	-	387,392	28,746	-
		<u>791,342</u>	<u>25,242</u>	<u>-</u>	<u>383,888</u>	<u>403,950</u>	<u>387,392</u>	<u>28,746</u>	<u>-</u>
Special Education—Preschool Grants	84.173								
200460-1920		20,760	-	-	20,760	-	20,760	-	-
		<u>20,760</u>	<u>-</u>	<u>-</u>	<u>20,760</u>	<u>-</u>	<u>20,760</u>	<u>-</u>	<u>-</u>
Total Special Education Cluster passed through Muskegon Area Intermediate School District		812,102	25,242	-	404,648	403,950	408,152	28,746	-
Total U.S. Department of Education		1,926,115	80,391	-	847,647	866,430	943,508	176,252	-

Whitehall District Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2020

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Federal CFDA number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2019	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2020	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Agriculture</i>									
Passed through Michigan Department of Education:									
Child Nutrition Cluster									
School Breakfast Program	10.553								
191970		\$ 160,727	\$ -	\$ -	\$ 21,761	\$ 138,965	\$ 21,761	\$ -	\$ -
201970		113,574	-	-	113,574	-	113,574	-	-
		274,301	-	-	135,335	138,965	135,335	-	-
National School Lunch Program	10.555								
191960		407,128	-	-	51,173	355,955	51,173	-	-
200902 COVID-19		663,391	-	-	351,584	-	663,391	311,807	-
201922		149,837	-	-	149,837	-	149,837	-	-
201960		262,547	-	-	262,547	-	262,547	-	-
Entitlement commodities		91,328	-	-	91,328	-	91,328	-	-
		1,574,231	-	-	906,469	355,955	1,218,276	311,807	-
Total Child Nutrition Cluster		1,848,532	-	-	1,041,804	494,920	1,353,611	311,807	-
Child and Adult Care Food Program	10.558								
191920		21,804	511	-	3,199	19,116	2,688	-	-
201920		14,567	-	-	14,567	-	14,567	-	-
202010		7,873	-	-	7,873	-	7,873	-	-
		44,244	511	-	25,639	19,116	25,128	-	-
Total passed through Michigan Department of Education		1,892,776	511	-	1,067,443	514,036	1,378,739	311,807	-
Passed through County of Muskegon: Schools and Roads—Grants to States	10.665	441	-	-	441	-	441	-	-
Total U.S. Department of Agriculture		1,893,217	511	-	1,067,884	514,036	1,379,180	311,807	-
<i>U.S. Department of Health and Human Services</i>									
Passed through Muskegon Area Intermediate School District:									
Head Start	93.600								
05CH010377-04		945,968	251,678	-	647,784	549,863	396,106	-	-
05CH010377-05		1,031,341	-	-	405,635	-	574,025	168,390	-
05CH010377-05-02 COVID-19		62,420	-	-	-	-	4,348	4,348	-
		2,039,729	251,678	-	1,053,419	549,863	974,479	172,738	-
Medical Assistance Program	93.778								
393		5,634	-	-	5,634	-	5,634	-	-
Total U.S. Department of Health and Human Services		2,045,363	251,678	-	1,059,053	549,863	980,113	172,738	-
TOTAL FEDERAL ASSISTANCE		\$ 5,864,695	\$ 332,580	\$ -	\$ 2,974,584	\$ 1,930,329	\$ 3,302,801	\$ 660,797	\$ -

The accompanying notes are an integral part of this schedule.

Whitehall District Schools
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2020

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, 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 (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 Cash Management System 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, 2020

Governmental Funds financial statements

General Fund	\$ 949,583	
Community Education Fund	991,734	
Debt Service Fund	444,340	
Other governmental funds (includes Food Service Fund)	1,361,484	\$ 3,747,141
 Federal subsidy on construction bonds not reported on Schedule of Expenditures of Federal Awards.		 (444,340)

Expenditures per single audit report

Schedule of Expenditures of Federal Awards		\$ 3,302,801
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Whitehall District Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended June 30, 2020

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? _____ X yes _____ 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)? _____ X yes _____ no
4. Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program/Cluster</u>
10.553 and 10.555	U.S. Department of Agriculture
	• Child Nutrition Cluster
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

Whitehall District Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2020-001: Bank Reconciliation Procedures

Criteria: Bank reconciliations should be timely prepared, and any reconciling items should be followed up on and corrected in a timely manner.

Condition: During the audit, it was noted that the General Fund bank account was not being reconciled on a timely basis, and reconciling items were left unresolved until year end.

Cause: The School District experienced personnel changes within the accounting function during the year. These changes, in addition to the onset of COVID-19, resulted in some reconciliations not being completed timely.

Effect: School District accounting records could have been misstated during the year, and errors or the misappropriation of funds could have occurred without timely detection.

Context: During the audit, we noted the General Fund bank reconciliations were not completed timely, and reconciling items were not addressed until the year end audit.

Repeat Finding: This is **not** a repeat finding.

Recommendation: Bank reconciliations should be timely prepared and reconciliation discrepancies should be followed up on in a timely manner.

Views of Responsible Officials: The School District agrees with the finding.

Whitehall District Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2020

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. Department of Education

Finding 2020-002: Child Nutrition Cluster Reporting and Verification Review Procedures

Pass-through entity: Michigan Department of Education

CFDA: 10.555

Award Numbers: 191960, 200902 COVID-19, 201922 and 201960

Award Year End: September 30, 2020

Specific Requirement: Reporting and Special Tests – Verification

Criteria: Section 200.303 of the Cost Principles of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires a non-Federal entity to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with the specified guidance that requires proper segregation of duties by dividing key responsibilities among different people to reduce the risk of error or fraud. This should include separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets. No one individual should control all key aspects of a transaction or event. In addition, this guidance also requires transactions and internal controls to be clearly documented, and the records should be properly maintained and readily available for examination.

Questioned Costs: None.

Condition: During our detailed testing of the Child Nutrition Cluster claims reports and verification calculations, we noted that while the claims reports and verification calculations were properly performed in accordance with federal requirements, the claims reports and verification calculations performed by the School District were not reviewed with documented approval by another qualified individual.

Context: Of the 9 claims reports filed by the School District, all 3 of the claims reports tested were lacking documented approval by a qualified individual. In addition, of the 6 verification calculations performed by the School District, all 6 calculations tested were lacking documented approval by a qualified individual, and the status was incorrectly changed from reduced to free for 2 of the applications tested.

Effect: Failure to review claims reports and verification calculations on a timely basis could (1) potentially result in excess claims paid to the School District and (2) allow meals to be served to ineligible students.

Cause: The School District did not have established procedures that required documented review and approval of the Child Nutrition Cluster claims reports and verification calculations.

Repeat Finding: This is **not** a repeat finding.

Recommendation: The School District should implement procedures to require the documented review and approval of all claims reports and verifications performed.

Views of Responsible Officials: The School District agrees with this finding.

CLIENT DOCUMENTS



Whitehall District Schools

541 E. Slocum Street — Whitehall, MI 49461 — Telephone: 231-893-1010 — Facsimile: 231-894-6450

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

October 15, 2020

Business Administration

Dr. Jerry McDowell
Superintendent
231-893-1005

Michelle Pulver
Administrative Assistant
231-893-1005

Steve Aardema
Finance & Technology Director
231-893-1010

Roberta Goodman
Accounting Specialist
231-893-1010

Dorianne Kittridge
Payroll & Benefits Specialist
231-893-1010

Board of Education

Chris Mahoney
President

Brad Johnson
Vice President

Jimmy TenBrink
Treasurer

Penny Evert
Secretary

Shon Cook
Trustee

Tom Mallory
Trustee

Doug Ogden
Trustee

Michigan Department of Education
Lansing, Michigan

Whitehall District 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, 2019 dated October 7, 2019.

SECTION II – FINANCIAL STATEMENT FINDINGS

There were **no** findings reported in relation to the financial statements for the year ended June 30, 2019.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. Department of Health and Human Services

Finding 2019-001: Head Start Review and Approval Procedures

Pass-through entity: Muskegon Area Intermediate School District
CFDA: 93.600

Award Numbers: 05CH010377-03-01 and 05CH010377-04-00
Award Year End: November 30, 2018 and November 30, 2019

Specific Requirement: Allowable Costs/Cost Principles

Recommendation: The School District should verify that all employees working in federal programs are using the proper personnel activity report template with accurate formulas. In addition, the School District should make sure that those reviewing the personnel activity reports have an adequate understanding of these calculations and that they are recomputed for accuracy during the review process.

Current Status: This recommendation was implemented during the year ended June 30, 2020. No similar finding was reported during the single audit for the year ended June 30, 2020.

Sincerely,

Jerry McDowell
Superintendent



Whitehall District Schools

541 E. Slocum Street — Whitehall, MI 49461 — Telephone: 231-893-1010 — Facsimile: 231-894-6450

CORRECTIVE ACTION PLAN

Business Administration

Dr. Jerry McDowell
Superintendent
231-893-1005

Michelle Pulver
Administrative Assistant
231-893-1005

Steve Aardema
Finance & Technology Director
231-893-1010

Roberta Goodman
Accounting Specialist
231-893-1010

Dorianne Kittridge
Payroll & Benefits Specialist
231-893-1010

Board of Education

Chris Mahoney
President

Brad Johnson
Vice President

Jimmy TenBrink
Treasurer

Penny Evert
Secretary

Shon Cook
Trustee

Tom Mallory
Trustee

Doug Ogden
Trustee

October 15, 2020

Michigan Department of Education
Lansing, Michigan

Whitehall District Schools respectfully submits the following Corrective Action Plan for the year ended June 30, 2020.

Name and address of independent public accounting firm:

Brickley DeLong, P.C.
P.O. Box 999
Muskegon, MI 49443

Audit period: June 30, 2020

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2020 are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2020-001: Bank Reconciliation Procedures

Recommendation: Bank reconciliations should be timely prepared and reconciliation discrepancies should be followed up on in a timely manner.

Action Taken: Timely bank reconciliations were included in the performance review and goals for the accountant responsible. A shared calendar was implemented setting due dates for various tasks, including bank reconciliations being due the third Friday of the following month.

Responsible Person and Anticipated Completion Date: The Director of Finance will ensure that the accountant completes reconciliations on a timely basis immediately. Through September 2020, reconciliations have been timely prepared and reviewed.

Michigan Department of Education
October 15, 2020
Page 2

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. Department of Education

Finding 2020-002: Child Nutrition Cluster Reporting and Verification Review Procedures

Pass-through entity: Michigan Department of Education

CDEA: 10.555

Award Numbers: 191960, 200902 COVID-19, 201922 and 201960

Award Year End: September 30, 2020

Recommendation: The School District should implement procedures to require the documented review and approval of all claims reports and verifications performed.

Action Taken: An employee was retained in the Food Service Department to review and document claims reports and eligibility verification. The district has moved to a Community Eligibility Provision in Food Service beginning with the 2020-21 school year.

Responsible Person and Anticipated Completion Date: The Director of Food Service will be segregating duties and training the employee to ensure that proper procedures are followed to include verification and documented review of claims reports. The employee's duties began with the start of the 2020-21 school year in September 2020.

If the Michigan Department of Education has questions regarding this plan, please call Jerry McDowell at (231) 893-1005.

Sincerely,



Jerry McDowell
Superintendent