Please share this Accounting and Auditing Alert with superintendents, business managers, program office personnel, and food service personnel. Unless otherwise noted, all information applies to the school’s fiscal year 2018-2019.

The Michigan School Auditing Manual has been updated for the 2018-2019 fiscal year. It should be noted that the compliance supplements provided in the manual are not all inclusive. Consult the Office of Management and Budget (OMB) Compliance Supplement (revised annually) for additional program requirements.

*The Michigan Public School Accounting Manual* is available at: [www.michigan.gov/mde](http://www.michigan.gov/mde) under Keywords, Michigan Public School Accounting Manual. Questions regarding accounting issues may be addressed to Christopher May at 517-335-1263, or E-mail: mayc@michigan.gov

The *Michigan School Auditing Manual* will be available at: [www.michigan.gov/mdeaudit](http://www.michigan.gov/mdeaudit). Questions about single audits or the *Michigan School Auditing Manual* can be directed to Gloria Suggitt at 517-241-2225, or e-mail: suggittg@michigan.gov

**MANDATORY ELECTRONIC FILING OF SCHOOL DISTRICT AUDITS**

1. The Michigan Department of Education (MDE) requires electronic filing of school district audits in the Department of Treasury format. This format requires one document containing the financial statements, single audit (if required), corrective action plan as a separate page on school district letterhead, and management letters.
2. The document must be less than 4MB in size and submitted to MDE without any type of security/password protection. The system will automatically add security to each audit as it is saved. The documents will be searchable, but locked.
3. The Federal Audit Clearinghouse (FAC) uses Microsoft Excel as the application for Data Collection Forms (DCF). Convert the document to PDF before submitting. MDE will not require the district to submit the Data Collection Form with the audit package submission. The district or the district’s auditor should notify MDE that the audit has been certified at the FAC and the MDE auditor will retrieve the Data Collection Form from the FAC website.
4. All school district audits are required by the State School Aid Act MCL 388.1618 to be submitted by November 1 to MDE-FinAudit@michigan.gov. Failure to submit the school district audit by the due date may result in the withholding of State School Aid until the next payment after the date of the audit submission.
5. The Michigan Department of Health and Human Services (MDHHS) has joined with MDE and Treasury in the electronic audit submission. Districts need no longer submit a separate copy of the audited financial statements to MDHHS. Districts will submit one copy to the MDE-FinAudit@michigan.gov address to meet the audit requirement for all three departments.
For guidance on electronic filing of audits, see:
https://www.michigan.gov/mde/0,4615,7-140-6605_9091-95424--,00.html

To view audits submitted electronically, see:
https://civilservice.state.mi.us/nxt/gateway.dll?f=templates&fn=default.htm&vid=mofa:fa

COMPLIANCE AND YELLOW BOOK UPDATES

- The 2018 Compliance Supplement may be found at:

- OMB 2 Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance, electronic version (current as of February 8, 2019) may be found at:
  https://www.ecfr.gov/cgi-bin/text-idx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

- The Yellow Book has recently been revised. The 2018 Yellow Book may be found at:
  https://www.gao.gov/yellowbook

YELLOW BOOK REVISIONS UPDATE

Auditors performing engagements under generally accepted government auditing standards are subject to new rules reinforcing the principles of transparency and accountability under revisions published by the U.S. Government Accountability Office in July 2018.

Unless specifically prohibited under the Yellow Book, a firm preparing accounting records and financial statements for an audit client creates threats to independence that either will or may require the firm to apply safeguards to maintain its independence. The 2018 Yellow Book clarifies that preparing the financial statements in their entirety creates a significant threat to independence that should be reduced to an acceptable level by safeguards. The firm should also document the evaluation and how threats were effectively addressed.

A firm that cannot apply effective safeguards that reduce the threats to an acceptable level should not perform the preparation of accounting records and financial statement services during the period covered by the financial statements and the period of professional engagement, as independence would be considered impaired.

When threats to independence exist, firms should determine whether they are significant, because significant threats require the firm to apply safeguards to eliminate or reduce the threats to an acceptable level.
The Yellow Book provides new application guidance on evaluating whether a client has sufficient skills, knowledge, or experience to oversee a non-audit service. If management lacks this ability, the firm should consider whether it can provide the non-audit service and remain compliant with the Yellow Book independence standards.

The new Yellow Book is effective for financial audits, attestation engagements, and reviews of financial statements for periods ending on or after June 30, 2020, and for performance audits beginning on or after July 1, 2019. Early implementation is not permitted.

COMPLIANCE SUPPLEMENT UPDATES COMING!

The Compliance Supplement is being fully revised for 2019. The final version has not been issued before the date of this audit alert. The key change will be in the federal program requirements for testing. There will be a “Pick Six” requirement for testing of major programs.

The Pick Six is expected to vary on an annual basis. Within the Pick Six concept, Allowable Costs and Types of Services Allowed are expected to be combined into one requirement. In addition, for programs not included in the Supplement, the plan is to identify the six requirements that should be considered universally. That is, the auditor would consider how those six items apply when reviewing the grant agreement and developing audit tests. Agencies will have the ability to change the six for the following year, so the audit scope could change for a specific program from year to year.

Because MDE did not have access to the final Compliance Supplement before development of the 2019 School Auditing Manual, careful review of the updates will be important in designing audit tests. In addition, grantees are required to fully adopt the Uniform Guidance procurement requirements for the year ended June 30, 2019 and should ensure the required documentation and processes are in place regarding procurement requirements. Part Three of the Compliance Supplement will be updated to reflect the Uniform Guidance procurement requirements.

If the federal agency determines to exclude subrecipient monitoring from a specific grant, this will impact auditor testing expectations when the grantee passes significant resources through to sub-recipients. Auditors must determine and document the necessary tests to comply with Compliance Supplement requirements in order to issue an opinion on the grant tested.

Once the 2019 Compliance Supplement has been issued, MDE will perform a comparison to the School Auditing Manual to determine what portions of the manual may provide guidance outside what is required in the Supplement. Auditors must document their decisions and use the Compliance Supplement to establish the framework.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS

Though OMB 2 CFR Part 200 does not require the Schedule of Federal Awards Provided to Subrecipients, the MDE Auditor uses this information to determine the need for a district to submit a Single Audit. It is also used to verify that districts are reporting all Federal expenditures. Therefore, MDE will require this to be included for all ISDs and districts that provide funding to other districts. An example of a schedule is included at the end of this document as Attachment 1.

CORRECTIVE ACTION PLANS

OMB 2 CFR Part 200 requires the auditee to prepare a corrective action plan for each finding in the audit report. The corrective action plan must provide:

- The planned corrective action
- The name of the contact person responsible for the corrective action
- The anticipated date of completion

The “view of responsible officials” included with most audit findings does not meet the definition of a corrective action plan unless it includes all the above requirements.

The corrective action plan is required to be a separate document on district letterhead.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The Summary Schedule of Prior Audit Findings (SSPAF) is a requirement of 2 CFR Part 200 for both financial statement and federal findings. It is the school district’s responsibility to provide this schedule and MDE’s responsibility to follow-up on all audit findings. If this is not included with an audit, MDE’s Office of Financial Management will request this from the district.

Certified Public Accountant (CPA) PEER REVIEW

Audit organizations conducting governmental audits are required by Government Auditing Standards to have an independent external quality review or peer review once every three years. Firms that do not have proof of a peer review posted on the American Institute of Certified Public Accountants (AICPA) site must submit their peer review to MDE. MDE will not accept audits performed by CPAs whose peer review has not been posted to the AICPA site or has not submitted proof of their peer review to MDE. MDE will notify the school district if the auditor does not meet the above requirement.

AUDITS REPORTING FEDERAL REVENUE > $750,000 WITH NO SINGLE AUDIT

If the audited financial statements report federal funds received in excess of $750,000 but the district did not expend $750,000 or more in federal funds and therefore does not require a Single Audit, a note should be included in the Notes to the Financial Statements to explain the reason for exclusion of the Single Audit. See the example below:

Example: Current Federal guidelines require entities with federal expenditures exceeding $750,000 to have a “single audit” of federally funded programs.

| Revenues from Federal Sources – Statement of Revenues, Expenditures and Changes in Fund Balance | $ 817,596 |
Federal expenditures related to Qualified School Construction Bonds that are not required to be reported on the Schedule of Expenditures of Federal Awards and are not covered by the Single Audit Act.

(116,712) $700,884

UNIFORM BUDGETING AND ACCOUNTING ACT (UB&AA)
The UB&AA establishes budget and accounting requirements for local governments and school districts, including public school academies. It also establishes oversight requirements for MDE as well as the Michigan Attorney General. Material violations of the UB&AA including, but not limited to, general fund deficits, should be reported as financial statement findings in the audit report. Noncompliance includes, but is not limited to, over-expending the budget authorized by the legislative body.

MDE is reviewing the Budget to Actual for the general fund only. MDE is analyzing at the total revenues, expenditures and financing sources (uses) levels, rather than at the line item level. If the district does not meet budgeted revenues but reduces expenditures to a level that does not reduce the ending fund balance, there is no MDE follow-up. If the district over-expends the budget, MDE will look at the effect on the ending fund balance to determine the need for follow-up.

The budget to actual included in the audit is also used in determining early warning indicators.

Legislative Guidance:

Section 17 of the UB&AA (MCL 141.437) states that if it becomes apparent during the year that the probable revenues will be less than the budgeted revenues, the chief administrative officer or fiscal officer shall present recommendations to the legislative body which, if adopted, would prevent expenditures from exceeding available revenues for the fiscal year.

Sections 18 and 19 (MCL 141.438 and 141.439) state that an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body. Additionally, the chief administrative officer, an administrative officer, or an employee of the local unit shall not apply or divert money for purposes inconsistent with those specified in the appropriations.

Section 20 (MCL 141.440) requires MDE to notify the Attorney General of violations of Sections 17 to 19 that are disclosed in audits of school districts that have an “absence of reasonable procedures in use by the local unit to detect such violations.”

FRAUD, ILLEGAL ACTS, CONTRACT VIOLATIONS, GRANT VIOLATIONS, ABUSE
Chapter 6, Section 6.53 of the Yellow Book requires auditors to report known or likely fraud, illegal acts, and violations of provisions of contracts or grant agreements or abuse directly to parties outside the audited entity in the following two circumstances:
a. When entity management fails to satisfy legal or regulatory requirements to report such information to external parties specified in law or regulation, auditors should first communicate the failure to report such information to those charged with governance. If the audited entity still does not report this information to the specified external parties as soon as practicable after the auditor’s communication with those charged with governance, then the auditors should report the information directly to the specified external parties.

b. When entity management fails to take timely and appropriate steps to respond to fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that (1) is likely to have a material effect on the subject matter and (2) involves funding received directly or indirectly from a government agency, auditors should first report management’s failure to take timely and appropriate steps to those charged with governance, then the auditor should report the audited entity’s failure to take timely and appropriate steps directly to the funding agency.

Auditors should comply with these requirements even if they have resigned or been dismissed from the audit prior to its completion.

This issue is addressed in the Michigan School Auditing Manual, Section A, item V. Written reports should include a description of the incidents, names, dates, amounts and fund sources.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT #84 – FIDUCIARY ACTIVITIES
GASB Statement #84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

For Michigan school districts, implementation of this Statement will primarily affect funds previously held in Agency Funds (6x). Funds previously considered custodial in nature, such as funds belonging to student groups, could potentially need to be moved to a governmental fund. Statement #84 also addresses Private Purpose Trust Funds, which are held by some school districts.

Additional information and guidance regarding this Statement is available in Section II E.18 of the Michigan Public School Accounting Manual.

FOOD SERVICE UNCOLLECTABLE (BAD DEBT) DEBT WRITE-OFFS
As of July 1, 2017, School Food Authorities (SFAs) must have a written meal charging policy as well as a policy which addresses bad debt related to the non-profit school food service account (NSFSA). Policies regarding bad debt should be referenced in the meal charge policy. The SFA’s bad debt policy and meal charge policy must be provided to MDE during the Administrative Review and Resource Management Review.
Bad debt is defined as uncollectable meal balances for inactive students as of June 30th that have not been collected by December 31st of the same calendar year (six months). Any related collection costs and related legal costs arising due to the collection of inactive unpaid meal charges throughout that current school year and six-month collection period thereafter, are an allowable cost to the NSFSA. Once inactive unpaid meal charges are written off as bad debt, collection or legal costs become an unallowable cost in the NSFSA per Federal regulations (2 CFR §200.426). No later than December 31st each year the NSFSA must write off inactive uncollectable meal charges as bad debt from non-federal funds to make the NSFSA whole. The funds may come from the district general fund, local funding, school or community organizations such as the Parent-Teacher Association (PTA), or any other non-Federal source.

Accounting guidance for these write-offs and additional information regarding this requirement can be found in Section II E.17 of the Michigan Public School Accounting Manual.

**BUDGET DETAIL FOR CONSOLIDATED APPLICATION PROGRAMS – July 1 through September 30 (overlap/summer school period)**

The program/grant year runs from July 1 through September 30, which is a 15 month period. This program year overlaps the fiscal year, which runs from July 1 through June 30. A summer term is treated as a *trailer* to the scheduled academic year (Fall, Spring, Summer). Budgeted and approved amounts in the Consolidated Application for the summer term must be funded with the previous academic program/grant year funds (e.g. summer term of July 2019 through September 2019 should be funded with the SY 2018-19 funds).

A Cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received (Cost Principles – 2 CFR §200.405).

**OBLIGATION DATE FOR CONSOLIDATED APPLICATION PROGRAMS**

In order to receive a July 1 obligation date, Local Educational Agencies (LEAs) must submit the Title I School Selections (TISS) Application and the Consolidated Application in substantially-approvable form on or before July 1. For LEAs that submit their TISS Application and Consolidated Application after July 1, the obligation date for available funding sources will be the *date of submission* in MEGS+.

**FOOD SERVICE INDIRECT COSTS**

All direct costs, excluding the cost of food for food services and items for resale (straw, napkin, Styrofoam container), are subject to the approved unrestricted indirect cost rate. The Office of Financial Management, State Aid and School Finance Unit calculates the indirect cost rate based on the prior two years.

The indirect cost rate is multiplied by the following expenditures:
• Total salaries
• Benefits
• Transportation
• Supplies and other materials
• Contracted services (limited to the first $25,000 of the contract. Costs in excess of the $25,000 are to be excluded)

Excluded costs include:
• Equipment purchases and other capital expenditures
• Payments to contractors beyond the first $25,000
• Food costs & items for resale in the school food service
• Renovations and alterations
• Certain unallowable costs (e.g., fines, penalties, bad debts)

Equipment and other capital expenditures purchased with Food Service funds, with a cost of $5,000 or more require prior written approval per 2CFR 200.439. If not pre-approved, these costs may be disallowed.

**FINANCIAL DATA CONSISTENCY**

Please be sure that balances are consistent in financial data submitted to the State. Audit figures should match FID figures; special education reposting should also match FID figures. The financial data on the Schedule of Expenditures of Federal Awards (SEFA) should balance and should agree with the financial statements. Beginning accrued/unearned revenue balance should match the prior year ending accrued/unearned revenue balances. Beginning in 2017-2018, Section 18(10) of the State School Aid Act states that “if the department determines that the financial data required under subsection (5) are not consistent with the audited financial statement, the department shall withhold all state school aid due to the district or intermediate district under this article...”

Additional attention should be given to the consistency of fund balance and federal revenue figures between the Financial Information Database (FID) and audited financial statements.

**FINANCIAL INFORMATION DATABASE**

The comprehensive annual financial data will be collected electronically via the FID. The audit and the FID are due by November 1. Sections 18(4), 18(5), and 18(10) of the State School Aid Act set the legal mandate for this reporting and require MDE to withhold state school aid payments for non-compliance. Additionally, Section 18(10) sets the legal mandate for the withholding of state school aid payments if inconsistency exists between the audit and FID data.

The FID continues to be the only submission option for fiscal year 2018-2019 financial data. The Center for Educational Performance and Information (CEPI) is the entity responsible for collecting the data from districts. MDE will maintain responsibility for monitoring proper accounting and reporting by the districts. Instructions are available from CEPI. The FID can be accessed at [www.michigan.gov/cepi](http://www.michigan.gov/cepi), then click the FID icon at the bottom of the page.
District administrators should review the district accounting system to ensure that it contains all the required account code dimensions. Districts must include the revenue suffix codes and expenditure grant codes on the uploaded FID files. These dimensions are essential to ensure MDE has information necessary to report to the National Public Education Finance Survey. The federal reporting is used to allocate various federal funds to the states.

**BUDGET POSTING TO THE DISTRICT’S WEBSITE**

Language in Section 18(2) of the State School Aid Act requires local districts, intermediate districts and public school academies to post their annual operating budget and subsequent amendments on their website within 15 days of Board adoption. Any amendments to the FY 2018 budget approved by the board will require posting to the website. The budget postings should include the General Appropriation Resolutions or budgets with notation indicating when they were adopted by the local school board. SASF now only requires the General Fund budget to be posted unless another fund has a deficit. *The Michigan Public School Accounting Manual*, Section IV contains further details.

The State School Aid Act, Section 18(2), requires districts to include a “Budget Transparency Reporting” link on each district’s homepage. Guidelines for this reporting may be found in the *Michigan Public School Accounting Manual*, Section II, C.05 at the following URL: [http://www.michigan.gov/documents/sc-ii_13265_7.pdf](http://www.michigan.gov/documents/sc-ii_13265_7.pdf). The MDE Guidance related to Budget Transparency Reporting Requirements may be found at: [http://www.michigan.gov/mde/0,4615,7-140-6530_6605-159882--,00.html](http://www.michigan.gov/mde/0,4615,7-140-6530_6605-159882--,00.html).

**DEFICIT FUND BALANCE**

A district reporting a general fund deficit (negative fund balance before reserves) must notify MDE as soon as the deficit is confirmed and should not wait until the FID report is filed. Section 1220 of the Revised School Code discusses deficit districts. Districts adopting a budget deficit in the current year should notify MDE immediately. The notification should be in written form and mailed to: Phil Boone, Office of Financial Management, State Aid and School Finance Unit, PO Box 30008, Lansing, MI 48909. Additional information related to reporting for deficit fund balances is available on the MDE website at: [http://www.michigan.gov/mde/0,4615,7-140-6530_6605-106599--,00.html](http://www.michigan.gov/mde/0,4615,7-140-6530_6605-106599--,00.html).

**EARLY WARNING INDICATORS**

Early Warning Legislation was enacted July 7, 2015 to address districts and Public School Academies with early warning indicators of financial stress. This legislation included five legislative bills that address any district or PSA with a general fund balance of less than 5% of the general fund revenue in either of the two most recent fiscal years. These schools are required to send budgetary assumptions to the Center for Educational Performance and Information (CEPI). MDE and the Michigan Department of Treasury analyze and review this information in an effort to make determinations of potential financial stress. The Office of Financial Management, State Aid and School Finance Unit worked collaboratively with the Department of Treasury to determine the indicators of financial stress. MDE will continue to work with the Department of Treasury to help those districts identified as being in financial stress either through an administrative review
conducted by the school district’s ISD or the academy’s authorizer or through increased reporting to the Department of Treasury. The goal is to prevent districts or academies from going into a budget deficit.

Districts meeting Early Warning criteria (General Fund Balance under 5% of revenues) are required to complete the Budgetary Assumptions Collection within the FID application prior to July 7 of each year. Additional information regarding this requirement and data collection can be accessed at https://www.michigan.gov/documents/cepi/BA-Guide_493367_7.pdf.

FINANCIAL STATEMENT REPORTING FOR REVENUE REPORTED IN MAJOR CLASS CODES 511-529, 54X, AND 552

- Major Class code items “511-529, 54x, and 552” are not considered an “Other Financing Source” for financial reporting purposes.
- Local source revenues (511-529) received through another public school should be recorded under Local source revenues in the budget and in the financial statements.
- State source revenues (317-318) received through another public school should be recorded under State source revenues in the budget and in the financial statements.
- Federal source revenues (417-418) received through another public school should be recorded under Federal source revenues in the budget and in the financial statements.
- Extra-ordinary reimbursements (54x) as well as CERTAIN Prior Year Tax Collections recorded in major class code “522-Non-material Prior Year” should also be reported as Local Source Revenue on the budget and in the financial statements.
- The Michigan Public School Accounting Manual – Frequently Asked Questions addresses these issues in more detail and is available on the State Aid and School Finance webpage. See FAQs: R15, R17 and BS3.

TRANSFER OF GENERAL FUND TO CAPITAL PROJECTS AND DEBT SERVICE

Section 18 of the State School Aid Act allows for the transfer of not more than 20% of total State Aid to either the Capital Projects fund or the Debt Retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department has the responsibility of determining reasonableness of expenditures and may withhold funds from a recipient of State Aid for violations by the recipient. The 20% in the legislative language is calculated based on funds received under sections 22A and 22B or in the case of the intermediate district, section 81.

ACCOUNTING FOR THE RECOVERY OF INDIRECT COST

The Michigan Public School Accounting Manual, Section II, E.03 includes a discussion on accounting for the recovery of indirect costs. It may be found at the following URL: http://www.michigan.gov/documents/sc-ii_13265_7.pdf. In addition, guidance related to determining the indirect cost rate and how it may be used is available at: http://www.michigan.gov/mde/0,4615,7-140-6530_6605-118785--,00.html.

ACCOUNTING FOR STATE SCHOOL AID REVENUES

The account codes for all revenues received through the State School Aid Act may be found at the following URL: http://www.michigan.gov/documents/saacct03_45776_7.pdf

Link to Account codes for all revenues received through the State School Aid Act
MAINTENANCE OF EFFORT (MOE)
The Office of Financial Management, State Aid and School Finance Unit calculates the ESEA Maintenance of Effort for all Michigan public schools. The data is available on the MDE website at:
http://www.michigan.gov/mde/0,4615,7-140-6530_6605-242519--,00.html.
# Allegan Area Educational Service Agency
## Schedule of Expenditures of Federal Awards
### Year Ended June 30, 2016

<table>
<thead>
<tr>
<th>Federal grantor/pass-through grantor/program title</th>
<th>Federal CFDA number</th>
<th>Subrecipient award/contract amount</th>
<th>Subrecipient current year expenditures</th>
<th>Current year cash transferred to subrecipient</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PL-94-142 Preschool Incentive:</strong></td>
<td>84.173</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allegan Public Schools</td>
<td>$17,618</td>
<td>$17,618</td>
<td>$17,618</td>
<td></td>
</tr>
<tr>
<td>Fennville Public Schools</td>
<td>9,664</td>
<td>9,664</td>
<td>9,664</td>
<td></td>
</tr>
<tr>
<td>Hopkins Public Schools</td>
<td>9,674</td>
<td>9,674</td>
<td>9,674</td>
<td></td>
</tr>
<tr>
<td>Martin Public Schools</td>
<td>3,836</td>
<td>3,836</td>
<td>3,836</td>
<td></td>
</tr>
<tr>
<td>Otsego Public Schools</td>
<td>11,910</td>
<td>11,910</td>
<td>11,910</td>
<td></td>
</tr>
<tr>
<td>Plainwell Public Schools</td>
<td>14,124</td>
<td>14,124</td>
<td>14,124</td>
<td></td>
</tr>
<tr>
<td>Wayland Public Schools</td>
<td>18,363</td>
<td>18,363</td>
<td>18,363</td>
<td></td>
</tr>
</tbody>
</table>

Total PL-94-142 Preschool Incentive passed through to subrecipients: $85,189 $85,189 $85,189

| MSA school base services:                         | 93.778              |                                    |                                       |                                             |
| Passed through to:                                |                     |                                    |                                       |                                             |
| Allegan Public Schools                            | $2,908              | $2,908                             | $2,908                                |                                             |
| Fennville Public Schools                          | 777                 | 777                                | 777                                   |                                             |
| Hopkins Public Schools                            | 321                 | 321                                | 321                                   |                                             |
| Martin Public Schools                             | 364                 | 364                                | 364                                   |                                             |
| Otsego Public Schools                             | 1,294               | 1,294                              | 1,294                                 |                                             |
| Plainwell Public Schools                          | 1,054               | 1,054                              | 1,054                                 |                                             |
| Wayland Public Schools                            | 1,853               | 1,853                              | 1,853                                 |                                             |

Total MSA school base services passed through to subrecipients: $8,571 $8,571 $8,571