



East Lansing Board of Education

509 Burcham Drive, East Lansing, MI 48823

Items of Information
January 12, 2026 - 7:00 PM
Board Room
509 Burcham Drive
East Lansing, Michigan 48823

Agenda

I. Future Action

- A. MacDonald Middle School Roof Bids
 - B. Fiber Installation
 - C. Purchase of UPS Devices
 - D. Fiber Infrastructure Maintenance Agreement
 - E. Germany Field Trip
- II. Completion of Federal Single Audit (Uniform Guidance)





East Lansing
Public Schools

MEMORANDUM

TO: ELPS Board of Education, Dori Leyko, Superintendent

FROM: Lisa Allen, Director of Finance

SUBJECT: Information Item – Completion of Federal Single Audit (Uniform Guidance)

DATE: January 12, 2026

Purpose

Information Item – Completion of Federal Single Audit (Uniform Guidance)

Background

The District's annual financial statement audit for the year ended June 30, 2025, was completed by Maner Costerisan and accepted by the Board on October 27, 2025. At that time, the federal Single Audit could not be finalized because the Office of Management and Budget had not yet released the final Compliance Supplement.

Following the issuance of the Compliance Supplement, Maner Costerisan completed the required Single Audit testing and reporting in accordance with the Uniform Guidance. The audit resulted in no material weaknesses, significant deficiencies, or federal findings. With this work completed, the District's fiscal year 2025 audit is now complete.

**SCHOOL DISTRICT OF THE CITY OF EAST
LANSING**

**ADDITIONAL REPORTS REQUIRED BY
UNIFORM GUIDANCE**

YEAR ENDED JUNE 30, 2025



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**INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education
School District of the City of East Lansing

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of the City of East Lansing (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 14, 2025, 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 District's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 14, 2025.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

December 2, 2025



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

To the Board of Education
School District of the City of East Lansing

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited School District of the City of East Lansing's 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 School District of the City of East Lansing's major federal programs for the year ended June 30, 2025. School District of the City of East Lansing's 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, School District of the City of East Lansing's 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of School District of the City of East Lansing's 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 School District of the City of East Lansing's 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 School District of the City of East Lansing's 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 School District of the City of East Lansing's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about School District of the City of East Lansing's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District of the City of East Lansing's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District of the City of East Lansing's 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 School District of the City of East Lansing's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

December 2, 2025

**SCHOOL DISTRICT OF THE CITY OF EAST LANSING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-through Grantor/ Program Title	Federal ALN Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2024	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2025
<u>U.S. Department of Agriculture</u>									
Passed through Michigan Department of Education									
Child Nutrition Cluster									
Non-cash assistance (donated foods)									
National School Lunch Program	10.555	N/A	\$ 159,247	\$ -	\$ -	\$ -	\$ 159,247	\$ 159,247	\$ -
National School Lunch Program - bonus			609	-	-	-	609	609	-
Total non-cash assistance			<u>159,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,856</u>	<u>159,856</u>	<u>-</u>
Cash Assistance									
National School Lunch Program	10.555	241960	120,827	-	-	-	120,827	120,827	-
National School Lunch Program		251960	797,801	-	-	-	797,801	669,179	128,622
			<u>918,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>918,628</u>	<u>790,006</u>	<u>128,622</u>
Total ALN 10.555			<u>1,078,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,078,484</u>	<u>949,862</u>	<u>128,622</u>
School Breakfast Program	10.553	241970	24,218	-	-	-	24,218	24,218	-
School Breakfast Program		251970	203,389	-	-	-	203,389	170,025	33,364
Total ALN 10.553			<u>227,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,607</u>	<u>194,243</u>	<u>33,364</u>
Summer Food Service Program for Children	10.559	240900	22,288	10,112	22,288	-	-	10,112	-
Summer Food Service Program for Children		250900	15,279	-	-	-	15,279	10,571	4,708
Total ALN 10.559			<u>37,567</u>	<u>10,112</u>	<u>22,288</u>	<u>-</u>	<u>15,279</u>	<u>20,683</u>	<u>4,708</u>
Total Child Nutrition Cluster			<u>1,343,658</u>	<u>10,112</u>	<u>22,288</u>	<u>-</u>	<u>1,321,370</u>	<u>1,164,788</u>	<u>166,694</u>
Total Cash Assistance			<u>1,183,802</u>	<u>10,112</u>	<u>22,288</u>	<u>-</u>	<u>1,161,514</u>	<u>1,004,932</u>	<u>166,694</u>
Total U.S. Department of Agriculture			<u>1,343,658</u>	<u>10,112</u>	<u>22,288</u>	<u>-</u>	<u>1,321,370</u>	<u>1,164,788</u>	<u>166,694</u>

The accompanying notes are an integral part of this schedule.

**SCHOOL DISTRICT OF THE CITY OF EAST LANSING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-through Grantor/ Program Title	Federal ALN Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2024	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2025
<u>U.S. Department of Education</u>									
Passed through Michigan Department of Education									
Title I Grants to Local Educational Agencies	84.010	241530-2324	\$ 525,575	\$ 128,156	\$ 452,564	\$ -	\$ -	\$ 128,156	\$ -
Title I Grants to Local Educational Agencies		251530-2425	564,494	-	-	-	527,887	433,678	94,209
Total ALN 84.010			1,090,069	128,156	452,564	-	527,887	561,834	94,209
English Language Acquisition State Grants	84.365	240580-2324	35,998	4,618	28,559	-	-	4,618	-
English Language Acquisition State Grants		240570-2324	10,618	2,476	2,476	-	-	2,476	-
English Language Acquisition State Grants		250580-2425	36,094	-	-	-	36,094	34,127	1,967
English Language Acquisition State Grants		250570-2425	15,909	-	-	-	13,952	11,120	2,832
Total ALN 84.365			98,619	7,094	31,035	-	50,046	52,341	4,799
Supporting Effective Instruction State Grants	84.367	240520-2324	97,371	25,540	93,371	-	-	25,540	-
Supporting Effective Instruction State Grants		250520-2425	95,418	-	-	-	95,418	80,168	15,250
Total ALN 84.367			192,789	25,540	93,371	-	95,418	105,708	15,250
Student Support and Academic Enrichment Program	84.424	240750-2324	29,769	7,250	29,769	-	-	7,250	-
Student Support and Academic Enrichment Program		250750-2425	36,022	-	-	-	36,022	29,369	6,653
Total ALN 84.424			65,791	7,250	29,769	-	36,022	36,619	6,653
Total passed through Michigan Department of Education			1,447,268	168,040	606,739	-	709,373	756,502	120,911

**SCHOOL DISTRICT OF THE CITY OF EAST LANSING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-through Grantor/ Program Title	Federal ALN Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2024	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2025
<u>U.S. Department of Education</u>									
Passed through Ingham County Intermediate School District									
Special Education Cluster									
Special Education Grants to States	84.027	230450-2223	\$ 3,430	\$ 3,430	\$ 3,430	\$ -	\$ -	\$ 3,430	\$ -
Special Education Preschool Grants	84.173	240460-2024	35,635	35,635	35,635	-	-	35,635	-
Special Education Preschool Grants		250460-2025	27,732	-	-	-	27,732	-	27,732
Total ALN 84.173			63,367	35,635	35,635	-	27,732	35,635	27,732
Total Special Education Cluster			66,797	39,065	39,065	-	27,732	39,065	27,732
Total U.S. Department of Education			1,514,065	207,105	645,804	-	737,105	795,567	148,643
<u>U.S. Department of Health and Human Services</u>									
Passed through Ingham Intermediate School District									
Medicaid Cluster									
Grants to States for Medicaid	93.778	N/A	65,370	-	-	-	65,370	65,370	-
<u>U.S. Department of Transportation</u>									
Passed through Michigan Fitness Foundation									
Highway Research and Development Program	20.200	N/A	39,530	6,031	6,031	-	-	6,031	-
Highway Research and Development Program			16,000	479	479	-	-	479	-
Highway Research and Development Program			2,483	-	-	-	2,483	2,483	-
Total ALN 20.200			58,013	6,510	6,510	-	2,483	8,993	-
<u>U.S. Department of Treasury</u>									
Passed through Michigan Department of Education									
Coronavirus State and Local Fiscal Recovery Funds	21.027	242426-FFHH24	173,840	-	-	-	93,771	-	93,771
TOTAL FEDERAL AWARDS			\$ 3,154,946	\$ 223,727	\$ 674,602	\$ -	\$ 2,220,099	\$ 2,034,718	\$ 409,108

**SCHOOL DISTRICT OF THE CITY OF EAST LANSING
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the School District of the City of East Lansing under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 of the City of East Lansing it is not intended to and does not present the financial position or changes in net position of the School District of the City of East Lansing.

The District qualifies for low-risk auditee status. Management has utilized the Nexsys cash management system and the Grant Auditor Report in preparing the schedule of expenditures of federal awards. The District does not pass-through federal funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are now allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The School District of the City of East Lansing has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RECONCILIATION WITH AUDITED FINANCIAL STATEMENTS

Reconciliation of federal revenues reported on the financial statements with expenditures per the schedule of expenditures of federal awards:

General fund	\$ 898,729
Other nonmajor governmental funds	<u>1,321,370</u>
Total federal revenue in the fund financial statements	<u><u>\$ 2,220,099</u></u>



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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***

To the Board of Education
School District of the City of East Lansing

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District of the City of East Lansing, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise School District of the City of East Lansing's basic financial statements, and have issued our report thereon dated October 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered School District of the City of East Lansing's 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 School District of the City of East Lansing's internal control. Accordingly, we do not express an opinion on the effectiveness of School District of the City of East Lansing's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

October 14, 2025

**SCHOOL DISTRICT OF THE CITY OF EAST LANSING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

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

Unmodified

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

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
10.553, 10.555, and 10.559	Child Nutrition Cluster

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

\$ 750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Findings

None noted

Section III - Federal Award Findings and Question Costs

None noted

**SCHOOL DISTRICT OF THE CITY OF EAST LANSING
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

There were no prior year audit findings disclosed.

Respectfully Submitted,

***Dori Leyko
Superintendent***