

Romeo Community Schools

Single Audit

June 30, 2025



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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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*

Independent Auditors' Report

Management and the Board of Education
Romeo Community Schools
Romeo, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Romeo Community Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Romeo Community Schools' basic financial statements, and have issued our report thereon dated October 27, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Romeo Community 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 Romeo Community Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Romeo Community Schools' internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Yeo & Yeo, P.C.

Troy, Michigan
October 27, 2025

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

Independent Auditors' Report

Management and the Board of Education
Romeo Community Schools
Romeo, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Romeo Community 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 Romeo Community Schools' major federal programs for the year ended June 30, 2025. Romeo Community Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Romeo Community 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, 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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Romeo Community 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 Romeo Community 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 agreements applicable to Romeo Community Schools's federal programs.

Auditors' 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 Romeo Community 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 Romeo Community 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 Romeo Community 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 Romeo Community 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 Romeo Community 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 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 Auditors' 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.

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 Romeo Community Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Romeo Community Schools' basic financial statements. We issued our report thereon dated October 27, 2025, which contained unmodified opinions on those financial statements. Our audit was performed 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.

Yeo & Yeo, P.C.

Troy, Michigan

December 5, 2025 except for our report on the Schedule of Expenditures of Federal Awards , for which the date is October 27, 2025

Romeo Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor Pass-Through Grantor Program or Cluster Title	Grant/ Project Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2024	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2025
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
School Breakfast Program	241970 - 2324	10.553	\$ 227,243	\$ -	\$ 202,419	\$ 24,824	\$ 24,824	\$ -
School Breakfast Program	251970 - 2425	10.553	229,800	-	-	229,800	229,800	-
Total School Breakfast Program			<u>457,043</u>	<u>-</u>	<u>202,419</u>	<u>254,624</u>	<u>254,624</u>	<u>-</u>
Non-Cash Assistance								
National School Lunch Program - Entitlement	N/A	10.555	<u>233,870</u>	<u>-</u>	<u>-</u>	<u>233,870</u>	<u>233,870</u>	<u>-</u>
Cash Assistance								
National School Lunch Program	241960 - 2324	10.555	768,578	-	659,582	108,996	108,996	-
National School Lunch Program	251960 - 2425	10.555	897,346	-	-	897,346	897,346	-
Total Cash Assistance			<u>1,665,924</u>	<u>-</u>	<u>659,582</u>	<u>1,006,342</u>	<u>1,006,342</u>	<u>-</u>
Total National School Lunch Program			<u>1,899,794</u>	<u>-</u>	<u>659,582</u>	<u>1,240,212</u>	<u>1,240,212</u>	<u>-</u>
Summer Food Service Program	240900	10.559	<u>220,673</u>	<u>-</u>	<u>25,881</u>	<u>194,792</u>	<u>194,792</u>	<u>-</u>
Total Child Nutrition Cluster			<u>2,577,510</u>	<u>-</u>	<u>887,882</u>	<u>1,689,628</u>	<u>1,689,628</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>2,577,510</u>	<u>-</u>	<u>887,882</u>	<u>1,689,628</u>	<u>1,689,628</u>	<u>-</u>
U.S. Department of Education								
Passed through Macomb County Intermediate School District								
Special Education Cluster								
Special Education - Grants to States - Flowthrough	230450 - 2223	84.027	1,071,304	2,693	1,071,304	-	2,693	-
Special Education - Grants to States - Flowthrough	240450 - 2324	84.027	996,310	191,617	996,310	-	191,617	-
Special Education - Grants to States - Flowthrough	250450 - 2425	84.027	1,145,990	-	-	1,145,990	848,553	297,437
Total IDEA Flowthrough			<u>3,213,604</u>	<u>194,310</u>	<u>2,067,614</u>	<u>1,145,990</u>	<u>1,042,863</u>	<u>297,437</u>
Passed through Macomb County Intermediate School District								
Special Education - Preschool Grants	240460 - 2324	84.173	<u>33,367</u>	<u>7,659</u>	<u>33,367</u>	<u>-</u>	<u>7,659</u>	<u>-</u>
Total Special Education Cluster			<u>3,246,971</u>	<u>201,969</u>	<u>2,100,981</u>	<u>1,145,990</u>	<u>1,050,522</u>	<u>297,437</u>
Passed through Michigan Department of Education								
Title I - Part A - Grants to Local Education Agencies	241530 - 2324	84.010	569,726	108,737	471,989	12,290	121,027	-
Title I - Part A - Grants to Local Education Agencies	251530 - 2425	84.010	628,196	-	-	450,522	331,117	119,405
Total Title I			<u>1,197,922</u>	<u>108,737</u>	<u>471,989</u>	<u>462,812</u>	<u>452,144</u>	<u>119,405</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Romeo Community Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor Pass-Through Grantor Program or Cluster Title	Grant/ Project Number	Federal Assistance Listing Number	Approved Grant Amount	Accrued (Unearned) Revenue July 1, 2024	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Accrued (Unearned) Revenue June 30, 2025
Passed through Macomb County Intermediate School District								
Career and Technical Education - Basic Grants to States	243520 - 2324	84.048	\$ 174,541	\$ 73,910	\$ 165,073	\$ -	\$ 73,910	\$ -
Career and Technical Education - Basic Grants to States	253520 - 2425	84.048	<u>100,526</u>	<u>-</u>	<u>-</u>	<u>100,526</u>	<u>88,219</u>	<u>12,307</u>
Total Career and Technical Education - Basic Grants to States			<u>275,067</u>	<u>73,910</u>	<u>165,073</u>	<u>100,526</u>	<u>162,129</u>	<u>12,307</u>
Passed through Michigan Department of Education								
English Language Acquisition State Grants	240570 - 2324	84.365	3,340	-	-	209	209	-
English Language Acquisition State Grants	240580 - 2324	84.365	38,097	8,312	26,856	2,151	10,463	-
English Language Acquisition State Grants	250580 - 2425	84.365	<u>40,655</u>	<u>-</u>	<u>-</u>	<u>28,270</u>	<u>20,639</u>	<u>7,631</u>
Total English Language Acquisition State Grants			<u>82,092</u>	<u>8,312</u>	<u>26,856</u>	<u>30,630</u>	<u>31,311</u>	<u>7,631</u>
Passed through Michigan Department of Education								
Supporting Effective Instruction State Grants	240520 - 2324	84.367	186,524	20,124	45,438	10,751	30,875	-
Supporting Effective Instruction State Grants	250520 - 2425	84.367	<u>217,653</u>	<u>-</u>	<u>-</u>	<u>67,284</u>	<u>45,554</u>	<u>21,730</u>
Total Supporting Effective Instruction State Grants			<u>404,177</u>	<u>20,124</u>	<u>45,438</u>	<u>78,035</u>	<u>76,429</u>	<u>21,730</u>
Passed through Michigan Department of Education								
Title IV - Part A - Student Support & Academic Enrichment	240750 - 2324	84.424	32,109	30,134	30,134	-	30,134	-
Title IV - Part A - Student Support & Academic Enrichment	250750 - 2425	84.424	<u>43,101</u>	<u>-</u>	<u>-</u>	<u>42,427</u>	<u>6,827</u>	<u>35,600</u>
Total Title IV - Part A - Student Support & Academic Enrichment			<u>75,210</u>	<u>30,134</u>	<u>30,134</u>	<u>42,427</u>	<u>36,961</u>	<u>35,600</u>
Passed through Michigan Department of Education								
Education Stabilization Fund								
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) III	213713 - 2122	84.425U	2,987,920	647,034	2,932,325	55,594	702,628	-
COVID-19 ESSER III - 11t	213723 - 2122	84.425U	<u>2,679,143</u>	<u>195,419</u>	<u>2,451,129</u>	<u>228,014</u>	<u>423,433</u>	<u>-</u>
Total Education Stabilization Fund			<u>5,667,063</u>	<u>842,453</u>	<u>5,383,454</u>	<u>283,608</u>	<u>1,126,061</u>	<u>-</u>
Total U.S. Department of Education			<u>10,948,502</u>	<u>1,285,639</u>	<u>8,223,925</u>	<u>2,144,028</u>	<u>2,935,557</u>	<u>494,110</u>
U.S. Department of Health and Human Services								
Passed through Macomb County Intermediate School District								
Head Start Cluster								
Head Start	05CH8330	93.600	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total Federal awards			<u>\$ 13,528,512</u>	<u>\$ 1,285,639</u>	<u>\$ 9,111,807</u>	<u>\$ 3,836,156</u>	<u>\$ 4,627,685</u>	<u>\$ 494,110</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

Romeo Community Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Romeo Community Schools 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* 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 Romeo Community Schools, it is not intended to and does not present the financial position or changes in net position of Romeo Community Schools.

Note 2 - Summary of Significant Accounting Policies

Expenditures

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 where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

Romeo Community Schools has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

The federal revenues per the financial statements are in agreement with the Schedule.

Note 4 - Subrecipients

No amounts were provided to subrecipients.

Note 5 - Michigan Department of Education Disclosures

The federal amounts reported on the Grant Auditor Report (GAR) are in agreement with the Schedule except for the following which was due to timing of receipt of funds:

	Grant/Project Number	Reported on Grant Auditor Report	Reported on Schedule of Expenditures of Federal Awards	Variance
Summer Food Service Program - Operating	240900	\$ 220,673	\$ 194,792	\$ 25,881

Romeo Community Schools
Schedule of Findings and Questioned Costs
June 30, 2025

Section I – Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles:
Unmodified

Internal control over financial reporting:

- | | | | | |
|-------------------------------------------|-------|-----|--------------|---------------|
| • Material weakness(es) identified? | _____ | yes | <u> X </u> | no |
| • Significant deficiency(ies) identified? | _____ | yes | <u> X </u> | none reported |

Noncompliance material to financial statements noted?	_____	yes	<u> X </u>	no
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Federal Awards

Internal control over major federal programs:

- | | | | | |
|-------------------------------------------|-------|-----|--------------|---------------|
| • Material weakness(es) identified? | _____ | yes | <u> X </u> | no |
| • Significant deficiency(ies) identified? | _____ | yes | <u> X </u> | none reported |

Type of auditors' report issued on compliance for major federal programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	yes	<u> X </u>	no
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Identification of major federal programs:

Assistance Listing Number(s)

84.027 / 84.173

Name of Federal Program or Cluster

Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
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Auditee qualified as low-risk auditee?	<u> X </u>	yes	_____	no
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**Romeo Community Schools
Schedule of Findings and Questioned Costs
June 30, 2025**

Section II – *Government Auditing Standards* Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2025.

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2025.

**Romeo Community Schools
Summary Schedule of Prior Audit Findings
June 30, 2025**

Section IV – Prior Audit Findings

Government Auditing Standards Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2024.

Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2024.