



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT

To the Board of Education
Evert Public Schools
Evert, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Evert Public Schools for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 11, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Evert Public Schools are described in Note 1 to the financial statements. During the fiscal year, the District adopted GASB Statement No. 101 Compensated Absences, which required changes to how the compensated absences are reported. The application of existing policies was not changed during 2024-25. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities, each major fund, and the aggregate remaining fund information of Evert Public Schools' financial statements were:

Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future. Management's estimates of Subscription-Based Information Technology Arrangements are based on the present value of future obligations at an imputed rate. Management's estimates of the liability of the payout of employee compensated absences are based on probable payout. Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability (asset). We evaluated the methods, assumptions and data used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We detected various material misstatements as a result of our audit procedures that were corrected by management. The material adjustments made were a result of providing client assistance as the client knew the adjustment was necessary but requested our assistance.

Disagreements with Management

For purposes of this letter a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 3, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Evart Public School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Evart Public School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our audit of the basic financial statements of Evart Public Schools for the year ended June 30, 2025, we noted the following items which we feel deserve comment:

Budgeting

During the course of our audit, it was noted that one activity within the General Fund and the Food Service Fund was over budget. We recommend that the District monitor its budget on a monthly basis and amend the budget as soon as it becomes apparent expenditures will exceed appropriations.

Controls Over Information Technology

In the current technological environment, cyberattacks on governments and not for profit entities are becoming more prevalent and are resulting in increasing losses. This is a very common issue many organizations are tasked with addressing. We recommend developing formal IT policies and controls while also exercising extreme caution when using work devices and work networks. Adopting such policies, ensuring increased IT controls, and exercising caution related to IT in the workplace will improve security and protection against such attacks as well as reducing the risk of unauthorized access to your network and records.

Condition of Accounting Records and Accounting Controls

The accounting records were found to be in excellent condition. We would like to commend the accounting personnel for doing an excellent job and thank them for their efforts in accumulating the information needed for the audit.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, the Budgetary Comparison Schedule, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Proportionate Share of the Net Other Postemployment Benefit Liability (Asset), the Schedule of Other Postemployment Benefit Contributions, and Notes to Required Supplementary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the nonmajor combining fund financial statements and schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the schedule of bonds payable, which accompany the financial statements but are not the RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or prove any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Education and management of Evart Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

The logo for UHY LLP, featuring the letters "UHY" in a large, stylized, cursive font, followed by "LLP" in a smaller, sans-serif font.

Cadillac, Michigan
September 3, 2025