

**COPPER COUNTRY
INTERMEDIATE SCHOOL DISTRICT**
Baraga, Houghton, Keweenaw, and Ontonagon Counties, Michigan

Additional Reports Required by
the Uniform Guidance

For the year ended June 30, 2021

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COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2021

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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***

November 1, 2021

The Board of Education
Copper Country Intermediate School District
Baraga, Houghton, Keweenaw, and Ontonagon Counties, 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 and each major fund of Copper Country Intermediate School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Copper Country Intermediate School District's basic financial statements, and have issued our report thereon dated November 1, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Copper Country Intermediate School District's 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 Copper Country Intermediate School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Copper Country Intermediate School District'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Copper Country Intermediate School District'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 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*.

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.



Certified Public Accountants
Grand Rapids, Michigan



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

November 1, 2021

The Board of Education
Copper Country Intermediate School District
Baraga, Houghton, Keweenaw, and Ontonagon Counties, Michigan

Report on Compliance for Each Major Federal Program

We have audited Copper Country Intermediate School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Copper Country Intermediate School District's major federal program for the year ended June 30, 2021. Copper Country Intermediate School District's major federal program is 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 Copper Country Intermediate School District's major federal program 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 Copper Country Intermediate School District's 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 the major federal program. However, our audit does not provide a legal determination of Copper Country Intermediate School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Copper Country Intermediate School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Copper Country Intermediate School District 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 Copper Country Intermediate School District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Copper Country Intermediate School District's 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 and each major fund of Copper Country Intermediate School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise of Copper Country Intermediate School District's basic financial statements. We issued our report thereon dated November 1, 2021, 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.



Certified Public Accountants
Grand Rapids, Michigan

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2021

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
U. S. Department of Commerce		
Direct Awards:		
Marine Sancutuary Program: NA19NOS4290020	11.429	<u>\$ 1,600</u>
 Total U.S. Department of Commerce		<u> 1,600</u>
U. S. Department of Interior		
Direct Awards:		
National Park Conservation, Protection, Outreach & Education: P20AC00234	15.954	<u> 20,000</u>
 Total U.S. Department of Interior		<u> 20,000</u>
U. S. Department of Education		
Passed Through Michigan Department of Education (MDE):		
Special Education Cluster:		
I.D.E.A Flowthrough:	84.027	
200493-GSG		104,500
190450-1819		1,438,379
200450-1920		1,444,503
210450-2021		1,499,621
210493-GSSG		<u> 125,400</u>
 Total I.D.E.A. Flowthrough		<u> 4,612,403</u>
I.D.E.A. Preschool:	84.173	
210460-2021		<u> 45,031</u>
 Total Special Education Cluster		<u> 4,657,434</u>

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2020	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Passed Through to Sub-recipients	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2021
\$ -	\$ -	\$ 762	\$ -	\$ 762	\$ -
-	-	762	-	762	-
-	-	4,941	-	4,941	-
-	-	4,941	-	4,941	-
23,945	104,500	-	-	23,945	-
140,962	140,962	-	-	140,962	-
158,628	1,341,949	102,554	-	158,628	102,554
-	-	1,331,166	-	693,112	638,054
-	-	125,400	-	65,412	59,988
323,535	1,587,411	1,559,120	-	1,082,059	800,596
-	-	45,031	-	-	45,031
323,535	1,587,411	1,604,151	-	1,082,059	845,627

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2021

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
Special Education-Grants for Infants and Families:		
Infants and Toddler Formula:	84.181A	
201340-1920		\$ 72,546
211340-2021		<u>72,848</u>
Total Special Education-Grants for Infants and Families		<u>145,394</u>
Career and Technical Education - Perkins:	84.048A	
203520-20123		66,716
213520-21123		<u>62,864</u>
Total Career and Technical Education		<u>129,580</u>
Education Stabilization Fund:	84.425	
201230 20-21 GEER	84.425C	<u>6,997</u>
Total Passed Through MDE		<u>4,939,405</u>
Total U.S. Department of Education		<u>4,939,405</u>
U.S. Department of Treasury		
Passed Through Michigan Association of Intermediate School Administrators (MAISA):		
Coronavirus Relief Funds:	21.019	
MiConnect Connectivity Program Rebate		30,163
MiConnect Device Purchasing Rebate		<u>938</u>
Total Coronavirus Relief Funds		<u>31,101</u>
Total U.S. Department of Treasury		<u>31,101</u>

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2020	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Passed Through to Sub-recipients	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2021
\$ 12,484	\$ 71,127	\$ -	\$ -	\$ 12,484	\$ -
-	-	72,848	-	-	72,848
12,484	71,127	72,848	-	12,484	72,848
24,701	66,716	-	-	24,701	-
-	-	62,864	-	49,656	13,208
24,701	66,716	62,864	-	74,357	13,208
-	-	6,997	-	4,046	2,951
360,720	1,725,254	1,746,860	-	1,172,946	934,634
360,720	1,725,254	1,746,860	-	1,172,946	934,634
-	-	30,163	-	30,163	-
-	-	938	-	938	-
-	-	31,101	-	31,101	-
-	-	31,101	-	31,101	-

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2021

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
National Aeronautics & Space Administration		
Passed Through the Regents of the University of Michigan: Office of Stem Engagement:		
SUBK00011354 1920	43.008	\$ 10,000
SUBK00013376 2021		<u>10,000</u>
Total Office of Stem Engagement		<u>20,000</u>
Total National Aeronautics & Space Administration		<u>20,000</u>
U.S. Department of Health and Human Services		
Passed Through Michigan Department of Education (MDE): Substance Abuse and Mental Health Services Projects of Regional and National Significance:		
Project Aware	93.243	<u>409,590</u>
Preschool Development Grants Birth-5: Trusted Advisors 1920 203910	93.434	<u>20,000</u>
Total Passed Through MDE		<u>429,590</u>
Passed Through Michigan Department of Health and Human Services (MDHHS): Medicaid Cluster: Medical Assistance Program:		
1920 Medicaid Outreach	93.778	<u>22,036</u>
Total Passed Through MDHHS		<u>22,036</u>
Total U.S. Department of Health and Human Services		<u>451,626</u>
Total Federal Financial Assistance		<u>\$ 5,463,732</u>

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2020	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Passed Through to Sub-recipients	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2021
\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -
-	-	5,000	-	5,000	-
-	-	15,000	-	15,000	-
-	-	15,000	-	15,000	-
-	-	158,162	-	-	119,137
-	-	20,000	20,000	20,000	-
-	-	178,162	20,000	20,000	119,137
-	-	22,036	-	-	22,036
-	-	22,036	-	-	22,036
-	-	200,198	20,000	20,000	141,173
\$ 360,720	\$ 1,725,254	\$ 1,998,862	\$ 20,000	\$ 1,244,750	\$ 1,075,807

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2021

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Copper Country Intermediate School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with 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 Copper Country Intermediate School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows, as applicable, of Copper Country Intermediate School District.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Indirect Cost Rate

Copper Country Intermediate School District has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note D - Grant Section Auditor Report

Management has utilized the MDE Cash Management System (CMS) Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2021

Note E - Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
Marine Sanctuary Program	\$ 762	\$ 762	\$ -
National Parks Conservation, Protection, Outreach & Education	4,941	4,941	-
Career and Technical Education - Perkins	62,864	62,864	-
Education Stabilization Fund	6,997	6,997	-
Coronavirus Relief Funds	31,101	24,786,393	(24,755,292) *
Special Education Cluster	1,604,151	1,604,151	-
Special Education - Grants for Infants and Families	72,848	72,848	-
Office of Stem Engagement	15,000	15,000	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	158,162	119,937	38,225 **
Preschool Development Grants Birth-5	20,000	20,000	-
Medicaid Cluster	<u>22,036</u>	<u>22,036</u>	-
	<u>\$ 1,998,862</u>	<u>\$ 26,715,929</u>	<u>\$ (24,717,067)</u>

* The difference in Federal expenditures to Federal revenue per the financial statements is due to the District serving as the fiscal agent for Coronavirus Relief Funds passed through the Michigan Association of Intermediate School Administrators (MAISA) during 2020-21. The District provided \$24,755,292 in payments to other districts throughout the State to help administer MAISA's MiConnect Connectivity Program and Device Purchasing Rebate programs. The Michigan Department of Education has directed the District to record the pass-through funding as federal revenue in their financial statements for reporting purposes, however the District is not a subrecipient of such funding and it has therefore been excluded from the Schedule of Expenditures of Federal Awards.

**The difference in Federal expenditures to Federal revenue per the financial statements is due to deferred revenue being recorded for requests received in excess of 60 days after fiscal year-end.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ 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? _____ Yes X None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

_____ Yes X No

Identification of major programs audited:

Special Education Cluster
84.027 I.D.E.A. Grants to States
84.173 I.D.E.A. Preschool

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2021

Section I - Summary of Auditor's Results (Continued)

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

 \$750,000

Auditee qualified as a low-risk auditee?

 X

Yes

 No

Section II - Financial Statements Audit Findings

There were no findings that are required to be reported under *Government Auditing Standards*.

Section III - Major Federal Award Programs Findings and Questioned Costs

There were no findings or questioned costs.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO
SUBRECIPIENTS**

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT
 Provided to Subrecipients
 For the year ended June 30, 2021

Program Title/Subrecipient	Federal CFDA Number	Agency or Pass-Through Number	Approved Grant Award Amount
<i>Keweenaw Family Resources:</i>			
Preschool Development Grants Birth-5	93.434	1920 203910	<u>\$ 20,000</u>

See Notes to Schedule of Expenditures of Federal Awards.



(Memo Only) Prior Year Expenditures	Due to/(from) Subrecipients June 30, 2020	Current Year Cash Transferred to/ (from) Subrecipients	Current Year Expenditures Reported by Subrecipients	Due to/(from) Subrecipients June 30, 2021
\$ -	\$ -	\$ 20,000	\$ 20,000	\$ -