

**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, 2022

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COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2022

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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***

January 20, 2023

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, 2022, 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 January 20, 2023.

Report on 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) 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 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 or significant deficiencies may exist that were not identified.

Report on 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 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.



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**

January 20, 2023

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Copper Country Intermediate School District'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 Copper Country Intermediate School District's major federal program for the year ended June 30, 2022. 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.

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, 2022.

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 Copper Country Intermediate School District 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 the major federal program. Our audit does not provide a legal determination Copper Country Intermediate School District'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 the provisions of contracts or grant agreements applicable to Copper Country Intermediate School District's federal programs.

Auditor's Responsibility 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 Copper Country Intermediate School District'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 Copper Country Intermediate School District's compliance with the requirements of the 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 Copper Country Intermediate School District'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 Copper Country Intermediate School District'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 the Copper Country Intermediate School District'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 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, 2022, 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 January 20, 2023, 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, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Assistance Listing Number	Approved Grant Award Amount
U. S. Department of Education		
Passed Through Michigan Department of Education (MDE):		
Special Education Cluster:		
I.D.E.A Flowthrough:	84.027	
210493-GSSG		\$ 125,400
200450-1920		1,444,503
210450-20-21		1,499,621
220450-21-22		1,499,817
220493-GSSG		<u>125,400</u>
Total I.D.E.A. Flowthrough		<u>4,694,741</u>
I.D.E.A. Preschool:	84.173	
210460-2021		45,031
220460-21-22		<u>45,192</u>
Total I.D.E.A. Flowthrough		<u>90,223</u>
Total Special Education Cluster		<u>4,784,964</u>
Special Education-Grants for Infants and Families:		
Infants and Toddler Formula:	84.181	
211340-2021		72,848
221340-21-22		<u>72,921</u>
Total Special Education-Grants for Infants and Families		<u>145,769</u>
Education Stabilization Fund:	84.425	
201230 20-21 GEER	84.425C	<u>6,997</u>
Total Passed Through MDE		<u>4,937,730</u>

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Passed Through to Sub-recipients	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
\$ 59,988	\$ 125,400	\$ -	\$ -	\$ 59,988	\$ -
102,554	102,554	-	-	102,554	-
638,054	1,331,166	168,455	-	638,054	(168,455)
-	-	1,435,165	-	650,000	(785,165)
-	-	125,400	-	73,245	52,155
800,596	1,559,120	1,729,020	-	1,523,841	(901,465)
45,031	45,031	-	-	45,031	-
-	-	45,192	-	27,160	18,032
45,031	45,031	45,192	-	72,191	18,032
845,627	1,604,151	1,774,212	-	1,596,032	(883,433)
72,848	72,848	-	-	72,848	-
-	-	72,921	-	41,175	31,746
72,848	72,848	72,921	-	114,023	31,746
2,951	6,997	-	-	2,951	-
921,426	1,683,996	1,847,133	-	1,713,006	(851,687)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Assistance Listing Number	Approved Grant Award Amount
Passed Through Gogebic-Ontonagon Intermediate School District (GOISD):		
Career and Technical Education - Perkins:	84.048	
213520-21123		\$ 62,864
203520-21121		65,105
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Total Career and Technical Education		127,969
		<hr/>
Total Passed Through GOISD:		127,969
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Total U.S. Department of Education		5,065,699
		<hr/>
U.S. Department of Treasury		
Passed Through Michigan Department of Education (MDE):		
Coronavirus State and Local Fiscal Recovery Funds:	21.027	
Great Start Readiness Program:		
222390-GSRP2122		226,200
		<hr/>
Total U.S. Department of Treasury		226,200
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National Aeronautics & Space Administration		
Passed Through the Regents of the University of Michigan:		
Office of Stem Engagement:	43.008	
Space Grant - 1617		5,000
Space Grant - 1718		5,000
SUBK00015612 2122		9,979
		<hr/>
Total Office of Stem Engagement		19,979
		<hr/>
Total National Aeronautics & Space Administration		19,979
		<hr/>
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:	93.243	
Project Aware (20-21)		409,590
Project Aware (21-22)		410,600
		<hr/>
Total Project Aware		820,190
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See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Passed Through to Sub-recipients	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
\$ 13,208	\$ 62,864	\$ -	\$ -	\$ 13,208	\$ -
-	-	65,105	-	65,105	-
13,208	62,864	65,105	-	78,313	-
13,208	62,864	65,105	-	78,313	-
934,634	1,746,860	1,912,238	-	1,791,319	(851,687)
-	-	128,945	-	-	(128,945)
-	-	128,945	-	-	(128,945)
-	-	2,150	-	2,150	-
-	-	4,575	-	4,575	-
-	-	7,508	-	-	(7,508)
-	-	14,233	-	6,725	(7,508)
-	-	14,233	-	6,725	(7,508)
119,937	158,162	105,579	-	225,516	-
-	-	346,536	-	-	(346,536)
119,937	158,162	452,115	-	225,516	(346,536)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Assistance Listing Number	Approved Grant Award Amount
Preschool Development Grants Birth-5: Trusted Advisors-213910 3.621	93.434	\$ 33,000
Total Passed Through MDE		853,190
Passed Through Michigan Department of Health and Human Services (MDHHS): Medicaid Cluster: Medical Assistance Program: 1920 Medicaid Outreach 2021 Medicaid Outreach	93.778	22,036 43,515
Total Medicaid Cluster		65,551
Total Passed Through MDHHS		65,551
Total U.S. Department of Health and Human Services		918,741
U.S. Department of Agriculture Passed through Michigan Department of Education (MDE): Pandemic EBT Local Level Costs: 210980 2021	10.649	614
Total U.S. Department of Agriculture		614
Total Federal Financial Assistance		\$ 6,231,233

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Passed Through to Sub-recipients	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
\$ -	\$ -	\$ 33,000	\$ 33,000	\$ 33,000	\$ -
119,937	158,162	485,115	33,000	258,516	(346,536)
22,036	22,036	-	-	22,036	-
-	-	43,515	-	43,515	-
22,036	22,036	43,515	-	65,551	-
22,036	22,036	43,515	-	65,551	-
141,973	180,198	528,630	33,000	324,067	(346,536)
-	-	614	-	614	-
-	-	614	-	614	-
\$ 1,076,607	\$ 1,927,058	\$ 2,584,660	\$ 33,000	\$ 2,122,725	\$(1,334,676)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

COPPER COUNTRY INTERMEDIATE SCHOOL DISTRICT

For the year ended June 30, 2022

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, 2022. 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 position, 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 NexSys Grant, Application and Cash Management System 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, 2022

Note E – Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
Special Education Cluster	\$ 1,774,212	\$ 820,592	\$ 953,620 *
Special Education - Grants for			
Infants and Families	72,921	72,921	-
Career and Technical Education - Perkins	65,105	65,105	-
Coronavirus State and Local Fiscal Recovery	128,945	-	128,945 *
Office of Stem Engagement	14,233	6,725	7,508 *
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance	452,115	105,579	346,536 *
Preschool Development Grants Birth-5	33,000	33,000	-
Medicaid Cluster	43,515	43,515	-
Pandemic EBT Local Level Costs	614	614	-
	<u>\$ 2,584,660</u>	<u>\$ 1,148,051</u>	<u>\$ 1,436,609</u>

* 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, 2022

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?
- Significant deficiency(ies) identified?

_____ Yes X No
_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

_____ Yes X No
_____ 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, 2022

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, 2022

Program Title/Subrecipient	Assistance Listing Number	Agency or Pass-Through Number	Approved Grant Award Amount
<i>Keweenaw Family Resources:</i>			
Preschool Development Grants Birth-5	93.434	3.621 213910	<u>\$ 33,000</u>

See Notes to Schedule of Expenditures of Federal Awards.



(Memo Only) Prior Year Expenditures	Due to/(from) Subrecipients June 30, 2021	Current Year Cash Transferred to/ (from) Subrecipients	Current Year Expenditures Reported by Subrecipients	Due to/(from) Subrecipients June 30, 2022
\$ -	\$ -	\$ 33,000	\$ 33,000	\$ -