
Washtenaw Intermediate School District

Federal Awards Supplemental Information
June 30, 2020

Independent Auditor's Reports

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	4-5
Schedule of Expenditures of Federal Awards	6-7
Schedule of Expenditures of Federal Awards Provided to Subrecipients	8-10
Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards	11
Notes to Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	13-14

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Washtenaw Intermediate School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washtenaw Intermediate School District (the "School District") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 26, 2020, which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 26, 2020.

The accompanying schedule of expenditures of federal awards, schedule of expenditures of federal awards provided to subrecipients, and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

October 26, 2020

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 Auditor's Report

To Management and the Board of Education
Washtenaw Intermediate School District

We have audited, in accordance with 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, the business-type activities, each major fund, and the aggregate remaining fund information of Washtenaw Intermediate School District (the "School District") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 School District'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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The School District's Response to the Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

To Management and the Board of Education
Washtenaw Intermediate School District

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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 26, 2020

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Washtenaw Intermediate School District

Report on Compliance for Each Major Federal Program

We have audited Washtenaw Intermediate School District's (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2020. The 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 program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs 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* (the "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 the 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 each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 the major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the 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 the School District's internal control over compliance with the types of requirements that could have a direct and material effect on the 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 the School District's internal control over compliance.

To the Board of Education
Washtenaw Intermediate School District

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.

Plante & Moran, PLLC

October 26, 2020

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2019	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2020	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash assistance (commodities) - Food distribution - Entitlement commodities										
	N/A	10.555	\$ 11,298	\$ -	\$ -	\$ -	\$ 11,298	\$ 11,298	\$ -	\$ -
Cash assistance:										
National School Lunch Program 1819	191960	10.555	68,687	68,687	3,355	-	3,355	-	-	-
National School Lunch Program 1920	201960	10.555	51,546	-	-	-	51,546	51,546	-	-
Total National School Lunch Program (including commodities)			131,531	68,687	3,355	-	66,199	62,844	-	-
National School Breakfast Program 1819	191970	10.553	35,133	35,133	1,751	-	1,751	-	-	-
National School Breakfast Program 1920	201970	10.553	27,035	-	-	-	27,035	27,035	-	-
Total National School Breakfast Program			62,168	35,133	1,751	-	28,786	27,035	-	-
Total Child Nutrition Cluster			193,699	103,820	5,106	-	94,985	89,879	-	-
Special Education Cluster - U.S. Department of Education - Passed through Michigan Department of Education:										
IDEA Flowthrough:										
IDEA Flowthrough 1718	180450	84.027	10,429,251	10,425,444	72,587	-	76,394	3,807	-	-
IDEA Flowthrough 1819	190450	84.027	10,842,104	10,041,516	3,110,583	-	3,906,674	800,588	4,497	782,588
IDEA Flowthrough 1920	200450	84.027	10,813,290	-	-	-	4,869,497	9,949,608	5,080,111	5,918,415
Total IDEA Flowthrough			32,084,645	20,466,960	3,183,170	-	8,852,565	10,754,003	5,084,608	6,701,003
IDEA SE General Supervision:										
IDEA GE General Supervision 1819	190493	84.027	143,000	143,000	52,819	-	52,819	-	-	-
IDEA GE General Supervision 1920	200493	84.027	143,000	-	-	-	109,284	143,000	33,716	-
Total IDEA General Supervision			286,000	143,000	52,819	-	162,103	143,000	33,716	-
Total IDEA Flowthrough and General Supervision			32,370,645	20,609,960	3,235,989	-	9,014,668	10,897,003	5,118,324	6,701,003
IDEA Preschool Incentive:										
IDEA Preschool 1819	190460	84.173	278,312	276,293	101,972	-	101,972	2,018	2,018	-
IDEA Preschool 1920	200460	84.173	285,927	-	-	-	106,832	285,927	179,095	160,605
Total IDEA Preschool Incentive			564,239	276,293	101,972	-	208,804	287,945	181,113	160,605
Total Special Education Cluster			32,934,884	20,886,253	3,337,961	-	9,223,472	11,184,948	5,299,437	6,861,608
CCDF Cluster - U.S. Department of Health and Human Services - Passed through Michigan Department of Community Health - CDC Block Grant 1819										
	193QUA	93.596	62,500	49,969	-	-	12,531	12,531	-	-
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the Michigan Department of Community Health:										
Medicaid Administrative Outreach 1819	N/A	93.778	137,601	137,601	62,001	-	62,001	-	-	-
Medicaid Administrative Outreach 1920	N/A	93.778	121,263	-	-	-	91,926	121,263	29,337	-
Total Medicaid Cluster			258,864	137,601	62,001	-	153,927	121,263	29,337	-
Head Start - U.S. Department of Health and Human Services - Passed through the Michigan Department of Education:										
Head Start - Child Care Coordination 1819	05CH010612-01-00	93.600	3,972,751	3,972,750	1,830,314	-	1,830,314	-	-	-
Head Start - Child Care Coordination 1920	05CH010612-02-02	93.600	4,341,661	-	-	-	2,348,160	4,339,101	1,990,941	1,896,746
Head Start - COVID-19 Funding	05CH010612-02-02	93.600	406,888	-	-	-	-	11,385	11,385	-
Total Head Start			8,721,300	3,972,750	1,830,314	-	4,178,474	4,350,486	2,002,326	1,896,746
Total clusters			42,171,247	25,150,393	5,235,382	-	13,663,389	15,759,107	7,331,100	8,758,354

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2019	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2020	Current Year Cash Transferred to Subrecipients
Other federal awards:										
Direct U.S. Department of Education - STEM Early College Expansion Partnership	U411B130043	84.411	\$ 335,807	\$ -	\$ 145,988	\$ -	\$ 145,988	\$ -	\$ -	\$ -
Title III - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title III 1819	190580	84.365	130,870	24,638	17,724	-	58,453	40,729	-	40,864
Title III 1920	200580	84.365	133,457	-	-	-	-	53,918	53,918	3,078
Total Title III			264,327	24,638	17,724	-	58,453	94,647	53,918	43,942
Title I, Part D - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title I, Part D RAG 1819	191570	84.010	482,342	101,174	43,263	-	106,835	63,572	-	19,437
Title I, Part D RAG 1920	201570	84.010	650,096	-	-	-	154,271	307,566	153,295	-
Title I, Part D ID 1819	191700	84.010	116,734	86,787	14,542	-	14,869	327	-	-
Title I, Part D ID 1920	201700	84.010	122,976	-	-	-	53,024	74,666	21,642	-
Total Title I, Part D			1,372,148	187,961	57,805	-	328,999	446,131	174,937	19,437
Early Intervention Services (IDEA) - U.S. Department of Education - Passed through the Michigan Department of Education - Infant and Toddler:										
Infant and Toddler Formula Grant 1819	191340	84.181	313,779	313,779	39,277	-	39,277	-	-	-
Infant and Toddler Formula Grant 1920	201340	84.181	310,052	-	-	-	246,332	292,777	46,445	-
Total Early Intervention Services			623,831	313,779	39,277	-	285,609	292,777	46,445	-
Homeless Children and Youth - U.S. Department of Education - Passed through the Michigan Department of Education - McKinney Vento Title X Homeless Child Education:										
McKinney Vento Title X Homeless Child Education 1819	192320	84.196	79,229	48,026	12,984	-	18,300	5,316	-	-
McKinney Vento Title X Homeless Child Education 1920	202320	84.196	78,934	-	-	-	19,086	27,587	8,501	-
Total McKinney Vento Title X Homeless Child Education			158,163	48,026	12,984	-	37,386	32,903	8,501	-
Vocational Education - U.S. Department of Education - Passed through the Michigan Department of Education:										
Vocational Education 1819	193520	84.048	488,372	477,086	198,062	-	198,062	-	-	-
Vocational Education 1920	203520	84.048	456,145	-	-	-	255,382	453,360	197,978	300,659
Total Vocational Education			944,517	477,086	198,062	-	453,444	453,360	197,978	300,659
Total noncluster programs passed through the Michigan Department of Education			3,362,986	1,051,490	325,852	-	1,163,891	1,319,818	481,779	364,038
Race to the Top - U.S. Department of Education: Passed through the Michigan Department of Education - RTT - Trusted Advisors 1920										
RTT - Trusted Advisors 1920	193910	93.434	30,000	-	-	-	27,533	27,533	-	-
Passed through University of Michigan - Mom Power	E20193009-00	93.778	123,685	89,614	14,522	-	78,501	71,709	7,730	-
Passed through National Endowment for the Arts - Promotion of the Arts	16-5100-7186	45.024	100,000	29,802	29,802	-	29,802	-	-	-
Total federal financial assistance			\$ 45,787,918	\$ 26,321,299	\$ 5,605,558	\$ -	\$ 14,963,116	\$ 17,178,167	\$ 7,820,609	\$ 9,122,392

Washtenaw Intermediate School District

**Schedule of Expenditures of Federal Awards
Provided to Subrecipients**

Year Ended June 30, 2020

Program Title/Project Number/Subrecipient Name	CFDA Number	ISD Grant Number	Current Year Cash Transferred to Subrecipient
IDEA:			
Project number 200450-1920 - Passed through to:	84.027	8010	
Ann Arbor			\$ 3,000,542
Chelsea			241,929
Dexter			652,991
Lincoln			780,172
Manchester			159,751
Milan			133,779
Saline			-
Whitmore Lake			207,979
Ypsilanti			-
Ann Arbor Learning			16,641
Arbor Preparatory			69,912
Central Academy			59,907
East Arbor Prep			118,149
Fortis			133,126
Global Tech			22,502
Honey Creek			34,394
Livingston Cyber Academy			-
Multicultural Academy			20,389
New Beginnings			-
South Arbor			111,493
South Pointe			124,806
WSC			29,953
			<hr/>
Total project number 200450-1920			5,918,415
IDEA:			
Project number 190450-1819 - Passed through to:	84.027	8019	
Chelsea			4,497
Ypsilanti			778,091
			<hr/>
Total project number 190450-1819			782,588
			<hr/>
Total IDEA passed through to subrecipients			6,701,003

Washtenaw Intermediate School District

**Schedule of Expenditures of Federal Awards
Provided to Subrecipients (Continued)**

Year Ended June 30, 2020

Program Title/Project Number/Subrecipient Name	CFDA Number	ISD Grant Number	Current Year Cash Transferred to Subrecipient
Preschool Incentive - Project number 2000460-1920 -	84.173	8050	
Passed through to:			
Ann Arbor			\$ 96,209
Chelsea			6,951
Dexter			20,854
Lincoln			-
Manchester			7,878
Milan			18,073
Saline			-
Whitmore Lake			10,640
Ypsilanti			-
Total project number 200460-1920			<u>160,605</u>
Total Preschool Incentive passed through to subrecipients			160,605
Head Start 19.20 -	93.600	7230	
Passed through to:			
Ann Arbor			783,797
Lincoln			93,975
Whitmore Lake			76,848
Ypsilanti			942,126
Total Head Start 19.20			<u>1,896,746</u>
Title 1, Part D Regional Assistance - Project number 191570	84.010	6179	
Passed through to - Ypsilanti			19,437

Washtenaw Intermediate School District

**Schedule of Expenditures of Federal Awards
Provided to Subrecipients (Continued)**

Year Ended June 30, 2020

Program Title/Project Number/Subrecipient Name	CFDA Number	ISD Grant Number	Current Year Cash Transferred to Subrecipient
Title III - Project number 190580 -	84.365	971-6849	
Passed through to:			
Lincoln			\$ 2,443
Milan			1,299
Saline			5,517
Ypsilanti			<u>31,605</u>
Total project number 190580			40,864
Title III - Project number 200580 -	84.365	6840	
Passed through to:			
Fowlerville			2,187
Manchester			<u>891</u>
Total project number 200580			<u>3,078</u>
Total Title III passed through to subrecipients			43,942
Vocational Education - Basic Grants to States -	84.048	4000	
Project number 203520 - Passed through to:			
Ann Arbor			124,663
Saline			<u>175,996</u>
Total Vocational Education - Project number 203520 passed through to subrecipients			<u>300,659</u>
Total federal funds passed through to subrecipients			<u><u>\$ 9,122,392</u></u>

Washtenaw Intermediate School District

**Reconciliation of Basic Financial Statements Federal Revenue
with Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2020

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 17,210,715
Revenue deferred in prior year for financial statement purposes as not meeting the "available" criteria of GASB Statement No. 33	(44,324)
Revenue deferred in current year for financial statement purposes as not meeting the "available" criteria of GASB Statement No. 33	19,114
Other	<u>(7,338)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 17,178,167</u></u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Washtenaw Intermediate School District (the "School District") under programs of the federal government for the year ended June 30, 2020. The information in the 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* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in 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 not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

Note 4 - Grant Auditor Report

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

Washtenaw Intermediate School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

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 that are not considered to be material weaknesses? X Yes None reported

Noncompliance material to financial statements noted? Yes X None reported

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 weaknesses? 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 Section 2 CFR 200.516(a)? Yes X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

Washtenaw Intermediate School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

Section II - Financial Statement Audit Findings

Reference Number	Finding
2020-001	<p>Finding Type - Significant deficiency</p> <p>Criteria - The School District's internal control structure should ensure that accounting data is properly calculated and reported in accordance with generally accepted accounting principles.</p> <p>Condition - The School District improperly excluded amounts from accounts payable, resulting in the understatement of accounts payable and expenditures. An adjustment was made in the financial statements to correct the errors, and the risk of remaining material misstatement was determined to be remote based on the untested population.</p> <p>Context - The accounts payable balance was initially understated by approximately \$579,000.</p> <p>Cause - Proper accounts payable cutoff procedures to ensure that items were recorded in the proper fiscal period were documented but not properly followed.</p> <p>Effect - Accounts payable balances were misstated at June 30, 2020, and expenditures were not recorded in the proper period. All amounts identified were corrected by management during the audit process.</p> <p>Recommendation - We recommend that the School District ensure that documented cutoff procedures and controls to ensure that all expenditures are recorded in the proper fiscal year are properly followed by adding a review step to the internal control procedures.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Washtenaw Intermediate School District agrees with the above recommendation. The School District will review its business office personnel, accounting procedures, and review processes to ensure that the design and operation of internal controls allows management or employees performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis.</p>

Section III - Federal Program Audit Findings

None