

Muskegon Area Intermediate School District

**SINGLE AUDIT OF FEDERAL
FINANCIAL ASSISTANCE PROGRAMS**

Financial Report and
Independent Auditors' Reports

June 30, 2009

C O N T E N T S

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INTERNAL CONTROL AND COMPLIANCE REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
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BRICKLEY DELONG
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' 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***

October 29, 2009

Board of Education
Muskegon Area Intermediate School District
Muskegon, Michigan

We have audited the financial statements of Muskegon Area Intermediate School District as of and for the year ended June 30, 2009 and have issued our report thereon dated October 29, 2009. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Muskegon Area Intermediate School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Muskegon Area Intermediate School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Muskegon Area Intermediate School District's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

BRICKLEY DELONG

Board of Education
October 29, 2009
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Compliance

As part of obtaining reasonable assurance about whether Muskegon Area Intermediate School District's financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Brickley De Long, P.C.

BRICKLEY DELONG
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

October 29, 2009

Board of Education
Muskegon Area Intermediate School District
Muskegon, Michigan

Compliance

We have audited the compliance of Muskegon Area Intermediate School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Muskegon Area Intermediate School District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Muskegon Area Intermediate School District's management. Our responsibility is to express an opinion on Muskegon Area Intermediate School District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Muskegon Area 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. Our audit does not provide a legal determination on Muskegon Area Intermediate School District's compliance with those requirements.

In our opinion, Muskegon Area Intermediate School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Board of Education
October 29, 2009
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Internal Control Over Compliance

The management of Muskegon Area Intermediate School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Muskegon Area Intermediate School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Muskegon Area Intermediate School District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Muskegon Area Intermediate School District as of and for the year ended June 30, 2009 and have issued our report thereon dated October 29, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Brickley De Long, P.C.

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2009

Federal grantor/pass-through grantor program title	Federal CFDA number	Entitlement program or award amount	Accrued (deferred) revenue July 1, 2008	Cash or payments in kind received (cash basis)	Prior year(s)	Expenditures (accrual basis)		Accrued (deferred) revenue June 30, 2009	Notes
						Current year	Total		
U.S. Department of Education									
Direct programs:									
West Shore Consortium for Dynamic History Instruction									
U215X050040	84-215X	\$ 886,130	\$ 66,201	\$ 346,163	\$ 471,460	\$ 320,818	\$ 792,278	\$ 40,856	
U215X080162		999,999	-	161,843	-	201,648	201,648	39,805	
		1,886,129	66,201	508,006	471,460	522,466	993,926	80,661	
Programs passed through Michigan									
Department of Education:									
Adult Basic Education									
081130-810587	84-002	193,000	89,814	89,814	192,999	-	192,999	-	
081190-810587		7,300	4,300	4,300	7,300	-	7,300	-	
		200,300	94,114	94,114	200,299	-	200,299	-	
Adult Basic Education									
091130-910587	84-002A	211,000	-	176,702	-	211,000	211,000	34,298	
091190-910587		7,300	-	4,300	-	7,300	7,300	3,000	
		218,300	-	181,002	-	218,300	218,300	37,298	
Title I Regional Assistance									
071570-0708	84-010	330,000	42,876	203,775	167,217	160,899	328,116	-	
091570-0809		280,000	-	129,823	-	205,082	205,082	75,259	
		630,000	42,876	333,598	167,217	365,981	533,198	75,259	
Special Education Cluster									
Enhancing Opportunities EOSD									
080440-0708	84-027	4,000	3,487	3,487	3,999	-	3,999	-	3
080480-EOSD		55,000	8,706	8,706	55,000	-	55,000	-	
080490-TS		70,000	22,148	22,148	70,000	-	70,000	-	
090480-EOSD		55,000	-	47,314	-	55,000	55,000	7,686	
090490-TS		59,500	-	41,696	-	59,500	59,500	17,804	
		243,500	34,341	123,351	128,999	114,500	243,499	25,490	
Special Ed Flowthrough									
070450-0607	84-027A	6,972,513	221,196	221,196	6,972,513	-	6,972,513	-	
080450-0708		7,012,458	1,489,920	2,179,000	6,143,837	868,621	7,012,458	179,541	
090450-0809		7,088,813	-	4,476,923	-	6,104,528	6,104,528	1,627,605	
		21,073,784	1,711,116	6,877,119	13,116,350	6,973,149	20,089,499	1,807,146	
Handicapped Preschool and School Program									
070460-0607	84-173A	289,031	698	698	289,031	-	289,031	-	
080460-0708		288,623	78,531	104,891	251,536	37,087	288,623	10,727	
090460-0809		284,682	-	194,747	-	250,513	250,513	55,766	
		862,336	79,229	300,336	540,567	287,600	828,167	66,493	
ARRA - IDEA Flowthrough									
100455-0910	84-391A	3,912,272	-	-	-	1,182,471	1,182,471	1,182,471	
Total Special Education Cluster		26,091,892	1,824,686	7,300,806	13,785,916	8,557,720	22,343,636	3,081,600	

Muskegon Area Intermediate School District
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—CONTINUED
 For the year ended June 30, 2009

Federal grantor/pass-through grantor/program title	Federal CFDA number	Entitlement program or award amount	Accrued (deferred) revenue July 1, 2008	Cash or payments in kind received (cash basis)	Prior year(s)	Expenditures (accrual basis)		Accrued (deferred) revenue June 30, 2009	Notes
						Current year	Total		
<i>U.S. Department of Education—Continued</i>									
Programs passed through Michigan Department of Education—continued:									
Voc Education Regional Allocation									
083520-8012-09	84.048A	\$ 494,515	\$ 105,627	\$ 105,627	\$ 494,515	\$ -	\$ 494,515	\$ -	
093520-90129		496,180	-	420,290	-	496,180	496,180	75,890	
093530-90119		5,000	-	-	-	1,128	1,128	1,128	
		995,695	105,627	525,917	494,515	497,308	991,823	77,018	
Infant and Toddler Early Childhood Intervention Program									
071340-190	84.181A	221,974	18,271	18,271	221,974	-	221,974	-	
081340-190		207,945	12,994	65,629	136,207	71,737	207,944	19,102	
091340-190		195,653	-	99,444	-	115,123	115,123	15,679	
		625,572	31,265	183,344	358,181	186,860	545,041	34,781	
Drug-Free Schools and Communities Act of 1986									
072860-0708	84.186	27,479	129	129	27,479	-	27,479	-	
082860-0708		214,754	123,536	123,536	189,298	-	189,298	-	
092860-0809		203,789	-	45,098	-	161,505	161,505	116,407	
		446,022	123,665	168,763	216,777	161,505	378,282	116,407	
Voc Education Technical Prep									
093540-90149	84.243	97,954	-	58,099	-	97,954	97,954	39,855	
Voc Education Technical Prep									
083540-8014-09	84.243A	100,745	15,787	15,787	100,745	-	100,745	-	
Title V Part A Innovation									
090250-0809	84.298	5,324	-	-	-	5,313	5,313	5,313	
Title IIA Teacher Quality Form									
080520-0708	84.367	475	475	475	475	-	475	-	4
090520-0809		475	-	-	-	475	475	475	
		950	475	475	475	475	950	475	
Total passed through Michigan Department of Education		29,412,754	2,238,495	8,861,905	15,324,125	10,091,416	25,415,541	3,468,006	
Program passed through Kalamazoo Regional Educational Service Agency:									
Reading First									
092910-0809	84.357A	11,187	-	11,187	-	11,187	11,187	-	
Total U.S. Department of Education		31,310,070	2,304,696	9,381,098	15,795,585	10,625,069	26,420,654	3,548,667	
<i>U.S. Department of Agriculture</i>									
Programs passed through Michigan Department of Education:									
Child Nutrition Cluster									
081970 Breakfast	10.553	21,428	-	4,345	17,083	4,345	21,428	-	
091970 Breakfast		20,350	-	19,101	-	20,350	20,350	1,249	
		41,778	-	23,446	17,083	24,695	41,778	1,249	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—CONTINUED
 For the year ended June 30, 2009

Federal CFDA number	Entitlement program or award amount	Accrued (deferred) revenue July 1, 2008	Cash or payments in kind received (cash basis)	Prior year(s)	Expenditures (accrual basis) Current year	Total	Accrued (deferred) revenue June 30, 2009	Notes
10.555	\$ 6,394	\$ -	\$ 1,162	\$ 5,232	\$ 1,162	\$ 6,394	\$ -	
	5,423	-	5,094	-	5,423	5,423	329	
	52,652	-	9,254	43,398	9,254	52,652	-	
	43,386	-	40,724	-	43,386	43,386	2,662	
	1,200	-	1,200	-	1,200	1,200	-	
	<u>114,366</u>	<u>-</u>	<u>62,745</u>	<u>48,630</u>	<u>65,736</u>	<u>114,366</u>	<u>2,991</u>	
	156,144	-	86,191	65,713	90,431	156,144	4,240	
10.551	367,152	76,096	151,161	97,101	75,065	172,166	-	
	245,148	-	554	-	36,578	36,578	36,024	
	612,300	76,096	151,715	97,101	111,643	208,744	36,024	
	768,444	76,096	237,906	162,814	202,074	364,888	40,264	
93.600	5,908,421	863,444	3,347,031	3,339,146	2,483,587	5,822,733	-	
	6,160,812	-	2,424,816	-	3,398,142	3,398,142	973,326	
	12,069,233	863,444	5,771,847	3,339,146	5,881,729	9,220,875	973,326	
93.778	146,828	-	146,828	-	146,828	146,828	-	
	12,216,061	863,444	5,918,675	3,339,146	6,028,557	9,367,703	973,326	
17.259	375,721	(104,743)	-	316,908	58,813	375,721	(45,930)	
	488,342	(137,598)	7,194	343,550	-	343,550	(144,792)	
	436,221	-	251,702	-	436,221	436,221	184,519	
	1,300,284	(242,341)	258,896	660,458	495,034	1,155,492	(6,203)	
17.261	99,910	-	3,353	-	71,929	71,929	68,576	
	1,400,194	(242,341)	262,249	660,458	566,963	1,227,421	62,373	
	45,694,769	3,001,895	15,799,928	19,958,003	17,422,663	37,380,666	4,624,630	

U.S. Department of Agriculture—Continued

Programs passed through Michigan Department of Education of Education—continued:

Child Nutrition Cluster—continued

081950 All Lunches

091950 All Lunches

081960 Free and reduced

091960 Free and reduced

Entitlement Commodities

Bonus Commodities

Total passed through Michigan Department of Education

Program passed through Michigan Department of Community Health:

Supplemental Nutrition Assistance Program

Michigan Nutrition Network through MSU Extension PSC#478258

Michigan Nutrition Network through MSU Extension PSC#79873

Total U.S. Department of Agriculture

U.S. Department of Health and Human Services

Direct programs:

Head Start

05CH8258/09

05CH8258/10

Program passed through the Michigan Department of Social Services:

Medical assistance program XIX

393

Total U.S. Department of Health and Human Services

U.S. Department of Labor

Programs passed through the County of Muskegon:

Workforce Investment Act

27314013/WIA-06/07

27314013/WIA-07/08

27314013/WIA-08/09

Program passed through Ottawa Area Intermediate School District:

Real Science Regional Initiative

226029

Total U.S. Department of Labor

TOTAL FEDERAL ASSISTANCE

The accompanying notes are an integral part of this schedule.

Muskegon Area Intermediate School District
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2009

1. Please see the financial statement footnotes for the significant accounting policies used in preparing this schedule.
2. Management has utilized the Grants Section Auditors Report (Form R7120) and CMS Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards.
3. Accrued revenue as of July 1, 2008 was understated by \$2,975.
4. Accrued revenue as of July 1, 2008 was understated by \$475.
5. Reconciliation of revenues from federal sources per governmental funds financial statements and expenditures per single audit report Schedule of Expenditures of Federal Awards.

Revenues from federal sources per June 30, 2009

Governmental funds financial statements

General Fund	\$ 7,537,390	
Special Education Fund	8,704,548	
Vocational Education Fund	1,090,297	
Other governmental funds (includes Food Service Fund)	<u>90,431</u>	\$ 17,422,666

Rounding adjustments (3)

Expenditures per single audit report

Schedule of Expenditures of Federal Awards	<u><u>\$ 17,422,663</u></u>
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Muskegon Area Intermediate School District
SCHEDULE OF FINDINGS AND RESPONSES
 Year ended June 30, 2009

SECTION I—SUMMARY OF AUDITORS’ RESULTS

A. Financial Statements

1. Type of auditors' report issued: **Unqualified**
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

B. Federal Awards

1. 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
2. Type of auditors' report issued on compliance for major programs: **Unqualified**
3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ yes X no

4. Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program/Cluster</u>
84.027, 84.027A, 84.173A and 84.391A	U.S. Department of Education Special Education Cluster
93.600	U.S. Department of Health and Human Services Head Start

5. Dollar threshold used to distinguish between type A and type B programs: **\$522,680**
6. Auditee qualified as low-risk auditee? X yes _____ no

SECTION II—FINANCIAL STATEMENT FINDINGS

NONE

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SUPPLEMENTAL INFORMATION

BRICKLEY DELONG
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

October 29, 2009

Board of Education
Muskegon Area Intermediate School District
Muskegon, Michigan

We have audited the financial statements of Muskegon Area Intermediate School District as of and for the year ended June 30, 2009 and have issued our report thereon dated October 29, 2009. Our audit was made primarily for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information presented on pages 14 - 20 are provided for purposes of additional analysis and is not a required part of the financial statements or the accompanying Schedule of Expenditures of Federal Awards. Such supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements of Muskegon Area Intermediate School District and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Brickley De Long, P.C.

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
 For the year ended June 30, 2009

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following local districts:

Pass-through grantee	Federal CFDA number	Pass-through grantor's number	Amount of subrecipient award	Due to (from) subrecipients July 1, 2008	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2009
						Prior year	Current year	
Adult Basic Education								
Fruitport Community Schools	84.002A	091130-910587	\$ 10,866	\$ -	\$ 10,185	\$ -	\$ 10,866	\$ 681
Orchard View Schools			67,253	-	65,016	-	67,253	2,237
Public Schools of the City of Muskegon			55,391	-	52,918	-	55,391	2,473
School District of the City of Muskegon Heights			29,718	-	28,384	-	29,718	1,334
Shelby Public Schools			14,699	-	-	-	14,699	14,699
Whitehall District Schools			22,548	-	10,280	-	22,548	12,268
Total subrecipient amounts			\$ 200,475	\$ -	\$ 166,783	\$ -	\$ 200,475	\$ 33,692
Muskegon Area Intermediate School District							10,525	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 211,000	
Public Schools of the City of Muskegon	84.002A	091190-910587	\$ 4,300	\$ -	\$ 4,300	\$ -	\$ 4,300	\$ -
Shelby Public Schools			2,635	-	-	-	2,635	2,635
Total subrecipient amounts			\$ 6,935	\$ -	\$ 4,300	\$ -	\$ 6,935	\$ 2,635
Muskegon Area Intermediate School District							365	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 7,300	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—CONTINUED
 For the year ended June 30, 2009

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following local districts:

Pass-through grantee	Federal CFDA number	Pass-through grantor's number	Amount of subrecipient award	Due to (from) subrecipients July 1, 2008	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2009	
						Prior year	Current year		
<i>Special Education Cluster</i>									
<i>Special Ed Flowthrough</i>									
Fruitport Community Schools	84.027A	080450-0708	\$ 1,256,716	\$ 397,350	\$ 402,569	\$ 1,251,497	\$ 5,219	\$ 1,256,716	\$ -
Holtton Public Schools			49,350	7,274	7,274	49,350	-	49,350	-
Mona Shores Public Schools			528,858	93,007	93,007	528,858	-	528,858	-
Montague Public Schools			130,115	27,686	27,686	128,872	-	128,872	-
North Muskegon Public Schools			113,925	63,337	63,337	113,925	-	113,925	-
Oakridge Public Schools			171,952	55,637	55,637	163,813	-	163,813	-
Public Schools of the City of Muskegon			1,406,256	282,048	330,670	1,347,198	59,058	1,406,256	10,436
Ravenna Public Schools			124,901	34,821	34,821	124,901	-	124,901	-
Reethis-Puffer Schools			1,472,459	265,634	528,610	1,137,687	334,772	1,472,459	71,796
School District of the City of Muskegon Heights			465,928	106,508	109,091	463,345	2,583	465,928	-
Three Oaks Public Academy			38,726	20,501	20,501	38,726	-	38,726	-
Timberland Charter Academy			121,020	30,659	30,659	121,020	-	121,020	-
Tri-Valley Academy			31,465	10,394	10,394	31,465	-	31,465	-
WayPoint Academy			42,357	29,620	29,620	42,357	-	42,357	-
Whitehall District Schools			147,600	115,712	115,712	143,886	-	143,886	-
Total subrecipient amounts			\$ 6,101,628	\$ 1,540,188	\$ 1,859,588	\$ 5,686,900	401,632	\$ 6,088,532	\$ 82,232
Muskegon Area Intermediate School District							466,989		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 868,621		
Fruitport Community Schools	84.027A	090450-0809	\$ 1,278,526	\$ -	\$ 934,162	\$ -	\$ 1,278,526	\$ 1,278,526	\$ 344,364
Holtton Public Schools			75,986	-	53,194	-	75,986	75,986	22,792
Mona Shores Public Schools			564,723	-	475,809	-	564,723	564,723	88,914
Montague Public Schools			174,061	-	155,662	-	174,061	174,061	18,399
North Muskegon Public Schools			149,425	-	102,518	-	149,425	149,425	46,907
Oakridge Public Schools			169,172	-	127,028	-	169,172	169,172	42,144
Public Schools of the City of Muskegon			1,249,103	-	997,423	-	1,249,103	1,249,103	251,680
Ravenna Public Schools			115,990	-	81,297	-	115,990	115,990	34,693
Reethis-Puffer Schools			1,181,516	-	887,849	-	1,181,516	1,181,516	293,667
School District of the City of Muskegon Heights			457,705	-	290,013	-	457,705	457,705	167,692
Three Oaks Public Academy			28,672	-	-	-	28,672	28,672	28,672
Timberland Charter Academy			79,385	-	79,385	-	79,385	79,385	-
WayPoint Academy			44,500	-	22,325	-	44,500	44,500	22,175
Whitehall District Schools			159,504	-	-	-	159,504	159,504	159,504
Total subrecipient amounts			\$ 5,728,268	\$ -	\$ 4,206,665	\$ -	\$ 5,728,268	\$ 5,728,268	\$ 1,521,603
Muskegon Area Intermediate School District							376,260		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 6,104,528		

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—CONTINUED
 For the year ended June 30, 2009

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following local districts:

Pass-through grantee	Federal CFDA number	Pass-through grantor's number	Amount of subrecipient award	Due to (from) subrecipients July 1, 2008	Cash or payments in kind (cash basis)	Prior year	Expenditures (accrual basis) Current year	Total	Due to (from) subrecipients June 30, 2009
<i>Special Education Cluster—Continued</i>									
Handicapped Preschool and School Program									
	84.173A	080460-0708	\$ 89,707	\$ 29,856	\$ 54,004	\$ 65,534	\$ 24,173	\$ 89,707	\$ 25
Fruitport Community Schools			64,842	10,326	10,326	64,842	-	64,842	-
Public Schools of the City of Muskegon			98,482	30,429	30,429	92,396	6,082	98,478	6,082
Reeths-Puffer Schools			3,900	934	934	3,900	-	3,900	-
Timberland Charter Academy									
Total subrecipient amounts			\$ 256,931	\$ 71,545	\$ 95,693	\$ 226,672	\$ 30,255	\$ 256,927	\$ 6,107
Muskegon Area Intermediate School District							6,832		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 37,087		
	84.173A	090460-0809	\$ 64,607	\$ -	\$ 50,464	\$ -	\$ 64,607	\$ 64,607	\$ 14,143
Fruitport Community Schools			22,487	-	22,487	-	22,487	22,487	-
Mona Shores Public Schools			53,108	-	42,298	-	53,108	53,108	10,810
Public Schools of the City of Muskegon			99,519	-	71,471	-	99,519	99,519	28,048
Reeths-Puffer Schools			8,027	-	8,027	-	8,027	8,027	-
School District of the City of Muskegon Heights			952	-	-	-	952	952	-
Timberland Charter Academy									
Total subrecipient amounts			\$ 248,700	\$ -	\$ 194,747	\$ -	\$ 248,700	\$ 248,700	\$ 53,953
Muskegon Area Intermediate School District							1,813		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 250,513		

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—CONTINUED
 For the year ended June 30, 2009

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following local districts:

Pass-through grantee	Federal CFDA number	Pass-through grantor's number	Amount of subrecipient award	Due to (from) subrecipients July 1, 2008	Cash or payments in kind (cash basis)	Prior year	Expenditures (accrual basis) Current year	Total	Due to (from) subrecipients June 30, 2009
<i>Special Education Cluster—Continued</i>									
ARRA - IDEA Flowthrough									
Fruitport Community Schools	84.391A	100455-0910	\$ 440,543	\$ -	\$ -	\$ -	\$ 440,543	\$ 440,543	\$ 440,543
Mona Shores Public Schools			125,000	-	-	-	125,000	125,000	125,000
North Muskegon Public Schools			18,401	-	-	-	18,401	18,401	18,401
Public Schools of the City of Muskegon			236,340	-	-	-	236,340	236,340	236,340
Reeths-Puffer Schools			80,000	-	-	-	80,000	80,000	80,000
School District of the City of Muskegon Heights			282,187	-	-	-	282,187	282,187	282,187
Total subrecipient amounts			\$ 1,182,471	\$ -	\$ -	\$ -	1,182,471	\$ 1,182,471	\$ 1,182,471
Muskegon Area Intermediate School District							-		
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 1,182,471		\$ 1,182,471

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—CONTINUED
 For the year ended June 30, 2009

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following local districts:

Pass-through grantee <i>Drug Free Schools and Communities Act of 1986</i>	Federal CFDA number	Pass-through grantor's number	Amount of subrecipient award	Due to (from) subrecipients July 1, 2008	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2009
						Prior year	Current year	
Fruitport Community Schools	84.186	092860-0809	\$ 9,364	\$ -	\$ -	\$ 9,364	\$ 9,364	\$ 9,364
Hart Public Schools			6,679	-	-	6,679	6,679	6,679
Holton Public Schools			4,406	-	4,406	4,406	4,406	-
Montague Public Schools			4,885	-	-	4,885	4,885	4,885
North Muskegon Public Schools			1,659	-	1,659	1,659	1,659	-
Oakridge Public Schools			7,541	-	-	7,541	7,541	7,541
Orchard View Schools			9,689	-	9,689	9,689	9,689	-
Public Schools of the City of Muskegon			45,242	-	28,989	45,242	45,242	16,253
Ravenna Public Schools			2,844	-	-	2,844	2,844	2,844
Reeths-Puffer Schools			10,197	-	-	10,197	10,197	10,197
School District of the City of Muskegon Heights			26,683	-	-	26,683	26,683	26,683
Shelby Public Schools			6,782	-	-	6,782	6,782	6,782
Walkerville Public Schools			2,043	-	-	2,043	2,043	2,043
WayPoint Academy			1,446	-	-	1,446	1,446	1,446
Whitehall District Schools			6,922	-	-	6,922	6,922	6,922
Total subrecipient amounts			\$ 146,382	\$ -	\$ 44,743	\$ 146,382	\$ 146,382	\$ 101,639
Muskegon Area Intermediate School District						15,123		
Total expenditures appearing on Schedule of Expenditures of Federal Awards						\$ 161,505		

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—CONTINUED
 For the year ended June 30, 2009

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following local districts:

Pass-through grantee <i>Head Start</i>	Federal CFDA number	Pass-through grantor's number	Amount of subrecipient award	Due to (from) subrecipients July 1, 2008	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2009
						Prior year	Current year	
Fruitport Community Schools	93.600	05CH8258/09	\$ 258,222	\$ 13,313	\$ 135,742	\$ 135,793	\$ 122,429	\$ 258,222
Hart Public Schools			169,203	52,418	113,491	108,130	61,073	169,203
Orchard View Schools			809,697	137,484	482,209	464,972	344,725	809,697
Public Schools of the City of Muskegon			1,491,476	184,194	834,162	841,508	649,968	1,491,476
School District of the City of Muskegon Heights			618,885	40,895	306,938	352,842	266,043	618,885
Shelby Public Schools			303,869	36,415	170,379	169,905	133,964	303,869
Whitehall District Schools			824,271	366,219	709,222	481,268	343,003	824,271
Total subrecipient amounts			\$ 4,475,623	\$ 830,938	\$ 2,752,143	\$ 2,554,418	\$ 1,921,205	\$ 4,475,623
Muskegon Area Intermediate School District							562,382	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 2,483,587	
Fruitport Community Schools	93.600	05CH8258/10	\$ 155,149	\$ -	\$ 94,848	\$ -	\$ 155,149	\$ 60,301
Hart Public Schools			83,715	-	83,715	-	83,715	-
Orchard View Schools			414,963	-	391,188	-	414,963	23,775
Public Schools of the City of Muskegon			882,189	-	459,931	-	882,189	422,258
School District of the City of Muskegon Heights			347,633	-	305,739	-	347,633	41,894
Shelby Public Schools			193,929	-	95,121	-	193,929	98,808
Whitehall District Schools			420,000	-	420,000	-	420,000	-
Total subrecipient amounts			\$ 2,497,578	\$ -	\$ 1,850,542	\$ -	\$ 2,497,578	\$ 647,036
Muskegon Area Intermediate School District							900,564	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 3,398,142	

Muskegon Area Intermediate School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS—CONTINUED
 For the year ended June 30, 2009

Muskegon Area Intermediate School District acts as a fiscal agent and passes through federal funds to the following local districts:

Pass-through grantee	Federal CFDA number	Pass-through grantor's number	Amount of subrecipient award	Due to (from) subrecipients July 1, 2008	Cash or payments in kind (cash basis)	Expenditures (accrual basis)		Due to (from) subrecipients June 30, 2009
						Prior year	Current year	
<i>Medical Assistance Program XIX</i>	93,778	393						
Fruitport Community Schools			\$ 15,345	\$ -	\$ 15,345	\$ -	\$ 15,345	\$ -
Holtton Public Schools			3,721	-	3,721	-	3,721	-
Mona Shores Public Schools			8,908	-	8,908	-	8,908	-
Montague Public Schools			4,560	-	4,560	-	4,560	-
North Muskegon Public Schools			2,528	-	2,528	-	2,528	-
Oakridge Public Schools			7,896	-	7,896	-	7,896	-
Orchard View Schools			9,600	-	9,600	-	9,600	-
Public Schools of the City of Muskegon			31,235	-	31,235	-	31,235	-
Ravenna Public Schools			4,752	-	4,752	-	4,752	-
Reeths-Puffer Schools			15,140	-	15,140	-	15,140	-
School District of the City of Muskegon Heights			6,853	-	6,853	-	6,853	-
Whitehall District Schools			9,432	-	9,432	-	9,432	-
Total subrecipient amounts			\$ 119,970	\$ -	\$ 119,970	\$ -	\$ 119,970	\$ -
Muskegon Area Intermediate School District							26,858	
Total expenditures appearing on Schedule of Expenditures of Federal Awards							\$ 146,828	

CLIENT DOCUMENTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

October 29, 2009

Michigan Department of Education
Lansing, Michigan

Muskegon Area Intermediate School District respectfully advises you that there were *no* audit findings reported in our single audit report, dated November 10, 2008, for the year ended June 30, 2008.

Sincerely,



Mario Demetriou
Associate Superintendent

CORRECTIVE ACTION PLAN

October 29, 2009

Michigan Department of Education
Lansing, Michigan

Muskegon Area Intermediate School District respectfully submits the following Corrective Action Plan for the year ended June 30, 2009.

Name and address of independent public accounting firm:

Brickley DeLong, P.C.
P.O. Box 999
Muskegon, Michigan 49443

Audit period: June 30, 2009

The findings from the Schedule of Findings and Responses for the year ended June 30, 2009 provided **no** findings in either Section II or Section III. Accordingly, there are **no** matters requiring corrective action as shown below.

SECTION II – FINANCIAL STATEMENT FINDINGS

There were **no** compliance findings and **no** significant deficiencies in relation to the financial statement audit.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were **no** compliance findings and **no** significant deficiencies in relation to the major federal award programs.

If the Michigan Department of Education has questions regarding this plan, please call Mario Demetriou at (231) 767-7207.

Sincerely,



Mario Demetriou
Associate Superintendent