



Corporate Headquarters
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January 14, 2020

Board of Directors

Michigan Statewide Independent Living Corp

In planning and performing our audit of the financial statements of Michigan Statewide Independent Living Corp. as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Michigan Statewide Independent Living Corp'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

A summary of 2019-001, from September 30, 2019, is attached. During our audit procedures we reviewed the finding and corrective action with management and board members and noted no items in the September 30, 2020 audit procedures performed that would cause a continuation of the finding.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties

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East Lansing, MI

MICHIGAN STATEWIDE INDEPENDENT LIVING CORP.

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND
QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Finding Considered Material Weakness:

2019-001 – Grant Expenditures

For the year ending September 30, 2019, Grant expenditures did not appear to be supported by and tied to underlying accounting records in accordance with the financial management of 2 CFR 200.302. This caused funds to be requested that did not have supporting expenditures, and the inability to reconcile the accounting records to the grant. It was recommended that written policies and procedures regarding documentation of grant expenditures, reconciliation requests and the accounting records be reconciled. The amounts were required to be repaid to the grantor agencies.

Questioned Costs: \$40,497

Resolution: Accounting policies and procedures have been put in place to enforce reconciliation of the federal grant/project budget, leverage, commitment and expenditure amounts. MSILC is working on repaying the questioned costs. During the year ended September 30, 2020, MSILC repaid the \$40,497 of questioned costs to the grantor, along with an amount toward an earlier grant advance that had not been repaid. See Note 4 to the financial statements.

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