

# C.S. Mott Community College

Year Ended  
June 30, 2014

Single Audit Act  
Compliance

# C.S. MOTT COMMUNITY COLLEGE

## Table of Contents

	<u>Page</u>
Independent Auditors' Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	1
Schedule of Expenditures of Federal Awards	2
Notes to Schedule of Expenditures of Federal Awards	5
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 <i>Government Auditing Standards</i>	6
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133	8
Schedule of Findings and Questioned Costs	10
Summary Schedule of Prior Audit Findings	12



INDEPENDENT AUDITORS' REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133

November 5, 2014

Board of Trustees  
C.S. Mott Community College  
Flint, Michigan

We have audited the financial statements of the business-type activities and the discretely presented component unit of *C.S. Mott Community College* (the "College"), as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 5, 2014, which contained an unmodified opinion 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 OMB Circular A-133, 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Rehmann Robson LLC".

# C.S. MOTT COMMUNITY COLLEGE

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Federal Expenditures
<b>U.S. Department of Education</b>			
Student Financial Aid Cluster:			
Supplemental Educational Opportunity Grant	84.007	Direct	\$ 229,542
Federal Work Study	84.033	Direct	285,607
Pell Grant	84.063	Direct	22,842,237
Federal Direct Loan Program	84.268	Direct	28,400,239
Total Student Financial Assistance Cluster			<u>51,757,625</u>
TRIO Cluster:			
Student Support Services 12/13	84.042	Direct	64,065
Student Support Services 13/14	84.042	Direct	180,882
Upward Bound - Flint 13/14	84.047	Direct	287,406
Upward Bound - Flint 14/15	84.047	Direct	22,600
Upward Bound - Beecher 12/13	84.047	Direct	50,788
Upward Bound - Beecher 13/14	84.047	Direct	189,651
Total TRIO Cluster			<u>795,392</u>
Career and Technical Education - Basic Grants to State:			
POS - Auto Tech Artic 12/13	84.048A	MDELEG	2,026
Perkins - Regional Allocation	84.048	MDE	868,613
Total Career and Technical Education - Basic Grants to State			<u>870,639</u>
Fund for the Improvement of Postsecondary Education:			
Center for Advanced Manufacturing FIPSE #3	84.116Z	Direct	<u>57,704</u>
Total U.S. Department of Education			<u>53,481,360</u>
<b>U.S. Department of Agriculture</b>			
Supplemental Nutrition Assistance Program (SNAP) Cluster:			
FAET	10.561	CA	151,402
FAET - Support Service	10.561	CA	2,144
FAET Genesee 13-14	10.561	CA	57,491
FAET Support Services Genesee 13-14	10.561	CA	1,194
FAET Shiawassee 13-14	10.561	CA	31,495
FAET Support Services Shiawassee 13-14	10.561	CA	931
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			<u>244,657</u>
Child and Adult Care Food Program			
Food Program 12/13	10.558	Direct	5,972
CCAMPIS	10.558	Direct	50,147
Food Program 13/14	10.558	Direct	54,492
Total Child and Adult Care Food Program			<u>110,611</u>
Total U.S. Department of Agriculture			<u>355,268</u>

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# C.S. MOTT COMMUNITY COLLEGE

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Federal Expenditures
U.S. Department of Defense			
TACOM - RPDDP	12.431	ARMY	\$ 936,626
U.S. Department of Labor			
Employment Services Cluster:			
Wagner Peyser ES - Shiawassee	17.207	CA	95,542
Wagner Peyser ES - Genesee 13-14	17.207	CA	273,214
EUC - Genesee	17.207	CA	65,480
Total Employment Services Cluster			<u>434,236</u>
Trade Adjustment Assistance:			
TAA - Emergency Claimants	17.245	CA	14,520
TAA - Genesee	17.245	CA	217,997
TAA - Case Management Genesee	17.245	CA	85,000
TAA - Case Management Shiawassee	17.245	CA	49,254
Trade	17.245	CA	44,028
Total Trade Adjustment Assistance			<u>410,799</u>
Workforce Investment Act (WIA) Cluster:			
Adult ES - Genesee	17.258	CA	20,733
Adult ES - Shiawassee	17.258	CA	9,861
Skill Enhancement - Adult	17.258	CA	77,362
Skill Enhancement - Dislocated	17.278	CA	55,119
Dislocated ES - Genesee	17.278	CA	107,933
Dislocated ES - Shiawassee	17.278	CA	33,600
NWLB	17.278	CA	7,999
Youth - Out of School	17.259	CA	287,444
Youth - In School	17.259	CA	146,772
Earn & Learn - SWA	17.258/17.259/17.278	CA	53,598
Total Workforce Investment Act (WIA) Cluster			<u>800,421</u>
Youth Build:			
Youth Build 3	17.274	CA	<u>150,458</u>
Trade Adjustment Assistance Community College and Career Training:			
Credentials to Careers	17.282	NVCC	154,641
TAACCCT MCAM (RTC)	17.282	MACCC	30,889
TAACCCT MCAM (WFD)	17.282	MACCC	14,766
Total Trade Adjustment Assistance Community College and Career Training			<u>200,296</u>
Total U.S. Department of Labor			<u>1,996,210</u>

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# C.S. MOTT COMMUNITY COLLEGE

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Federal Expenditures
U.S. Environmental Protection Agency Environmental Workforce Development and Job Training Cooperative Agreements	66.815	Direct	\$ 42,810
U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Cluster:			
Jet - Subsidized	93.558	CA	120,363
Jet - VET	93.558	CA	45,308
JET TANF Genesee	93.558	CA	41,983
JET TANF Shiawassee	93.558	CA	34,774
Path TANF VET	93.558	CA	80,000
Total Temporary Assistance for Needy Families (TANF) Cluster			<u>322,428</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 57,134,702</u></u>

See notes for schedule of expenditures of federal awards.

# C.S. MOTT COMMUNITY COLLEGE

## Notes to Schedule of Expenditures of Federal Awards

### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of C.S. Mott Community College (the "College") under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of the College.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the College's financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-21, *Cost Principles for Educational Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### 3. ADJUSTMENTS AND TRANSFERS

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, in the year ended June 30, 2014, the College transferred \$96,135 of the 2013-2014 federal Supplemental Education Opportunity Grant (84.007) to the 2013-2014 Federal work Study Program (84.003) award, which it spent in the 2013-2014 award year.

### 4. GRANT AUDITOR REPORT

Management has utilized Form R-710 and the Cash Management System (CMS) Grant Auditor Report in preparing the Schedule. Unreconciled differences, if any, have been disclosed to the auditor.

### 5. PASS-THROUGH AGENCIES

The College receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
ARMY	United States Army
CA	Career Alliance
MACCC	Macomb Community College
MDE	Michigan Department of Education
MDELEG	Michigan Department of Energy, Labor and Economic Growth
NVCC	North Virginia Community College



**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***

November 5, 2014

Board of Trustees  
C.S. Mott Community College  
Flint, 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 *C.S. Mott Community College* (the "College"), and its discretely presented component unit, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 5, 2014.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 preceding paragraph 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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*.

## Purpose of this Report

This report is intended 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 College'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. However, it is a matter of public record, and its distribution is not limited.

*Rehmann Lobson LLC*

**Independent Auditors' Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by OMB Circular A-133**

November 5, 2014

Board of Trustees  
C.S. Mott Community College  
Flint, Michigan

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of *C.S. Mott Community College* (the "College") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2014. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

*Independent Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the College'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 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 the College'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 College's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### Report on Internal Control Over Compliance

Management of the College 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 College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 College's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

### Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, it is a matter of public record, and its distribution is not limited.

*Rehmann Lobson LLC*

# C.S. MOTT COMMUNITY COLLEGE

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2014

### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? \_\_\_\_\_ yes  X  no

Identification of major programs:

#### CFDA Number

#### Name of Federal Program or Cluster

17.207

Employment Services Cluster

84.007/84.033/84.063/84.268

Student Financial Aid Cluster

93.558

Temporary Assistance For Needy Families (TANF) Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

## C.S. MOTT COMMUNITY COLLEGE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2014

#### SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

#### SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

# C.S. MOTT COMMUNITY COLLEGE

## Summary Schedule of Prior Year Audit Findings

For the Year Ended June 30, 2013

Finding 2013-SA-01 - Pell Funding Disbursements - CFDA # 84.007/84.033/84.063/84.268/84.375 -  
Student Financial Aid Cluster

The institution has discretion in disbursing funds within a payment period, but must disburse the full amount before the end of the payment period. A payment period is defined as academic terms (semesters, trimesters or quarters). This finding has been corrected.

