

C.S. Mott Community College

Year Ended
June 30, 2015

Single Audit Act
Compliance

C.S. MOTT COMMUNITY COLLEGE

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

November 9, 2015

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, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 9, 2015, 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



C.S. MOTT COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2015

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Federal Expenditures
U.S. Department of Education			
Student Financial Aid Cluster:			
Supplemental Educational Opportunity Grant	84.007	Direct	\$ 294,904
Federal Work Study	84.033	Direct	421,543
Pell Grant	84.063	Direct	20,038,208
Federal Direct Loan Program	84.268	Direct	26,002,943
Total Student Financial Aid Cluster			<u>46,757,598</u>
TRIO Cluster:			
Student Support Services 13/14	84.042	Direct	99,574
Student Support Services 14/15	84.042	Direct	307,984
Upward Bound - Flint 14/15	84.047	Direct	303,947
Upward Bound - Beecher 13/14	84.047	Direct	59,120
Upward Bound - Beecher 14/15	84.047	Direct	180,326
Total TRIO Cluster			<u>950,951</u>
Career and Technical Education - Basic Grants to State:			
Perkins - Regional Allocation 14/15	84.048	MDE	<u>814,322</u>
Total U.S. Department of Education			<u>48,522,871</u>
U.S. Department of Agriculture			
Supplemental Nutrition Assistance Program (SNAP) Cluster:			
FAET Genesee 13-14	10.561	CA	124,246
FAET Genesee 14-15	10.561	CA	117,508
FAET Support Services Genesee 13-14	10.561	CA	2,052
FAET Shiawassee 13-14	10.561	CA	8,624
FAET Shiawassee 14-15	10.561	CA	21,216
FAET Support Services Shiawassee 13-14	10.561	CA	50
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			<u>273,696</u>
Child and Adult Care Food Program			
Food Program 13/14	10.558	Direct	9,697
Food Program 14/15	10.558	Direct	56,073
CCAMPIS 13/14	10.558	Direct	22,677
CCAMPIS 14/15	10.558	Direct	49,296
Total Child and Adult Care Food Program			<u>137,743</u>
Total U.S. Department of Agriculture			<u>411,439</u>

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Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2015

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Federal Expenditures
U.S. Department of Defense TACOM - RPDDP	12.431	ARMY	\$ 40,535
U.S. Department of Justice Bulletproof Vest Partnership Program	16.607	Direct	1,039
U.S. Department of Labor Employment Services Cluster:			
Employment Services WP - Shiawassee 14-15	17.207	CA	109,478
Employment Services WP - Genesee 14-15	17.207	CA	439,977
Total Employment Services Cluster			549,455
Trade Adjustment Assistance:			
TAA - Genesee	17.245	CA	246,789
TAA - Case Management Genesee	17.245	CA	97,301
TAA - Case Management Shiawassee	17.245	CA	89,703
Trade	17.245	CA	61,026
Total Trade Adjustment Assistance			494,819
Workforce Investment Act (WIA) Cluster:			
Adult ES - Genesee 14-15	17.258	CA	47,753
Adult ES - Shiawassee 14-15	17.258	CA	25,298
Skill Enhancement - Adult 14-15	17.258	CA	73,186
Skill Enhancement - Dislocated	17.278	CA	50,091
Dislocated ES - Genesee	17.278	CA	13,085
Dislocated ES - Shiawassee	17.278	CA	8,657
NWLB	17.278	CA	17,031
Youth - Out of School 14-15	17.259	CA	255,858
Youth - In School 14-15	17.259	CA	121,469
Total Workforce Investment Act (WIA) Cluster			612,428
Youth Build:			
Youth Build 3	17.274	CA	24,920
Youth Build 4	17.274	CA	199,965
Total Youth Build			224,885
Trade Adjustment Assistance Community College and Career Training:			
Credentials to Careers	17.282	NVCC	210,479
TAACCCT MCAM (RTC)	17.282	MACCC	649,813
TAACCCT MCAM (WFD)	17.282	MACCC	217,843
Total Trade Adjustment Assistance Community College and Career Training			1,078,135
Total U.S. Department of Labor			2,959,722

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C.S. MOTT COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2015

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	<u>\$ 86,721</u>
U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Cluster:			
Path TANF VET - Shiawassee	93.558	CA	139,400
Path TANF VET - Genesee	93.558	CA	176,224
Path TANF ES - Shiawassee	93.558	CA	6,284
Path TANF ES - Genesee	93.558	CA	<u>7,180</u>
Total Temporary Assistance for Needy Families (TANF) Cluster			<u>329,088</u>
Total Expenditures of Federal Awards			<u><u>\$ 52,351,415</u></u>

See notes to 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, 2015. 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, during the year ended June 30, 2015, the College transferred \$85,039 of the 2014-2015 Federal Supplemental Educational Opportunity Grant (84.007) to the 2014-2015 Federal Work Study Program (84.033) award, which it spent in the 2014-2015 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
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 9, 2015

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, 2015, 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 9, 2015.

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.

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

November 9, 2015

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 *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, 2015. 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.

Unmodified 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, 2015.

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.



C.S. MOTT COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2015

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

17.282

Trade Adjustment Assistance Community College and Career Training
Student Financial Aid Cluster
TRIO Cluster

84.007/84.033/84.063/84.268
84.042/84.047

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, 2015

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 Audit Findings For the Year Ended June 30, 2015

None noted.

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