
C.S. Mott Community College

Federal Awards Supplemental Information
June 30, 2018

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

Independent Auditor's Report

To the Board of Trustees
C.S. Mott Community College

We have audited the basic 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, 2018 and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 23, 2018, which contained an unmodified opinion 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 23, 2018.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, 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 basic 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

October 23, 2018

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 Trustees
C.S. Mott Community College

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 C.S. Mott Community College (the "College") and its discretely presented component unit as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 23, 2018. The financial statements of the discretely presented component unit was not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic 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 basic 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 College's basic 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. 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.

Compliance and Other Matters

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

To Management and the Board of Trustees
C.S. Mott Community College

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

Plante & Moran, PLLC

October 23, 2018

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Trustees
C.S. Mott Community College

Report on Compliance for Each Major Federal Program

We have audited C.S. Mott Community College's (the "College") 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 each of the major federal programs for the year ended June 30, 2018. The College's major federal programs are 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 programs.

Auditor's 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 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 programs 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 the major federal programs for the year ended June 30, 2018.

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 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 College's internal control over compliance.

To the Board of Trustees
C.S. Mott Community College

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 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. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2018-001, that we consider to be a significant deficiency.

The College's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 23, 2018

C.S. Mott Community College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Passed Through	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture					
Child and Adult Care Food Programs:					
Food Program 16/17	10.558	Direct	N/A	\$ -	\$ 4,564
Food Program 17/18	10.558	Direct	N/A	-	68,956
				-	73,520
Supplemental Nutrition Assistance Program (SNAP) Cluster:					
FAET Genesee 16/17	10.561	MW	165-FAET-17	-	42,195
FAET Genesee 17/18	10.561	MW	165-FAET-18	-	115,000
FAET Support Services Genesee 16/17	10.561	MW	165-FAETSS-17	-	2,671
FAET Support Services Genesee 17/18	10.561	MW	165-FAETSS-18	-	4,598
				-	164,464
Total U.S. Department of Agriculture				-	237,984
U.S. Department of Justice					
Bulletproof Vest Partnership Program	16.607	Direct	N/A	-	480
U.S. Department of Labor					
Employment Services Cluster:					
Employment Services WP - Shiawassee 17/18	17.207	MW	175-17B-STAFF-165	-	136,968
Employment Services WP - Genesee 17/18	17.207	MW	175-17B-STAFF-165	-	477,119
				-	614,087
Workforce Investment Act (WIA) Cluster - Youth - Out of School 17/18	17.259	MW	165-WIY-18	-	79,913
Trade Adjustment Assistance Community College and Career Training (TAACCCT) - TAACCCT MCAM (WFD)	17.282	MACC	TC-25070-I3-60-A-26	-	4,995
Total U.S. Department of Labor				-	698,995

See notes to schedule of expenditures of federal awards.

C.S. Mott Community College

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2018

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Passed Through	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Education					
Student Financial Assistance Cluster:					
Federal Supplemental Educational Opportunity Grant	84.007	Direct	N/A	\$ -	\$ 346,054
Federal Work Study	84.033	Direct	N/A	-	258,168
Federal Pell Grant	84.063	Direct	N/A	-	14,351,207
Federal Direct Loan Program	84.268	Direct	N/A	-	17,097,983
				-	32,053,412
TRIO Cluster:					
Student Support Services 16/17	84.042	Direct	N/A	-	68,767
Student Support Services 17/18	84.042	Direct	N/A	-	285,289
Upward Bound - Flint 16/17	84.047	Direct	N/A	-	12,398
Upward Bound - Flint 17/18	84.047	Direct	N/A	-	352,930
Upward Bound - Flint 18/19	84.047	Direct	N/A	-	25,447
Upward Bound - Beecher 16/17	84.047	Direct	N/A	-	67,360
Upward Bound - Beecher 17/18	84.047	Direct	N/A	-	224,529
				-	1,036,720
Career and Technical Education - Basic Grants to States - Perkins:					
Regional Allocation 17/18	84.048	MDE	183510	-	777,377
Michigan Occupational Special Populations Association (MOSPA)	84.048	MDE	183660	-	28,822
				-	806,199
Child Care Access Means Parents in School (CCAMPIS):					
CCAMPIS 16/17	84.335A	Direct	N/A	-	32,692
CCAMPIS 17/18	84.335A	Direct	N/A	-	52,603
				-	85,295
Technical and Adult Education:					
Family Literacy Act 17/18	84.002	Direct	N/A	-	151,908
Student Success	84.002	Direct	N/A	-	23,862
				-	175,770
Total U.S. Department of Education				-	34,157,396
U.S. Department of Health and Human Services					
Temporary Assistance for Needy Families (TANF) Cluster:					
Career Pathways Bridges 16/17	93.558	MW	N/A	-	55,474
Financial Opportunity Center 16/17	93.558	MW	N/A	-	25,573
Total U.S. Department of Health and Human Services				-	81,047
U.S. Department of Transportation					
Highway Safety Cluster - National Priority Safety Programs					
	20.616	Direct	N/A	-	7,775

See notes to schedule of expenditures of federal awards.

C.S. Mott Community College

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2018

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Passed Through	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development					
Entitlements Grant Cluster - Community Development Block Grant (CDBG):					
Lit Network 16/17	14.218	Flint	150336.2	\$ -	\$ 6,994
Lit Network 17/18	14.218	Flint	170384.2	-	41,018
Total U.S. Department of Housing and Urban Development				-	48,012
National Science Foundation					
Research and Development Cluster - Education and Human Resources	47.076	UM	N/A	-	48,409
Corporation for National and Community Service					
Social Innovation Fund - LEAP - Youth - Out of School 17/18	94.019	MW	845-18- JMGLEAP-165	-	29,555
Total				<u>\$ -</u>	<u>\$ 35,309,653</u>

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Note 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, 2018. 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 College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The College has elected to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 - Pass-through Entities

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

- MACC - Macomb Community College
- MDE - Michigan Department of Education
- MW - Michigan Works!
- UM - University of Michigan
- Flint - City of Flint, Michigan

Schedule of Findings and Questioned Costs

Year Ended June 30, 2018

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? _____ Yes X 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? X Yes _____ None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? X Yes _____ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
84.063, 84.007, 84.033, and 84.268 84.042 and 84.047	Student Financial Assistance Cluster TRIO Cluster	Unmodified Unmodified

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

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Audit Findings

None

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2018

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2018-001	<p>CFDA Number, Federal Agency, and Program Name - Student Financial Aid Cluster - 84.268, 84.063</p> <p>Federal Award Identification Number and Year - N/A</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Significant deficiency</p> <p>Repeat Finding - No</p> <p>Criteria - Institutions shall submit, in accordance with deadline dates established by the secretary, through publication in the Federal Register, other reports and information the secretary requires and shall comply with the procedures the secretary finds necessary to ensure that the reports are correct. (34 CFR 690.83(b)(2) and 34 CFR 685.309).</p> <p>A school must update the National Student Loan Data System (NSLDS) within 30 days of a student status change, unless the school expects to submit its next enrollment report to the NSLDS within 60 days (34 eCFR 685.309).</p> <p>Condition - The student status changes for certain students that graduated from the College were not reported within 60 days.</p> <p>Questioned Costs - None</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - Of the 25 students selected for enrollment reporting testing, three students (all relating to graduation status following the fall semester) were not reported within the required 60-day period.</p> <p>Cause and Effect - A control was lacking to ensure proper reporting of graduated students was submitted timely to the NSLDS. As a result, certain graduated students were not reported timely.</p> <p>Recommendation - The College should implement controls to ensure all graduated students are reported timely to the NSLDS.</p>	None

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2018

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding	Questioned Costs
2018-001 (Cont'd.)	<p>Views of Responsible Officials and Corrective Action Plan - Upon discussion with the National Student Clearinghouse (NSC), it was determined that in order to create a graduated enrollment record that is accepted by the National Student Loan Data System (NSLDS), the following criteria must be met:</p> <ul style="list-style-type: none"> • Students graduate status for an academic degree/certificate submitted through Degree Verify must be included in the previous Enrollment Certification report sent to NSC or an error report is generated. If the awarding of an academic degree/certificate does not match the previous enrollment certification, a manual update to the student record must take place. <p>After reviewing a previous Clearinghouse Degree Transmission File report, manual updates were required for students whom:</p> <ul style="list-style-type: none"> • Graduated in two or more programs in the same term • Graduated with a degree/certificate that was not reported in the previous enrollment certification report • Graduated with a degree/certificate and were not included in a previous enrollment certification report due to nonenrollment at C.S. Mott Community College (i.e. reverse transfer students) <p>After discussing this with NSC and understanding how to access the “Detail” icon and reason(s) to correct any errors identified by NSLDS, the following corrective action plan has been developed:</p> <p>The Office of the Registrar will continue to report the Degree Verify file within the timelines defined in 34 CFR 690.83(b)(2) and 34 CFR 685.309.</p> <p>Furthermore, upon receipt of the Clearinghouse Degree Transmission File report sent from NCS, the Office of the Registrar will review the student detail icon and manually update any individual student errors with the correct program status (i.e. Graduate, Withdrawn, Change Mind, Full-Time, Half-Time or Less-Than-Half-Time).</p> <p>In addition to manually making correction(s) to individual student errors, the Office of the Registrar is placing two requests to ensure all graduated students are reported timely and accurately to the NSLDS:</p> <ol style="list-style-type: none"> 1. The Office of the Registrar will be requesting access directly to the NSLDS to ensure that the changes made to the NSC error report are properly recorded in the NSLDS system (as a form of control). 2. The Office of the Registrar has requested a custom report from Information Technology Services (ITS) that will allow us to obtain graduate statuses by term (multiple) and term enrollment statuses. This will allow the Office of the Registrar to expedite the corrections to the error report, since this information is captured in multiple screens in our Student Information System (Datatel). 	