

# **Macomb Community College**

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**Federal Awards  
Supplemental Information  
June 30, 2016**

# Macomb Community College

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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  
Macomb Community College

We have audited the basic financial statements of Macomb Community College (the "College") and its discretely presented component unit as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated September 13, 2016, which contained an unmodified opinion on the basic financial statements. Our audit was conducted for the purpose of forming an opinion 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 September 13, 2016.

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 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 financial statements or to the 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*

September 30, 2016

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  
Macomb 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 basic financial statements of Macomb Community College (the "College") and its discretely presented component unit as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 13, 2016. The financial statements of the discretely presented component unit were 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 Macomb Community 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 College'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 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.

To Management and the Board of Trustees  
Macomb Community College

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Macomb Community 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 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**

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

*Plante & Moran, PLLC*

September 13, 2016

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

Independent Auditor's Report

To the Board of Trustees  
Macomb Community College

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

We have audited Macomb 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 its major federal program for the year ended June 30, 2016. Macomb Community College's major federal program is 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 the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Macomb Community 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 program occurred. An audit includes examining, on a test basis, evidence about Macomb Community 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 Macomb Community College's compliance.

To the Board of Trustees  
Macomb Community College

### ***Opinion on Each Major Federal Program***

In our opinion, Macomb Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of Macomb Community 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 Macomb Community 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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Alente & Morse, PLLC*

September 30, 2016

# Macomb Community College

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

Federal Agency/Pass-through Agency Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Award Amount	Total Amount Provided to Subrecipients	Federal Expenditures
Student Financial Assistance Cluster - U.S. Department of Education:					
Federal Supplemental Educational Opportunity Grants	84.007	P007A152037	\$ 481,223	\$ -	\$ 519,200
Federal Work-Study Program	84.033	P033A152037	419,395	-	381,768
Federal Pell Grant Program	84.063	P063P150561/P063Q150561	25,756,781	-	25,757,348
Federal Direct Loan:					
Subsidized	84.268	P268K160561	N/A	-	5,434,544
Unsubsidized	84.268	P268K160561	N/A	-	4,046,689
Total Student Financial Assistance Cluster				-	36,139,549
Research and Development Cluster - National Science Foundation:					
Establishment of a Center for Advanced Automotive Technology (CAAT)	47.076	1003032	2,873,895	-	21,859
Continuation of a Center for Advanced Automotive Technology (CAAT)	47.076	1400593	2,001,902	-	727,621
Total Research and Development Cluster				-	749,480
CDBG - Entitlement Grants Cluster - U.S. Department of Housing and Urban Development - Passed through the City of Sterling Heights - Community Development Block Grant/Entitlement Grant					
	14.218	N/A	13,000	-	12,999
Total CDBG - Entitlement Grants Cluster				-	12,999
Highway Safety Cluster - U.S. Department of Transportation - Passed through Schoolcraft College - Incentive Grant Program to Increase Motorcyclist Safety: 2014-2015					
	20.616	N/A	13,491	-	11,326
Total Highway Safety Cluster				-	11,326
Total clusters				-	36,913,354
Other federal awards:					
U.S. Department of Education:					
Passed through the Michigan Department of Education - Career and Technical Education - Basic Grants to States:					
Regional Allocation - Post Secondary	84.048	163510-162116	972,131	-	970,194
Local Leadership - Post Secondary	84.048	163250-162516	18,400	-	18,400
Total passed through the Michigan Department of Education - Career and Technical Education				-	988,594
Passed through Teachers College, Columbia University - Center for Analysis on Postsecondary Education and Employment					
	84.305C	511135	36,000	-	1,666
Total U.S. Department of Education				-	990,260
U.S. Department of Defense (Office of Naval Research) - Procurement Technical Assistance Center Cost Sharing Cooperative Agreement:					
2014-2015	12.002	SP4800-14-2-1417	381,700	-	39,973
2015-2016	12.002	SP4800-15-2-1517	300,000	-	266,052
Total U.S. Department of Defense				-	306,025



# Macomb Community College

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2016

Federal Agency/Pass-through Agency Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Award Amount	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Labor:					
Passed through Anne Arundel Community College:					
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	TC-22520-11-60-A-24	\$ 1,046,309	\$ -	\$ 28,953
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	TC-25057-13-60-A-26	9,615,803	-	<u>3,745,922</u>
Total Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants				-	3,774,875
Passed through Macomb/St. Clair Workforce Development Board - H-1B Job Training Grants					
	17.268	12-05-163	671,634	-	66,391
H-1B Job Training Grants - American Apprenticeship Initiative					
	17.268	AP-28022-15-60-A-26	3,979,723	<u>70,287</u>	<u>180,662</u>
Total U.S. Department of Labor				-	4,021,928
National Endowment for the Arts:					
Passed through Michigan Council for Arts and Cultural Affairs - Promotion of the Arts Partnership Agreements					
	42.025	16OP3179PS	2,420	-	2,420
Promotion of the Arts Partnership Agreements - Arts Midwest Touring Fund 2015-2016					
	42.025	15-6100-2056	2,900	-	<u>2,900</u>
Total National Endowment for the Arts				-	5,320
Total Federal awards				<u>\$ 70,287</u>	<u>\$ 42,236,887</u>

# Macomb Community College

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Macomb Community College under programs of the federal government for the year ended June 30, 2016. The information in this 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 Macomb Community College, it is not intended to and does not present the financial position, changes in net position, or cash flows of Macomb Community College.

### Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, *Cost Principles for Educational Institutions*, or 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 not elected to use the 10 percent *de minimus* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

### Note 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, 2016, the College expended \$350 of the 2014-2015 Federal Supplemental Educational Opportunity Grant (84.007) award, which was carried forward from the 2014-2015 fiscal year.

In addition, the College transferred \$37,627 of the 2015-2016 Federal Work-Study Program (84.033) award to the Federal Supplemental Educational Opportunity Grant award, which it expended in the 2015-2016 award year.

### Note 4 - Grant Auditor Report

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

# Macomb Community College

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

### 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  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
Various	Student Financial Aid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$1,267,107

Auditee qualified as low-risk auditee?  Yes  No

### Section II - Financial Statement Audit Findings

None

### Section III - Federal Program Audit Findings

None