



Year Ended  
June 30, 2016

Single Audit Act  
Compliance

# LANSING COMMUNITY COLLEGE

## Table of Contents

	<u>Page</u>
Independent Auditors' Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Schedule of Expenditures of Federal Awards	2
Notes to Schedule of Expenditures of Federal Awards	4
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>	5
Independent Auditors' Report on Compliance for Each Major Federal Program and Internal Control over Compliance Required by the Uniform Guidance	7
Schedule of Findings and Questioned Costs	9
Summary Schedule of Prior Audit Findings	11



**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

October 11, 2016

Board of Trustees  
Lansing Community College  
Lansing, Michigan

We have audited the financial statements (not presented herein) of the business-type activities and the discretely presented component unit of *Lansing Community College* (the "College") 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 October 11, 2016, which contained unmodified opinions 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 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.



# LANSING COMMUNITY COLLEGE

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Education</b>				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	Direct	P007A11203	\$ 458,081
Federal Work-Study Program	84.033	Direct	P033A11203	417,390
Federal Pell Grant Program	84.063	Direct	P063P11023	18,705,818
Federal Direct Student Loans	84.268	Direct	P268K12023	25,096,493
				<u>44,677,782</u>
TRIO - Student Support Services	84.042	Direct	P042A110763	<u>283,316</u>
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	MDT	N/A	<u>27,749</u>
Child Care Access Means Parents in School (CCAMPIS)	84.335	Direct	P335A130148, P335A130148-14	<u>337,840</u>
Vocational Education Basic Grant:				
Perkins II Block	84.048A	MDE	153510/1521-15	753,196
Perkins Local Leadership	84.048A	MDE	153250/1525-15	9,398
				<u>762,594</u>
<b>Total U.S. Department of Education</b>				<u>46,089,281</u>
<b>U.S. Department of Health and Human Services</b>				
Medical Assistance Program	93.778	MDCH	20141355	131,770
Block Grants for Community Mental Health Services	93.958	MDCH	20150778	<u>36,344</u>
<b>Total U.S. Department of Health and Human Services</b>				<u>168,114</u>
<b>U.S. Small Business Administration</b>				
Small Business Development Center	59.037	GVSU	SBAHQ-14-B-0024; MISBDC-2015- 07/SBAHQ-15-B-0051	<u>194,201</u>
<b>U.S. Department of Labor</b>				
H1B Tech Knowledge E Pathways IT Training Grant	17.268	CAMW	H1B-LCC	165,338

continued...

# LANSING COMMUNITY COLLEGE

## Schedule of Expenditures of Federal Awards (Concluded)

For the Year Ended June 30, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
TAA Community College Career And Training Grant Program	17.282	CAMW	TC-25067-13-60-A-26	\$ 584,855
<b>Total U.S. Department of Labor</b>				<u>750,193</u>
<b>National Science Foundation</b>				
Automotive Manufacturing Technical Education Collaborative	47.076	KCTCS	KCT-PS-610	12,501
Integrated Career and Educational Pathways in Building Science	47.076	Direct	DUE-1104257	111,990
ATE Convergence Technology Center	47.076	MSU	DUE-120577	<u>25,844</u>
<b>Total National Science Foundation</b>				<u>150,335</u>
<b>U.S. Department of Veterans Affairs</b>				
Post 9/11 Veteran Education Assistance Act	64.UNK	Direct	1491-74223600020	<u>1,778</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 47,353,902</u>

concluded.

See notes to schedule of expenditures of federal awards.

# LANSING 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 Lansing Community College (the "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* (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 net 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

### 3. PASS-THROUGH ENTITIES

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 Entity Abbreviation	Pass-through Entity Name
CAMW	Capital Area Michigan Works!
GVSU	Grand Valley State University
KCTCS	Kentucky Community & Technical College System
MDCH	Michigan Department of Community Health
MDE	Michigan Department of Education
MSU	Michigan State University
MDT	Michigan Department of Treasury



**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***

October 11, 2016

Board of Trustees  
Lansing Community College  
Lansing, 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 the business-type activities and the discretely presented component unit of *Lansing Community College* (the "College"), 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 October 11, 2016. The financial statements of Lansing Community College Foundation, the College's discretely presented component unit, was not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Lansing College Community Foundation.

### **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 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 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**

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 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 Lobson LLC". The signature is written in a cursive, flowing style.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

October 11, 2016

Board of Trustees  
Lansing Community College  
Lansing, Michigan

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

We have audited the compliance of *Lansing Community College* (the "College") with the types of compliance requirements described in the *OMB 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, 2016. 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 federal statutes, regulations and the terms and conditions of its federal awards.

***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 the requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 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, 2016.

### **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 a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 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.

### *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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



# LANSING COMMUNITY COLLEGE

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

### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                           yes                      X   no

Identification of major programs and type of auditors' report issued on compliance for each major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster	Unmodified
84.335	Child Care Access Means Parents in School	Unmodified

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

Auditee qualified as low-risk auditee?                      X   yes                           no

# LANSING COMMUNITY COLLEGE

## ■ Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2016

### SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

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

No matters were reported.

■ ■ ■ ■ ■

# LANSING COMMUNITY COLLEGE

## Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2016

### Finding 2015-001 - Unallowable Subsidies Paid to Vendor

During the 2013-2014 award year, the College was providing certain subsidies directly to the child care provider which were not directly supporting the needs of the low-income student-parents' child care costs. As a result, the College was not serving the needs of low-income student-parents enrolled at the College. This finding was resolved during 2016.

