

# **Grand Rapids Community College**

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

# Grand Rapids 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  
Grand Rapids Community College

We have audited the financial statements of Grand Rapids 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 October 17, 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 October 17, 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 financial statements as a whole.

*Plante & Moran, PLLC*

October 17, 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  
Grand Rapids 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 Grand Rapids 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 October 17, 2016. The financial statements of Grand Rapids Community College Foundation were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Grand Rapids 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  
Grand Rapids Community College

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Grand Rapids Community College's 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*

October 17, 2016

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

Independent Auditor's Report

To the Board of Trustees  
Grand Rapids Community College

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

We have audited Grand Rapids 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. Grand Rapids 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 Grand Rapids 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 Grand Rapids 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 the major federal program. However, our audit does not provide a legal determination of Grand Rapids Community College's compliance.

To the Board of Trustees  
Grand Rapids Community College

### ***Opinion on the Major Federal Program***

In our opinion, Grand Rapids 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 Grand Rapids 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 Grand Rapids Community College's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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.

*Plante & Moran, PLLC*

October 17, 2016

# Grand Rapids Community College

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

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
<b>Clusters:</b>				
Student Financial Assistance Cluster -				
U.S. Department of Education - Direct programs:				
William D. Ford Direct Loan Program	84.268	P268K141636	\$ -	\$ (134,399)
William D. Ford Direct Loan Program	84.268	P268K151636	-	1,232,677
William D. Ford Direct Loan Program	84.268	P268K161636	-	18,798,058
Federal Supplemental Education Opportunity Grant	84.007	P007A152011	-	554,515
Federal College Work Study	84.033	P033A142011	-	(636)
Federal College Work Study	84.033	P033A152011	-	353,274
Federal Pell Grant Program	84.063	P063P131636	-	(10,189)
Federal Pell Grant Program	84.063	P063P141636	-	2,049
Federal Pell Grant Program	84.063	P063P151636	-	18,095,556
Total Student Financial Assistance Cluster			-	38,890,905
TRIO Cluster - U.S. Department of Education - Direct programs:				
TRIO - Student Support Services	84.042A	P042A100916	-	4,346
TRIO - Student Support Services	84.042A	P042A151503	-	304,414
TRIO - Upward Bound	84.047A	P047A121806	-	90,454
TRIO - Upward Bound	84.047A	P047A121806	-	243,065
Total TRIO Cluster			-	642,279
Research and Development Cluster - National Science Foundation -				
TUES Chemistry Grant	47.076	DUE-1140509	-	10,616
Highway Safety Cluster - U.S. Department of Transportation -				
National Highway Traffic Safety Administration -				
Passed through Michigan Department of State:				
Motorcycle Training Grant	20.616	N/A	-	6,517
Motorcycle Training Grant	20.616	N/A	-	4,999
Total Highway Safety Cluster			-	11,516
Total Clusters			-	39,555,316
<b>Other federal awards:</b>				
U.S. Department of Education:				
Direct Programs:				
Title III Grant	84.031A	P031A110202	-	123,209
Title III Grant	84.031A	P031A110202	-	275,676
Childcare Access Means Parents in School	84.335A	P335A130209	-	44,517
Childcare Access Means Parents in School	84.335A	P335A130209	-	57,338
Passed through Michigan Department of Education -				
Carl D. Perkins Vocational Educational Act:				
Local Leadership	84.048A	163250/16257	-	18,394
Program Improvement	84.048A	163510/16217	-	246,757
Special Populations	84.048A	163510/16217	-	538,000
Total Vocational Education			-	803,151
Passed through Michigan Department of Energy, Labor and Economic				
Growth - Adult Education and Family Literacy	84.002A	16130/161918	-	156,000
Total U.S. Department of Education			-	1,459,891

# Grand Rapids Community College

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

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Other federal awards (Continued):				
U.S. Department of Agriculture - Passed through Michigan				
Department of Agriculture:				
Child Care Food Program	10.558	N/A	\$ -	\$ 3,308
Child Care Food Program	10.558	N/A	-	18,215
Total U.S. Department of Agriculture			-	21,523
U.S. Department of Labor -				
Passed through Macomb Community College -				
TAACCCT Michigan Coalition for Advanced Manufacturing	17.282	TC-25059-13-60-A-26	-	974,175
American Apprenticeship Initiative	17.268	AP-28022-15-60-A-26	-	70,319
Total U.S. Department of Labor			-	1,044,494
U.S. Department of Health and Human Services:				
Passed through Michigan Office of Services to the Aging under Older				
Passed through Area Agency on Aging of Western Michigan:				
Caregiver Support Program	93.052	51.79	-	4,788
Grandparents Support Program	93.052	51.79	-	8,812
Disease Prevention/Health Promotion	93.043	51.79	-	1,963
Disease Prevention/Health Promotion	93.043	51.79	-	12,978
Total U.S. Department of Health and Human Services			-	28,541
Total other federal awards			-	2,554,449
Total federal awards			<u>\$ -</u>	<u>\$ 42,109,765</u>

# Grand Rapids Community College

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## 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 Grand Rapids 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 Grand Rapids Community College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Grand Rapids 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 Education 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The College has elected not 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, the College transferred \$65,781 of Federal Work Study Program (84.003) funds to Federal Supplemental Education Opportunity Grant Program (84.007) for the year ended June 30, 2016.

# Grand Rapids 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:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, and 84.268	Student Financial Assistance Cluster

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

Auditee qualified as low-risk auditee?  Yes  No

### Section II - Financial Statement Audit Findings

None

### Section III - Federal Program Audit Findings

None

# Grand Rapids Community College

## Summary Schedule of Prior Audit Findings Year Ended June 30, 2016

Prior Year Finding Number	Fiscal Year in Which the Finding Initially Occurred	Federal Program, CFDA Number, and Name	Original Finding Description	Status/Partial Corrective Action (as applicable)	Planned Corrective Action (if finding not corrected)
2015-001	2014	Student Financial Aid Cluster - Direct Loan Program - CFDA #84.268	A student was not notified of the terms and conditions of the direct loan within the specified timeline.	Corrected	N/A