

MONTCALM  
COMMUNITY  
COLLEGE



Year Ended  
June 30, 2019

Single Audit Act  
Compliance

# MONTCALM COMMUNITY COLLEGE

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

November 14, 2019

To the Board of Trustees  
Montcalm Community College  
Sidney, Michigan

We have audited the financial statements of the business-type activities of

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# MONTCALM COMMUNITY COLLEGE

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2019

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 Grant Program	84.007	Direct	P007A182049	\$ 63,077
Federal Work Study Program	84.033	Direct	P033A182049	41,665
Pell Grant Program	84.063	Direct	P063P181644	2,259,280
Pell Grant Program - Administrative Fees	84.063	Direct	N/A	3,525
Federal Direct Student Loan Program	84.268	Direct	P268K191644	2,137,601
Total student financial assistance cluster				<u>4,505,148</u>
Career and Technical Education - Basic Grants to States:				
Local Leadership 18/19	84.048	MDE	192519	9,200
Regional Allocation 18/19	84.048	MDE	192119	151,934
				<u>161,134</u>
<b>Total Expenditures of Federal Awards</b>				<u><u>\$ 4,666,282</u></u>

See notes to schedule of expenditures of federal awards.

# MONTCALM COMMUNITY COLLEGE

## Notes to Schedule of Expenditures of Federal Awards

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the 'Schedule') includes the federal grant activity of Montcalm Community College (the 'College') under programs of the federal government for the year ended June 30, 2019. 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 financial position, changes in net position or cash flows of the College.

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 2 to the College's financial statements. Such expenditures are recognized following the cost principles col

### 2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the College has elected not to use the 10 percent de minimis cost rate as permitted by § 200.414 of the Uniform Guidance.

### 3. 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
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MDE Michigan Department of Education

” ” ” ” ”

**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 14, 2019

To the Board of Trustees  
Montcalm Community College  
Sidney, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of

## 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, appearing to read "D. J. [unclear]", is positioned above a horizontal line. The line is composed of a series of small, colorful rectangular blocks in shades of yellow, green, blue, and red, resembling a barcode or a digital signature verification element.



We have audited the compliance of **Montcalm Community College**

## Opinion on the 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 its major federal program for the year ended June 30, 2019.

## 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 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 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.

A handwritten signature in black ink is positioned above a horizontal bar composed of many small, colorful rectangular segments in shades of yellow, green, blue, and red.

# MONTCALM COMMUNITY COLLEGE

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2019

### SECTION I - SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

yes	X	no
yes	X	none reported
yes	X	no

#### Federal Awards

yes	X	no
yes	X	none reported

yes	X	no
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#### CFDA Number

84.007, 84.033, 84.063 and 84.268

#### Name of Federal Program or Cluster

[Redacted]

[Redacted]

# MONTCALM COMMUNITY COLLEGE

## Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2019

No matters were reported.

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