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Community College District of Monroe County,  
Michigan d/b/a Monroe County Community  
College

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**Federal Awards  
Supplemental Information  
June 30, 2018**

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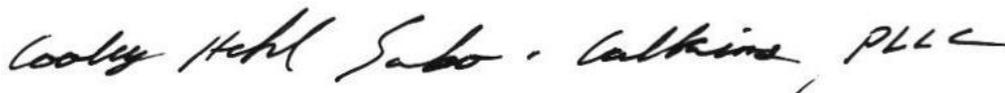
## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

### Independent Auditor's Report

To the Board of Trustees  
Community College District of Monroe  
County, Michigan d/b/a Monroe County  
Community College

We have audited the basic financial statements of Community College District of Monroe County, Michigan d/b/a Monroe County 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 November 6, 2018, which contained an unmodified opinion on the 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 November 6, 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 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.



November 6, 2018

# COOLEY HEHL SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

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  
Community College District of Monroe County, Michigan d/b/a Monroe County 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 Community College District of Monroe County, Michigan d/b/a Monroe County 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 November 6, 2018. The financial statements of the Foundation at Monroe County Community College 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 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 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.

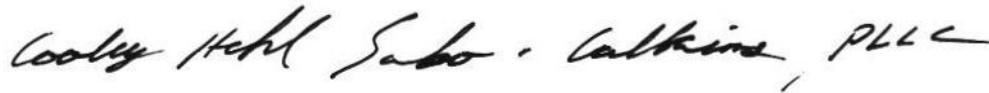
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

To Management and the Board of Trustees  
Community College District of Monroe County, Michigan  
d/b/a Monroe County 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.

A handwritten signature in black ink that reads "Cooley Hehl Sabo - Calkins, PLLC". The signature is written in a cursive, flowing style.

November 6, 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  
Community College District of Monroe County, Michigan d/b/a Monroe County Community College

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

We have audited Community College District of Monroe County, Michigan d/b/a Monroe County 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, 2018. Community College District of Monroe County, Michigan d/b/a Monroe County 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

#### ***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 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 Community College District of Monroe County, Michigan d/b/a Monroe County 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, 2018.

To the Board of Trustees  
Community College District of Monroe County, Michigan  
d/b/a Monroe County Community College

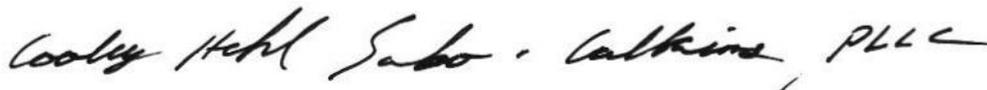
### **Report on Internal Control Over Compliance**

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.

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.



November 6, 2018

**Community College District of Monroe County, Michigan d/b/a Monroe  
County Community College**

**Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2018**

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Award Amount	Total Amount	
				Provided to Subrecipients	Federal Expenditures
Clusters:					
U.S. Department of Education - Student Financial					
Assistance Cluster:					
Pell Grant	84.063	P063P171643	\$ 3,082,770	\$ -	\$ 3,082,770
Pell Administrative Cost Allowance	84.063	P063P171643	5,375	-	5,375
Federal Work Study	84.033	P033A172048	54,107	-	43,459
Federal Supplemental Educational Opportunity Grant	84.007	P007A172048	56,029	-	66,677
Federal Direct Loans:					
Subsidized	84.268	P268K181643	1,192,354	-	1,192,354
Unsubsidized	84.268	N/A	1,807,133	-	1,807,133
Plus	84.268	N/A	<u>21,598</u>	-	<u>21,598</u>
Total Student Financial Assistance Cluster			6,219,366	-	6,219,366
TRIO Cluster:					
Upward Bound 9/1/16 - 8/31/17 Monroe	84.047	P047A121221 - 17	250,000	-	77,703
Upward Bound 9/1/17 - 8/31/18 Monroe	84.047	P047A1170893 - 17A	250,000	-	159,980
Upward Bound 9/1/16 - 8/31/17 Airport	84.047	P047A121231 - 17	250,000	-	68,460
Upward Bound 9/1/17 - 8/31/18 Airport	84.047	P047A1170894 - 17A	257,500	-	172,312
Upward Bound 9/1/16 - 8/31/17 Jefferson	84.047	N/A	-	-	-
Upward Bound 9/1/17 - 8/31/18 Jefferson	84.047	P047A170895	<u>263,937</u>	-	<u>137,233</u>
Total TRIO Cluster			<u>1,271,437</u>	-	<u>615,688</u>
Total clusters			7,490,803	-	6,835,054
Other federal awards -					
U.S. Department of Education - Vocational Education -					
Passed through the Michigan Department of Education:					
Local Administration	84.048A	183250	8,000	-	8,000
Local Administration	84.048A	183250	1,200	-	1,200
Professional Development CAP	84.048A	183670	-	-	-
Regional Allocation	84.048A	183510	<u>189,536</u>	-	<u>189,563</u>
Total other federal awards			<u>198,736</u>	-	<u>198,763</u>
Total federal awards			<b>\$ 7,689,539</b>	<b>\$ -</b>	<b>\$ 7,033,817</b>

**Community College District of Monroe County, Michigan d/b/a Monroe  
County Community College**

**Notes to Schedule of Expenditures of Federal Awards**

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**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 Community College District of Monroe County, Michigan d/b/a Monroe County Community College (the "College") under programs of the federal government for the year ended June 30, 2018. 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 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 not to use the 10 percent *de minimis* 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, 2018, the College transferred \$10,648 of the Federal Work-Study Program (84.033) award to the 2017-2018 Federal Supplemental Educational Opportunity Grant (84.007) award, which it expended in the 2017-2018 award year.

**Community College District of Monroe County, Michigan d/b/a Monroe County Community College**

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

Noncompliance material to financial statements noted?  Yes  None reported

**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 Number	Name of Federal Program or Cluster
84.063, 84.007, 84.033, and 84.268	Student Financial Assistance Programs

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**

Reference Number	Finding
<b>Current Year</b> None	

**Section III - Federal Program Audit Findings**

Reference Number	Finding
<b>Current Year</b> None	