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# Oakland Community College

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**Federal Awards  
Supplemental Information  
June 30, 2019**

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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  
Oakland Community College

We have audited the basic financial statements of Oakland Community College (the "College") and its discretely presented component unit as of and for the year ended June 30, 2019 and have issued our report thereon dated October 8, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 8, 2019.

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 8, 2019

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  
Oakland 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 Oakland Community College (the "College") as of and for the year ended June 30, 2019 and the related notes to financial statements, which comprise the basic financial statements, which comprise the basic financial statements, and have issued our report thereon dated October 8, 2019. 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 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 opinion 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  
Oakland 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 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 & Moreau, PLLC*

October 8, 2019

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required  
by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Trustees  
Oakland Community College

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

We have audited Oakland 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 the College's major federal program for the year ended June 30, 2019. The 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 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 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.

To the Board of Trustees  
Oakland Community College

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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Findings 2019-001 and 2019-002, that we consider to be significant deficiencies.

The College's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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 & Moreau, PLLC*

October 8, 2019

# Schedule of Expenditures of Federal Awards

**Year Ended June 30, 2019**

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Federal Expenditures	Total Amount Provided to Subrecipients
Clusters:				
Student Financial Assistance Cluster - U.S. Department of Education:				
Federal Pell Grant Program	84.063	P063P171648	\$ 15,468,642	\$ -
Federal Supplemental Educational Opportunity Grant	84.007	P007A172059	1,094,219	-
Federal Work Study	84.033	P033A172059	357,156	-
Direct Loan Program	84.268	P268K181648	10,418,079	-
Total Student Financial Assistance Cluster			27,338,095	-
U.S. Department of Labor - WIA Cluster -				
Passed through Oakland County:				
Work First - 10/01/17- 09/30/18	17.278	Unknown	84,104	-
Work First - 10/01/18- 09/30/19	17.278	Unknown	182,139	-
Total WIA Cluster			266,243	-
Total clusters			27,604,338	-
Other federal awards:				
U.S. Department of Education -				
Passed through the Michigan Department of Education -				
Grants to States - Vocational Education Grants:				
Local Annual (Regional Allocation)	84.048A	183510-182123	841,128	-
Local Leadership	84.048A	183250-182523	9,200	-
Total U.S. Department of Education			850,328	-
U.S. Department of Labor -				
Passed through the Southeast Michigan Community Alliance -				
American Apprenticeship Initiative Grant - Advance Michigan Center				
For Apprenticeship Innovation	17.268, H-1B	AP-28028-15-60-A-26	70,764	-
Total U.S. Department of Labor			70,764	-
National Science Foundation -				
Learning Program for Cobots in Advanced Manufacturing Systems	47.076	1601454	60,269	36,103
Total National Science Foundation			60,269	36,103
Total expenditures of federal awards			<b>\$ 28,585,700</b>	<b>\$ 36,103</b>



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

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**Year Ended June 30, 2019**

### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Oakland Community College (the "College") under programs of the federal government for the year ended June 30, 2019. The information in the 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 same basis of accounting as the financial statements. Such expenditures are recognized following, as applicable, 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, 2019, the College transferred \$187,471 of the 2018-2019 Federal Work Study Program (84.033) award to the Federal Supplemental Education Opportunity Grant award, which it expended in the 2018-2019 award year.

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## Schedule of Findings and Questioned Costs

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**Schedule of Findings and Questioned Costs****Year Ended June 30, 2019****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
- 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	Opinion
84.063, 84.007, 84.033, and 84.268	Student financial assistance cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$857,571

Auditee qualified as low-risk auditee?

☒ Yes ☐ No**Section II - Financial Statement Audit Findings**

Finding

None

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

### Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2019-001	<p><b>CFDA Number, Federal Agency, and Program Name</b> - 84.268 and 84.063, Department of Education, Student Financial Aid Cluster</p> <p><b>Federal Award Identification Number and Year</b> - P268K181648, P063P171648</p> <p><b>Pass-through Entity</b> - U.S. Department of Education</p> <p><b>Finding Type</b> - Significant deficiency</p> <p><b>Repeat Finding</b> - Yes - 2018-001</p> <p><b>Criteria</b> - Institutions shall submit, in accordance with deadline dates established by the secretary, through publication in the Federal Register, other reports and information the secretary requires and shall comply with the procedures the secretary finds necessary to ensure that the reports are correct (34 CFR 690.83(b)(2) and 34 CFR 685.309).</p> <p>A school must update the National Student Loan Data System (NSLDS) within 30 days of a student status change, unless the school expects to submit its next enrollment report to the NSLDS within 60 days (34 eCFR 685.309).</p> <p><b>Condition</b> - The student status changes for certain students who graduated from the College were not reported within 60 days.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - N/A</p> <p><b>Context</b> - Of the 40 students selected for enrollment reporting testing, 15 students were not reported within the required 60-day period. This impacted only graduated students.</p> <p><b>Cause and Effect</b> - A control was lacking to ensure proper reporting of graduated students was timely to the NSLDS. As a result, certain graduated students were not reported timely.</p> <p><b>Recommendation</b> - The College should implement controls to ensure all graduated students are reported timely to the NSLDS.</p>	None

**Schedule of Findings and Questioned Costs (Continued)****Year Ended June 30, 2019****Section III - Federal Program Audit Findings (Continued)**

Reference Number	Finding	Questioned Costs
2019-001 (Continued)	<p><b>Views of Responsible Officials and Corrective Action Plan</b> - The College agrees with the finding identified in the sample noted above.</p> <p>The College utilizes the National Student Clearinghouse (NSC) as an agent for timely required enrollment and degree reporting. Following last year's finding, the College took steps to improve (and continues to improve) the process for uploading graduation statuses, one that has become very complicated following NSC's two-pronged verification process for graduation reporting. While OCC's verification processing has improved considerably from last year, the complexity of this processing coupled with the large number of students graduating from OCC resulted in graduation statuses being reported after the 60-day time period to the National Student Loan Data System (NSLDS).</p> <p>Last year, to improve processing, the College's Registrar's Office consulted with NSC personnel, participated in NSC webinars, and researched practices other colleges have implemented. An improved process was implemented, and with the verification of graduation statuses each semester, the College continued to develop the process's efficiency. Processing each semester became more efficient to the point that current reporting and verification of summer 2019 graduates to NSLDS occurred within the 60-day time period. Continuous improvements will further ensure reporting and verification for subsequent semesters also occurs within reporting timelines. Periodic sampling and confirmation of graduated statuses in NSLDS throughout the year will ensure accurate, timely reporting.</p>	

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding	Questioned Costs
2019-002	<p><b>CFDA Number, Federal Agency, and Program Name</b> - 84.268 and 84.063, Department of Education, Student Financial Aid Cluster</p> <p><b>Federal Award Identification Number and Year</b> - P268K181648, P063P171648</p> <p><b>Pass-through Entity</b> - U.S. Department of Education</p> <p><b>Finding Type</b> - Significant deficiency</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - If a recipient of Title IV grant or loan funds withdraws from a school after beginning attendance, but before he or she have attended 60 percent of the scheduled length of the semester, the school must perform a return of Title IV funds calculation. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned. A school must return unearned funds for which it is responsible no later than 45 days from the determination of a student's withdrawal. (34 CFR 668.22(j)(1))</p> <p><b>Condition</b> - One student's return was completed later than 45 days from the determination of the student's withdrawal. The delay in the return was identified by management and was corrected subsequent to the passing of the 45-day requirement.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - N/A</p> <p><b>Context</b> - Of the 25 students selected for return of Title IV calculation testing, one calculation was completed greater than 45 days from the determination of the student's withdrawal.</p> <p><b>Cause and Effect</b> - Controls over the review of calculations performed were inadequate to ensure that all students' return of Title IV calculations were completed timely. As a result, the return of funds was not completed timely.</p> <p><b>Recommendation</b> - The College should implement additional controls to ensure all return of Title IV calculations are completed timely.</p>	None

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding	Questioned Costs
2019-002 (Continued)	<p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The College agrees with the finding identified in the sample noted above. As a result of human error in reviewing a report of students requiring a calculation to be performed, a required calculation was not performed within the 45-day requirement. A subsequent review performed by the financial aid specialists responsible for the R2T4 calculations identified and corrected the error; however, this correction occurred outside of the 45-day requirement.</p> <p>The OCC Financial Aid Department has implemented multiple procedures in the past 10 years to validate the calculations. There are two calculations performed for each student. Our procedures are as follows:</p> <ul style="list-style-type: none"> <li>• A report of withdrawals is run every two weeks to identify potential return of Title IV calculations.</li> <li>• A calculation is performed using the Department of Education website's online software.</li> <li>• A second calculation is performed in the Colleague student system.</li> <li>• When a calculation does not match between the two systems, the FA Specialist performing the calculation will work with the Associate Director to correct the calculations.</li> <li>• Both calculations are compared to validate accuracy before being updated in the Colleague student system and returning funds to the Department of Education.</li> <li>• OCC runs one final report at the end of the semester to validate that all the records have been processed for return of Title IV calculations. This is done as one final check for the semester to make sure everything has been processed.</li> </ul> <p>In this case, it was simply a human error to miss a single record. The processes we have in place are efficient and accurate. OCC will reinforce to the financial aid staff who process the return of Title IV calculations the importance of double checking every record on the report so that a student does not get missed in the future.</p>	