

Muskegon Community College  
**SINGLE AUDIT OF FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS**  
Financial Report and  
Independent Auditor's Reports  
June 30, 2023



**Muskegon Community College**

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FINANCIAL REPORT AND INDEPENDENT AUDITOR’S REPORTS

INTERNAL CONTROL AND COMPLIANCE REPORTS

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**INDEPENDENT AUDITOR'S 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***

Board of Trustees  
Muskegon Community College  
Muskegon, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Muskegon Community College as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Muskegon Community College's basic financial statements, and have issued our report thereon dated November 3, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Muskegon Community College's internal control over financial reporting (internal control) as a basis for designing 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 Muskegon Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Muskegon Community 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 or significant deficiencies may exist that were not identified.

BRICKLEY DELONG

Board of Trustees  
Muskegon Community College  
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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Muskegon 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 financial statements. 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 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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Muskegon, Michigan  
November 3, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Muskegon Community College  
Muskegon, Michigan

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

***Opinion on Each Major Federal Program***

We have audited Muskegon Community College's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Muskegon Community College's major federal programs for the year ended June 30, 2023. Muskegon Community College's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Muskegon Community College complied, in all material respects, with the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Muskegon Community College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Muskegon Community College's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Muskegon Community College's federal programs.

## Report on Compliance for Each Major Federal Program—Continued

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Muskegon Community College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Muskegon Community College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Muskegon Community College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Muskegon Community College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Muskegon Community College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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.

Board of Trustees  
Muskegon Community College  
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**Report on Internal Control Over Compliance—Continued**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitation, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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

We have audited the financial statements of Muskegon Community College as of and for the year ended June 30, 2023, and have issued our report thereon dated November 3, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.



Muskegon, Michigan  
November 3, 2023

**Muskegon Community College**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2023

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2022	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2023	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education</i>									
Direct Programs:									
Student Financial Assistance Cluster									
Federal Supplemental Educational Opportunity Grants	84.007A								
P007A212052		\$ 121,810	\$ 24,374	\$ -	\$ 24,374	\$ 64,734	\$ -	\$ -	\$ -
P007A222052		139,148	-	-	50,000	-	83,622	33,622	-
		<u>260,958</u>	<u>24,374</u>	<u>-</u>	<u>74,374</u>	<u>64,734</u>	<u>83,622</u>	<u>33,622</u>	<u>-</u>
Federal Work-Study Program	84.033A								
P033A212052		108,996	6,966	-	6,966	66,966	-	-	-
P033A222052		108,996	-	-	-	-	91,152	91,152	-
		<u>217,992</u>	<u>6,966</u>	<u>-</u>	<u>6,966</u>	<u>66,966</u>	<u>91,152</u>	<u>91,152</u>	<u>-</u>
Federal Pell Grant Program	84.063P								
P063P211645		4,208,370	808,990	(615)	808,375	4,208,370	-	-	-
P063P221645		4,105,972	-	-	3,300,000	-	4,105,972	805,972	-
P063Q211645		6,705	-	615	615	6,620	85	85	-
P063Q221645		6,265	-	-	5,445	-	6,265	820	-
		<u>8,327,312</u>	<u>808,990</u>	<u>-</u>	<u>4,114,435</u>	<u>4,214,990</u>	<u>4,112,322</u>	<u>806,877</u>	<u>-</u>
Total Student Financial Assistance Cluster		8,806,262	840,330	-	4,195,775	4,346,690	4,287,096	931,651	-
TRIO Cluster									
TRIO—Upward Bound	84.047A								
P047A170564		1,433,722	31,791	-	159,264	1,239,287	127,473	-	-
P047A221397		607,106	-	-	158,110	-	216,018	57,908	-
		<u>2,040,828</u>	<u>31,791</u>	<u>-</u>	<u>317,374</u>	<u>1,239,287</u>	<u>343,491</u>	<u>57,908</u>	<u>-</u>
Education Stabilization Fund									
Higher Education Emergency Relief Fund—Student Aid Portion	84.425E								
COVID-19 P425E201590		6,494,352	9,575	-	2,500,000	3,921,925	2,572,427	82,002	-
Higher Education Emergency Relief Fund—Institutional Portion	84.425F								
COVID-19 P425F202250		8,871,198	1,569,869	-	3,335,542	6,182,737	2,688,461	922,788	-
Total Education Stabilization Fund		<u>15,365,550</u>	<u>1,579,444</u>	<u>-</u>	<u>5,835,542</u>	<u>10,104,662</u>	<u>5,260,888</u>	<u>1,004,790</u>	<u>-</u>
Total Direct Programs		<u>26,212,640</u>	<u>2,451,565</u>	<u>-</u>	<u>10,348,691</u>	<u>15,690,639</u>	<u>9,891,475</u>	<u>1,994,349</u>	<u>-</u>



Muskegon Community College  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued**  
For the year ended June 30, 2023

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2022	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2023	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education—Continued</i>									
Passed through Michigan Department of Education:									
Career and Technical Education—Basic Grants to States	84.048A								
Local Leadership									
223250-222520		\$ 9,200	\$ 9,200	\$ -	\$ 9,200	\$ 9,200	\$ -	\$ -	\$ -
233250-232520		9,200	-	-	4,600	-	9,200	4,600	-
		18,400	9,200	-	13,800	9,200	9,200	4,600	-
Local Annual									
223510-43		196,745	196,745	-	196,745	196,745	-	-	-
233510-2321		245,525	-	-	100,000	-	245,525	145,525	-
		442,270	196,745	-	296,745	196,745	245,525	145,525	-
Total passed through Michigan Department of Education		460,670	205,945	-	310,545	205,945	254,725	150,125	-
Total U.S. Department of Education		26,673,310	2,657,510	-	10,659,236	15,896,584	10,146,200	2,144,474	-
<i>U.S. Department of Labor</i>									
Passed through Grand Rapids Community College's Workforce Training:									
WIOA Pilots, Demonstrations, and Research Projects	17.261								
MI-25900-21-60-A-36		669,443	-	-	81,234	23,059	108,060	26,826	-
H-1B Job Training Grants	17.268								
HG-35916-21-60-A-26		1,083,729	-	-	169,107	110,184	220,608	51,501	-
Total U.S. Department of Labor		1,753,172	-	-	250,341	133,243	328,668	78,327	-
<b>TOTAL FEDERAL ASSISTANCE</b>		<b>\$ 28,426,482</b>	<b>\$ 2,657,510</b>	<b>\$ -</b>	<b>\$ 10,909,577</b>	<b>\$ 16,029,827</b>	<b>\$ 10,474,868</b>	<b>\$ 2,222,801</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.

Muskegon Community College  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2023

1. The accompanying Schedule of Expenditures of Federal Awards (the “schedule”) includes the federal award activity of the College under programs of the federal government for the year ended June 30, 2023. 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 or change in net position of the College.
2. Please see the financial statement footnotes for the significant accounting policies used in preparing this schedule. 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. 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. The College is not using the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
3. Management has utilized the Michigan Department of Education NexSys Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.
4. The value of Guaranteed Student Loans for the year ended June 30, 2023 was \$1,075,810.
5. The value of Federal PLUS Loans for the year ended June 30, 2023 was \$24,040.
6. Accrued revenue as of July 1, 2022 was misclassified among the Federal Pell Grant Program awards. It was overstated by \$615 for award #P063P211645, and it was understated by \$615 for award #P063Q211645.
7. Reconciliation of revenues from federal sources per governmental funds financial statements and expenditures per single audit report Schedule of Expenditures of Federal Awards.

Revenues from federal sources per June 30, 2023 financial statements	
Restricted Fund	\$ 10,474,868
Expenditures per single audit report	
Schedule of Expenditures of Federal Awards	\$ 10,474,868

Muskegon Community College  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For the year ended June 30, 2023

**SECTION I—SUMMARY OF AUDITOR’S RESULTS**

*A. Financial Statements*

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
2. Internal control over financial reporting:
  - Material weakness(es) identified? \_\_\_\_\_ yes      X   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

*B. Federal Awards*

1. Internal control over major federal programs:
  - Material weakness(es) identified? \_\_\_\_\_ yes      X   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported
2. Type of auditor’s report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes      X   no

4. Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	<b>U.S. Department of Education</b>
<b>84.007A, 84.033A and 84.063P</b>	• <b>Student Financial Assistance Cluster</b>
<b>84.425E and 84.425F</b>	• <b>Education Stabilization Fund</b>

5. Dollar threshold used to distinguish between type A and type B programs: **\$750,000**
6. Auditee qualified as low-risk auditee? \_\_\_\_\_   X   yes    \_\_\_\_\_ no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

NONE

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**CLIENT DOCUMENTS**



# Muskegon Community College

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

November 3, 2023

U.S. Department of Education  
Washington, DC

Muskegon Community College respectfully advises you that there were *no* audit findings reported in our single audit report, dated November 4, 2022, for the year ended June 30, 2022.

Sincerely,

Beth Dick  
Vice President of Finance and Chief Financial Officer



# Muskegon Community College

## CORRECTIVE ACTION PLAN

November 3, 2023

U.S. Department of Education  
Washington, DC

Muskegon Community College respectfully submits the following Corrective Action Plan for the year ended June 30, 2023.

Name and address of independent public accounting firm:

Brickley DeLong, P.C.  
P.O. Box 999  
Muskegon, MI 49443

Audit period: June 30, 2023

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2023 provided *no* findings in either Section II or Section III. Accordingly, there are *no* matters requiring corrective action as shown below.

### SECTION II – FINANCIAL STATEMENT FINDINGS

There were *no* findings in relation to the financial statement audit.

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

There were *no* findings in relation to the major federal award programs.

If the U.S. Department of Education has questions regarding this plan, please call Beth Dick at (231) 777-0560.

Sincerely,

A handwritten signature in cursive script that reads "Beth Dick".

Beth Dick  
Vice President of Finance and Chief Financial Officer