



Lansing Community College
Board of Trustees

Audit Committee Meeting
June 2, 2025
6:00 p.m.

Lansing Community College Board of Trustees **AUDIT COMMITTEE**



Trustee Robert Proctor
Committee Chair



Trustee LaShunda Thomas
Committee Member



Trustee Hope Lovell
Committee Member

*Minutes of meetings and all proceedings of the Board may be obtained from the Board's Executive Assistant & Liaison
3rd Floor, Room 307.4, Paula D. Cunningham Administration Building
610 N. Capitol Avenue; Lansing, MI 48933; Phone (517) 483-5252*



Mutual Commitments *LCC Board OF Trustees*

We, the LCC Board of Trustees, will

Uphold the public's trust

Understand, then to be understood

Attend meetings & be prepared to fully engage

Keep confidential matters confidential

Avoid conflicts of interest & act in an ethical manner

Refrain from personal comments & respect others' views

Present views positively & constructively

Vote our conscience & honor final Board decisions

Build strong relationships with Trustees and President

Seek views of other Trustees

Seek & accept constructive comment

Trust each other & be worthy of that trust

Honor the roles of Trustees, the Chair and President

Respect the role of Chair as Board spokesperson

Support the role of President as College spokesperson

Continually learn through professional development

Reflect as a means to grow and improve

Be role models for students

Adopted June 18, 2007



AGENDA

LANSING COMMUNITY COLLEGE
BOARD OF TRUSTEES
June 2, 2025

Administration Building Boardroom
12:00 p.m.

Audit Committee Meeting

- I. Call to Order by Committee Chair
- II. Roll Call by Executive Assistant/Liaison to the Board
- III. Additions/Deletions to the Agenda
- IV. Limited Public Comment Regarding Agenda Items
- V. Approval of Minutes
 - A. (Note the March 3, Audit Committee Minutes were adopted at the March Board Meeting)
- VI. President's Report
 - A. Professional Services Plan for the Year Ending June 30, 2025 - *Rehmann*
- VII. Public Comment
- VIII. Adjournment



May 22, 2025

EMPOWER YOUR PURPOSE

Professional Services Plan for the Year Ending
June 30, 2025

Lansing Community College

This report is intended solely for the information and use of the governing bodies and management of Lansing Community College and is not intended to be and should not be used by anyone other than these specified parties.

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A black and white portrait of Stacie Kwaizer, a woman with short blonde hair and glasses, wearing a light-colored blazer over a dark top and a pearl necklace. The portrait is set against a blue background with a white diagonal line.

“At Rehmann, it’s our goal to help our clients look to the future with confidence. With our experience, our industry expertise and our range of resources, we aim to transform the client experience through a business advisory approach.”

STACIE KWAISER, CPA
CEO

Scope of Services

Rehmann is committed to providing, in a highly professional manner, assurance compliance services to **Lansing Community College** (the “College”). As situations change, our Firm stands ready to expand or revise the scope of our projects for which we are retained. We understand the current scope of assurance services to be as follows for the year ending June 30, 2025:

- A. We have been engaged to perform an audit of the statement of net position of Lansing Community College and its discretely presented component unit as of June 30, 2025, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ending. These financial statements prepared by management with oversight of those charged with governance, are expected to be presented on a comparative basis with 2024. The required supplemental information required by generally accepted accounting principles (management’s discussion and analysis and required pension OPEB information) will be subjected to certain limited procedures, but will not be audited. The document we will submit will also include the following information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements, and for which our auditors’ report will disclaim an opinion:

- Introduction section of the Annual Comprehensive Financial Report (ACFR)
- Statistical section of the ACFR
- Special reports section of the ACFR

We will also submit a separate document that will include the schedule of expenditures of federal awards. This information will be 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

The Single Audit will be performed in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (“Uniform Guidance”).

We are to conduct our audit of the College 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 and *Manual for Uniform Financial Reporting for Michigan Public Community Colleges*. We are not expecting any scope limitations or any other matters that would cause us to issue anything other than unmodified opinions on the financial statements.

- B. At the conclusion of the audit we will issue a letter to communicate certain matters to those charged with governance of the College in accordance with the requirements of AU-C Section 260, *The Auditor's Communication With Those Charged With Governance*. Additionally, in accordance with AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*, we will communicate internal control-related matters, if any, noted in our audit. We will affirmatively report such matters to the College's Audit Committee or to management, as appropriate.

Due Dates

- *No later than September 15, 2025* – Draft report on the financial statements and supplementary information of the College and its discretely presented component unit as of June 30, 2025 and the draft federal awards audit report for the year ending June 30, 2025 provided to management for their review and comments.
- *No later than September 15, 2025* – Draft of communications to those charged with governance for the College provided to management for their review and comments, as follows:
 - Communications required by AU-C Section 260.
 - Communications of internal control related matters (AU-C Section 265).
- *October 6, 2025 Audit Committee Meeting* – Final draft report on the financial statements and supplementary information of the College and its discretely presented component unit as of June 30, 2025 and the related final draft report to those charged with governance, and the final draft federal awards audit report for the year ending June 30, 2025. All of these final draft reports will be distributed to the Audit Committee by September 29, 2025.
- *October 27, 2025 Board of Trustees Meeting* – Final report on the financial statements and supplementary information of the College and its discretely presented component unit as of June 30, 2025 and the related final report to those charged with governance, and the final federal awards audit report for the year ending June 30, 2025. The issuance date of these final reports is expected to be no later than October 10, 2025.
- *No later than 30 days from the issuance of the Federal Awards Audit Report* – Submission of Federal awards audit reporting package to the Federal Audit Clearinghouse, U.S. Department of Education and to pass-through entities.

Timing of Services

- A. Audits of the College's Financial Statements and College's Federal Awards Programs:
- *Weeks of June 16 and 23, 2025* – Planning and interim audit fieldwork for federal awards programs

- *As of June 30, 2025* – Verification of cash, investments, debt and selected accounts receivable and revenues
- *Weeks of August 18 and 25, 2025* – College final audit fieldwork

Key Audit and Accounting Matters of Interest

- A. Financial statements are generally prepared under the presumption that the reporting entity will continue to operate as a going concern. Financial reporting under this presumption is commonly referred to as the going concern basis of accounting. The going concern basis of accounting is critical to financial reporting because it establishes the fundamental basis for measuring and classifying assets and liabilities. Accounting Standards Update (ASU) 2014-15, *Presentation of Financial Statements, Going Concern Subtopic 205-40*, which has been in effect since 2017, requires an entity's management to evaluate the presence of uncertainties surrounding an entity's ability to continue as a going concern.
- B. "Those Charged with Governance" as defined in AU-C Section 260 is as follows: "Those charged with Governance means the person(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. In some cases, those charged with governance are responsible for approving the entity's financial statements (in other cases management has this responsibility). For entities with a board of directors, this term encompasses the term board of directors or audit committee used elsewhere in generally accepted auditing standards."
- C. An independent auditor's objective in an audit is to obtain sufficient appropriate evidential matter to provide a reasonable basis for forming an opinion on the financial statements. In doing so, the auditor must work within economic limits; the opinion, to be economically useful, must be formed within a reasonable length of time and at reasonable cost. That is why an auditor's work is based on selected tests rather than an attempt to verify all transactions. Since evidence is examined on a test basis only, an audit provides only reasonable assurance, rather than absolute assurance, that financial statements are free of material misstatement. Thus, there is a risk that audited financial statements may contain undiscovered material errors or irregularities. The existence of that risk is implicit in the audit report phrase, "in our opinion."
- D. The concept of materiality is inherent in the work of an independent auditor. An independent auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote. For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting and financial reporting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

- E. Verification of cash, investments, debt, and selected accounts receivable and revenues of the College as of June 30, 2025.
- F. We will document our understanding of the College's internal control over financial reporting based on interviews of personnel and perform "walk-throughs" of key controls to confirm that they are functioning as described. We will not be performing detail tests of the internal controls to enable us to express an opinion on the effectiveness of the College's internal control over financial reporting or any part thereof and, accordingly, we will not express such an opinion.
- G. We will be performing analytical review procedures as a means of assisting in planning our final audit procedures and as an overall review of the financial information in the final review stage of the audit process.
- H. We will be performing certain procedures in accordance with AU-C Section 240, *Consideration of Fraud in a Financial Statement Audit*, in order to obtain reasonable assurance that the financial statements are free from material misstatement due to fraud.
- I. We will test and document the College's analysis of the impairment of investments and other assets, if any.
- J. We will perform other tests and procedures as deemed necessary in the circumstances.
- K. We will be requesting the College's legal counsel to respond in writing to our standard inquiry letter regarding any current, pending, or threatened litigation of which they are aware.
- L. We will be obtaining from management of the College a customary, written representation letter at the conclusion of the audit engagement.
- M. We expect to make the final determination of the College's major programs for fiscal 2025 upon receipt of the initial draft of the Schedule of Expenditures of Federal Awards for the year ended June 30, 2025 from management during final fieldwork.

Significant Risks of Material Misstatement

Auditing standards require that we communicate significant risks identified in the planning phase of our audit of the College's financial statements. While we have not completed our planning procedures for the 2025 audit of the College's financial statements, and therefore such matters are subject to change, we have identified the following significant risks of material misstatement as part of our audit planning, in addition to the significant fraud risk associated with management override of internal controls:

- We have identified improper recognition of revenue and other inflows as a significant fraud risk.

- We have identified the risk of significant estimates of net pension liabilities and net other postemployment benefits (asset) liability, and deferred outflows and inflows related to pension and other postemployment benefits amounts as a significant risk.
- We have identified the completeness and accuracy of compensated absences (GASB 101) as a significant risk.

New Accounting Pronouncements

Below are the pronouncements that are applicable to the College now or in the near future:

GASB 101 ■ Compensated Absences

Effective 12/15/2024 (your FY 2025)

This standard revises the liability governments record for compensated absences payable to include any sick, vacation, personal time, or other PTO reasonably expected to be used by employees or paid out to them at termination.

GASB 102 ■ Certain Risk Disclosure

Effective 06/15/2025 (your FY 2025)

This standard requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

GASB 103 □ Financial Reporting Model Improvements

Effective 06/15/2026 (your FY 2026)

This standard establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following: a. management’s discussion and analysis (MD&A), b. unusual or infrequent items, c. presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, d. information about major component units in basic financial statements, e. budgetary comparison information, and f. financial trends information in the statistical section.

GASB 104 □ Disclosure of Certain Capital Assets

Effective 06/15/2026 (your FY 2026)

This standard requires certain types of capital assets to be disclosed separately in the capital assets note disclosures, requires certain intangible assets to be disclosed separately by major class, and requires additional disclosures for capital assets held for sale.

Rehmann Contacts

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PEACE OF MIND
FORWARD-THINKING
CONFIDENCE
TRUSTWORTHY
GUIDANCE
COLLABORATION
BUSINESS SOLUTIONS
RELENTLESS SERVICE

EMPOWER YOUR PURPOSE



LCC provides equal opportunity for all persons and prohibits discriminatory practices based on race, color, sex, age, religion, national origin, creed, ancestry, height, weight, sexual orientation, gender identity, gender expression, disability, familial status, marital status, military status, veteran's status, or other status as protected by law, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position or participate in educational programs, courses, services or activities offered by the College.

The following individuals have been designated to handle inquiries regarding the non-discrimination policies: Equal Opportunity Officer, Washington Court Place, 309 N. Washington Square Lansing, MI 48933, 517-483-1730; Employee Coordinator 504/ADA, Administration Building, 610 N. Capitol Ave. Lansing, MI 48933, 517-483-1875; Student Coordinator 504/ADA, Gannon Building, 411 N. Grand Ave. Lansing, MI 48933, 517-483-1885; Human Resource Manager/Employee Title IX Coordinator, Administration Building, 610 N. Capitol Ave. Lansing, MI 48933, 517-483-1879; Student Title IX Coordinator, Gannon Building, 411 N. Grand Ave. Lansing, MI 48933, 517-483-9632.