INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES

October 12, 2005

To the Board of Trustees
Lansing Community College
Lansing, Michigan

We have performed the procedures enumerated in Appendix A to this report, which were agreed to by Lansing Community College, solely to assist you in evaluating Lansing Community College’s Fall Semester 2005 student award aid packages in accordance with the general guidelines associated with the distribution of student financial assistance during this period. Management is responsible for Lansing Community College’s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we applied and our findings are described in Appendix A to this report. We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on Lansing Community College’s Fall Semester 2005 student aid packages in accordance with the general guidelines associated with the distribution of student financial assistance during the period ended October 12, 2005. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

[Signatures]

Certified Public Accountants
Appendix A

Agreed-upon procedures performed as specified by Lansing Community College with resulting conclusions:

1. Lansing Community College identified 61 individuals who inappropriately received financial aid refund checks amounting to $21,731.

   Procedure performed
   ➢ We judgmentally selected and reviewed a sample of 5 individuals from this population, totaling $1,370, to test ineligibility.

   Conclusion
   ➢ No exceptions were noted related to the College’s assertion.

2. Lansing Community College manually disbursed 289 emergency loans, totaling $181,668, to students who were in desperate need of financial assistance.

   Procedure performed
   ➢ We judgmentally selected and reviewed a sample of 10 students from this population, totaling $11,421, to test eligibility.

   Conclusion
   ➢ No exceptions were noted related to the disbursement of emergency loans.

3. Lansing Community College disbursed 3,405 refund checks, totaling $1,370,523, beginning with check number 36526 and ending with check number 44647 for the period August 2, 2005 through October 12, 2005.

   Procedure performed
   ➢ We reviewed the check register for check amounts over $3,000.

   Conclusion
   ➢ We noted no check amounts greater than $4,852 and all check amounts appear reasonable.
4. Lansing Community College awarded financial aid to approximately 6,000 students for the Fall 2005 semester.

Procedure performed

- We statistically selected a sample of 72 students who received financial aid for the Fall 2005 semester. We tested the students for eligibility for financial aid and recalculate their award package to determine whether they were awarded the correct amount of aid.

Conclusion

- Eligibility
  - No exceptions were noted, all students that received aid were eligible for the specific type of aid they received.

- Award Package
  - We tested Federal, State and Local aid and noted the following exceptions:

<table>
<thead>
<tr>
<th>Type of Aid</th>
<th>Number of exceptions</th>
<th>Total Dollar Amount of Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Aid</td>
<td>0</td>
<td>$-</td>
</tr>
<tr>
<td>State Aid</td>
<td>4</td>
<td>$619.00</td>
</tr>
<tr>
<td>Local Aid</td>
<td>1</td>
<td>$275.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
<td><strong>$894.00</strong></td>
</tr>
</tbody>
</table>

- When applying this error rate to the population of all students who received tuition waivers for the Fall 2005 semester, the expected dollar amount of exceptions is approximately $32,000.

- The exceptions noted were predominately in waivers such as the Michigan Tuition Incentive Program, which waives tuition for eligible students up to a maximum of 24 credit hours and fees up to $50 per year.