

ALPENA COMMUNITY COLLEGE

Federal Financial Assistance Compliance Audit
For The Year Ended June 30, 2010

STRALEY, ILSLEY & LAMP P.C.

CONTENTS

	<u>Page</u>
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	1
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Supplementary Schedule of Financial Assistance	3
Schedule of Federal Financial Assistance	6
Notes to Schedule of Federal Financial Assistance	10
Schedule of Findings and Questioned Costs	12
Independent Auditors' Comments on Audit Resolution Matters Relating to SFA Programs	14
Attachment A - Auditor Information Sheet	15
Attachment B - Servicer Information	16



Certified Public Accountants

PHILIP T. STRALEY, C.P.A./P.F.S.
ROBERT D. ILSLEY, C.P.A.
BERNARD R. LAMP, C.P.A.
MARK L. SANDULA, C.P.A.
JAMES E. KRAENZLEIN, C.P.A./A.B.V./C.F.F.
DONALD C. LEVREN

STRALEY, ILSLEY & LAMP P.C.

2106 U.S. 23 SOUTH, P.O. BOX 738
ALPENA, MICHIGAN 49707
TELEPHONE (989) 356-4531
FACSIMILE (989) 356-0494

TAX, AUDIT AND BUSINESS CONSULTANTS

RETIRED
GORDON A. NETHERCUT, C.P.A.

To the Board of Trustees
Alpena Community College
Alpena, Michigan

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.

We have audited the basic financial statements of Alpena Community College, Alpena, Michigan, as of and for the year ended June 30, 2010, and have issued our report thereon dated October 13, 2010. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Alpena Community College, Alpena, Michigan's internal control over financial reporting as a basis for designing our auditing procedures 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 Alpena Community College, Alpena, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Alpena Community College, Alpena, Michigan's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alpena Community College, Alpena, Michigan's financial statements are free of 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.

We noted certain matters that we reported to management of Alpena Community College, Alpena, Michigan, in a separate letter dated October 13, 2010.

This report is intended solely for the information and use of management, the College Board of Trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Staley, Isley & Lamp P.C.

October 13, 2010



Certified Public Accountants

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TAX, AUDIT AND BUSINESS CONSULTANTS

RETIRED
GORDON A. NETHERCUT, C.P.A.

To the Board of Trustees
Alpena Community College
Alpena, Michigan

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND SUPPLEMENTAL SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE.

Compliance

We have audited Alpena Community College, Alpena, Michigan's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Alpena Community College, Alpena, Michigan's major federal programs for the year ended June 30, 2010. Alpena Community College, Alpena, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Alpena Community College, Alpena, Michigan's management. Our responsibility is to express an opinion on Alpena Community College, Alpena, Michigan's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Alpena Community College, Alpena, Michigan'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. Our audit does not provide a legal determination of Alpena Community College, Alpena, Michigan's compliance with those requirements.

In our opinion, Alpena Community College, Alpena, Michigan, 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, 2010.

Internal Control over Compliance

Management of Alpena Community College, Alpena, Michigan, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Alpena Community College, Alpena, Michigan's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Alpena Community College, Alpena, Michigan'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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Alpena Community College, Alpena, Michigan, as of and for the year ended June 30, 2010, and have issued our report thereon dated October 13, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the College Board of Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Staley, Irsby & Lamp P.C.

March 17, 2011

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Alpena Community College
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 For the year ended June 30, 2010

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Programs Cluster			
Federal Supplemental Educational Opportunity Grants (FSEOG) 2009/2010	* 84.007	P007A091973	\$ 49,407 <u>49,407</u>
Federal Work-Study Program (FWS) 2009/2010	* 84.033	P033A091973	<u>94,857</u> 94,857
Federal Pell Grant Program (PELL) 2008/2009 (PELL) 2009/2010 (PELL) Administration 2007/2008 (PELL) Administration 2008/2009 (PELL) Administration 2009/2010	* 84.063	P063P081622 P063P091622 P063Q071622 P063Q081622 P063Q091622	3,121,831 4,612,769 5,235 5,695 6,620 <u>7,752,150</u>
Federal Direct Student Loans (Direct Loan) 2009/2010	* 84.268	P268K101622	<u>20,000</u> 20,000
Academic Competitiveness Grants (ACG) Academic Competitiveness Grant I 2009/2010 (ACG) Academic Competitiveness Grants II 2009/2010	* 84.375	P375A091622 P375A091622	8,982 2,600 <u>11,582</u>
Total Student Financial Assistance Programs Cluster			<u>7,927,996</u>
TRIO Cluster			
TRIO - Student Support Services	84.042	P042A071066	<u>817,337</u> 817,337
TRIO - Talent Search	84.044	P044A080544	<u>647,592</u> 647,592
TRIO - Upward Bound	84.047	P047A080123	<u>723,544</u> 723,544
Total TRIO Cluster			<u>2,188,473</u>
Fund for the Improvement of Postsecondary Education Curriculum Development for Rural Communications	84.116	P116Z080087	<u>243,667</u> 243,667
Total Direct Programs			<u>10,360,136</u>

* Major Program

Revenue Accrued (Deferred) at June 30, 2009	Prior Year(s) Expenditures	Current Year		Revenue Accrued (Deferred) at June 30, 2010	Total Expenditures
		Receipts	Expenditures		
\$ -	\$ -	\$ 49,407	\$ 49,407	\$ -	\$ 49,407
-	-	49,407	49,407	-	49,407
-	-	94,857	94,857	-	94,857
-	-	94,857	94,857	-	94,857
11,988	3,120,307	13,512	1,524	-	3,121,831
-	-	4,589,838	4,612,769	22,931	4,612,769
-	5,230	5	5	-	5,235
-	5,415	280	280	-	5,695
-	-	6,620	6,620	-	6,620
11,988	3,130,952	4,610,255	4,621,198	22,931	7,752,150
-	-	-	5,100	5,100	5,100
-	-	-	5,100	5,100	5,100
-	-	8,982	8,982	-	8,982
-	-	2,600	2,600	-	2,600
-	-	11,582	11,582	-	11,582
11,988	3,130,952	4,766,101	4,782,144	28,031	7,913,096
40,946	433,402	286,377	250,735	5,304	684,137
40,946	433,402	286,377	250,735	5,304	684,137
14,840	296,590	331,888	320,865	3,817	617,455
14,840	296,590	331,888	320,865	3,817	617,455
25,533	292,604	382,026	360,391	3,898	652,995
25,533	292,604	382,026	360,391	3,898	652,995
81,319	1,022,596	1,000,291	931,991	13,019	1,954,587
12,840	185,769	70,738	57,898	-	243,667
12,840	185,769	70,738	57,898	-	243,667
106,147	4,339,317	5,837,130	5,772,033	41,050	10,111,350

The accompanying notes to financial statements are an integral part of this statement.

Alpena Community College
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 For the year ended June 30, 2010

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
<u>U.S. Department of Education (continued)</u>			
Other Federal Assistance:			
Student Financial Assistance Programs Cluster			
Federal Family Education Loans (FFEL)	* 84.032		
Federal Stafford Loan - Subsidized		N/A	\$ 1,749,932
Federal Stafford Loan - Unsubsidized		N/A	1,069,181
Federal Alternative		N/A	19,645
Federal PLUS		N/A	42,982
			<u>2,881,740</u>
Passed through State of Michigan Department of Education:			
Vocational Education	84.048		
Local Administration		093250 90251	18,384
Local Administration		093290 90291	775
Local Administration		093510 90211	155,210
Local Administration		093670 10241	17,500
Local Administration		103250 10251	18,384
Local Administration		103290 1029151	487
Local Administration		103510 1029152	300
Local Administration		103510 10211	164,889
			<u>375,929</u>
Total passed through State of Michigan Department of Education			<u>375,929</u>
Total U.S. Department of Education			<u>13,617,805</u>
<u>U.S. Department of Labor</u>			
Direct Programs:			
Community Based Job Training Grants	* 17.269	CB-15951-07-60-A-26	1,922,516
			<u>1,922,516</u>
Total U.S. Department of Labor			<u>1,922,516</u>
<u>U.S. Small Business Administration</u>			
Passed through MI-SBTDC at Michigan Works			
Small Business Development Center - 2009	59.037	0144847	48,595
Small Business Development Center - 2010		0144847	-
			<u>48,595</u>
Total U.S. Small Business Administration			<u>48,595</u>
Total Federal Financial Assistance			<u>\$ 15,588,916</u>

* Major Program

Revenue Accrued (Deferred) at June 30, 2009	Prior Year(s) Expenditures	Current Year		Revenue Accrued (Deferred) at June 30, 2010	Total Expenditures
		Receipts	Expenditures		
\$ -	\$ -	\$ 1,749,932	\$ 1,749,932	\$ -	\$ 1,749,932
-	-	1,069,181	1,069,181	-	1,069,181
-	-	19,645	19,645	-	19,645
-	-	42,982	42,982	-	42,982
-	-	2,881,740	2,881,740	-	2,881,740
-	17,192	1,192	1,192	-	18,384
-	1,285	(510)	(510)	-	775
-	152,303	(561)	(561)	-	151,742
-	-	16,274	16,274	-	16,274
-	-	18,384	18,384	-	18,384
-	-	487	487	-	487
-	-	300	300	-	300
-	-	162,407	162,407	-	162,407
-	170,780	197,973	197,973	-	368,753
106,147	4,510,097	8,916,843	8,851,746	41,050	13,361,843
36,354	1,533,022	406,402	389,494	19,446	1,922,516
36,354	721,665	406,402	389,494	19,446	1,922,516
36,354	721,665	406,402	389,494	19,446	1,922,516
15,260	48,595	15,260	-	-	48,595
-	-	78,229	86,129	7,900	86,129
15,260	48,595	93,489	86,129	7,900	134,724
15,260	48,595	93,489	86,129	7,900	134,724
\$ 157,761	\$ 5,280,357	\$ 9,416,734	\$ 9,327,369	\$ 68,396	\$ 15,419,083

The accompanying notes to financial statements are an integral part of this statement.

Alpena Community College

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

NOTE 1--SIGNIFICANT ACCOUNTING POLICIES.

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of Alpena Community College, Alpena, Michigan. The reporting entity of Alpena Community College is defined in Note 1 to the College's financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included on the schedule.

The Office of Management and Budget OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, established a risk-based approach to determine which Federal programs were major programs. This risk-based approach included consideration of current and prior audit experience, oversight by Federal agencies and pass-through entities, and the inherent risk of the Federal program. Major program determination was performed and is defined in Section 520 of the circular.

For the audit period ended June 30, 2010 Alpena Community College's dollar threshold for larger Federal programs, which were regarded as Type A programs, were programs or a cluster of programs with Federal awards expended during the audit period which exceeded \$300,000. All other Federal programs were regarded as Type B programs. For the year ended June 30, 2010, no federal programs were considered to be high-risk and the determination was made that major programs were all Type A programs to encompass at least 25% of the total federal awards expended. During the year ended June 30, 2010, Alpena Community College expended 86% of its total expenditures of Federal Awards programs audited as Major Programs.

NOTE 2--BASIS OF ACCOUNTING.

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the College's financial statements.

NOTE 3--CFDA.

This refers to the Catalog of Federal Domestic Assistance.

NOTE 4 -- RECONCILIATION TO U.S. DEPARTMENT OF EDUCATION GRANT ADMINISTRATION AND PAYMENT SYSTEM PAYMENT REQUESTS (GAPS).

The following shows a reconciliation the Total Direct programs of the U.S. Department of Education reported on the Schedule of Federal Financial Assistance to U.S. Department of Education Grant Administration and Payment System Payment Requests (GAPS).

Current year expenditures of direct	
U.S. Department of Education Programs	\$ 5,772,033
Accounts receivable - June 30, 2009	106,147
Accounts receivable - June 30, 2010	<u>(41,050)</u>
Total grant payment requests	\$ <u>5,837,130</u>
(GAPS) Drawdowns	\$ <u>5,837,130</u>

Alpena Community College

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

NOTE 5--RECONCILIATION TO MICHIGAN DEPARTMENT OF EDUCATION GRANT SECTION AUDITORS REPORT.

The following shows a reconciliation of current year expenditures per the Schedule of Federal Financial Assistance to current payments per Michigan Department of Education Grant Auditor Report (GAR) from the Cash Management System (CMS):

Current year expenditures passed through Michigan Department of Education:	
U.S. Department of Education	\$ <u>197,973</u>
Agency total current payments per MDE Grant Auditor Report	\$ <u>197,973</u>

NOTE 6--RELATIONSHIP TO BASIC FINANCIAL STATEMENTS.

Revenues from federal sources are reported in the College's financial statements as follows:

	<u>Federal Revenues</u>
General Fund	\$ 7,465
Restricted Fund	<u>6,231,226</u>
Total Federal Revenues	6,238,691
Federal grant revenues from program income, receivables and refunds not reported in the audited financial statements at June 30, 2010 and reported in the Schedule of Federal Financial Assistance	8,965
Federal Vocational Education Program, C.F.D.A. #84.048 previously reported as State grants in the audited financial statements at June 30, 2010	197,973
Federal Family Assistance Loan Programs, C.F.D.A. #84.032 previously not reported in the audited financial statements at June 30, 2010	<u>2,881,740</u>
Expenditures per Schedule of Federal Financial Assistance	\$ <u>9,327,369</u>

NOTE 7--SOURCE DOCUMENTATION.

When possible, project expenditures are vouched to various other supporting documentation, such as U.S. Department of Education Pell Processed Disbursement List – YTD and MDE Form DS-4044. The amounts reported on MDE Grant Section Auditors Report, reconcile with the schedule. Instances, if any, where the federal expenditures do not agree with supporting documents, have been reported as a finding.

Alpena Community College

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2010

Section I - SUMMARY OF AUDITOR'S RESULTS.

1. The Auditors' report expresses an unqualified opinion on the basic financial statements of Alpena Community College.
2. No reportable conditions relating to the audit of the financial statements are reported in the 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.
3. The results of our tests disclosed no instances of noncompliance material to the financial statements of Alpena Community College that are required to be reported under Government Auditing Standards.
4. No reportable conditions in internal control over Major Programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and Supplementary Schedule of Federal Financial Assistance.
5. The Auditors' Report on Compliance for Major Programs expresses an unqualified opinion.
6. The Auditors' Report disclosed no instances of findings relative to the Major Federal Award Programs required to be reported under OMB circular A-133.
7. Programs tested as major programs:
 - U.S. Department of Education, Federal Student Aid Cluster:
 - CFDA 84.007 - Federal Supplemental Educational Opportunity Grant Program (SEOG)
 - CFDA 84.032 - Federal Family Education Loan Program (FFEL)
 - CFDA 84.033 - Federal Work-Study Program (FWS)
 - CFDA 84.063 - Federal Pell Grant Program (PELL)
 - CFDA 84.275 – Federal Direct Student Loans (Direct Loan)
 - CFDA 84.375 - Federal Academic Competitiveness Grants (ACG)

The threshold for distinguishing Type A and Type B Programs was \$300,000.

8. Alpena Community College qualified as a low-risk auditee under criteria in Section 530 of (OMB) Circular A-133.

Alpena Community College

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2010

SECTION III - FINDINGS AND QUESTIONED COSTS OF MAJOR FEDERAL AWARD PROGRAMS.

There were no findings or questioned costs related to major federal award programs for the year ended June 30, 2010.

Alpena Community College

**INDEPENDENT AUDITORS' COMMENTS ON AUDIT RESOLUTION MATTERS
RELATING TO THE SFA PROGRAMS**

For the year ended June 30, 2010

PRIOR FINDINGS AND QUESTIONED COSTS OF MAJOR FEDERAL AWARD PROGRAMS.

There were no findings or questioned costs related to the major federal award programs for the year ended June 30, 2009.

ATTACHMENT A - AUDITOR INFORMATION SHEET

Alpena Community College
665 Johnson Street
Alpena, MI 49707

Entity No.: 1-38-3210748-A1
Telephone: (989) 356-9021
Fax: (989) 356-0980

President: Dr. Olin H. Joynton
Contact Person: Max P. Lindsay, Dean of Student Affairs

Lead Auditor: Mark L. Sandula, CPA
Firm Name: Straley, Ilsley & Lamp P.C.
Address: P.O. Box 738
Alpena, Michigan 49707
License No.: 1101010225
Telephone: (989) 356-4531
Fax: (989) 356-0494

Student Financial Assistance Programs:
Federal Supplemental Educational Opportunity Grant Program (FSEOG) - 84.007
Federal Family Education Loan Program (FFEL) - 84.032
Federal Work Study (FWS) - 84.033
Federal Pell Grant Program (Pell) - 84.063
Federal Direct Student Loans (Direct Loan) – 84.268
Federal Academic Competitiveness Grant (ACG) – 84.375

Report filing status: original submission

The campuses/ facilities considered as part of this institution are as follows:

<u>Location</u>	<u>Description of facility</u>
665 Johnson Alpena, MI	Main Campus SFA's & Controller's Office

Note: Even though College has a branch location, Huron Shores Campus, all accounting and administrative controls of SFA programs are located at the main campus listed above.

Institution's Accrediting Organization: North Central Association of Colleges and Schools, Commission on Institutions of Higher Education.

Records for the accounting and administration of the SFA Programs are located at:

Alpena Community College
Main Campus
665 Johnson Street
Alpena, MI 49707

The most recent annual audited financial statements were for the fiscal year ended June 30, 2010. An unqualified opinion was expressed.

ATTACHMENT B - SERVICER INFORMATION

UNISA, INC.

7400 E. Arapahoe Rd., Ste 10
Englewood, CO 80112-1279
Voice: (303) 221-5626
Fax: (303) 221-5606
Email: cust-svc@unisainc.com

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

<u>Compliance requirement</u>	<u>Responsibility of Institution</u>	<u>Responsibility of UNISA, INC.</u>	<u>Explanation of Divided Responsibility</u>
I. Computer operations			
A. Terminal and software security		X	
B. Data integrity		X	
C. System and data backup		X	
D. Disaster recovery plan		X	
II. Cash management			
A. Drawdowns	X		
B. Authorization vs. expenditures	X		
C. Reconcile general ledger to bank	X		
D. Bank account notes federal funds	X		
III. Financial reports			
A. FISAP		X	
B. EDPMTS/EDCAPS	X		
C. Pell IPS	X		
IV. Institutional eligibility			
A. Participation agreement/ECAR	X		
B. Accreditation status	X		
C. Admissions policy	X		
D. Eligible programs	X		
E. Calculation on institutional eligibility ratios	X		
F. Licenses	X		
G. Administrative capability items	X		
V. Student eligibility			
A. High school diploma or equivalent or ability to benefit	X		
B. Regularly enrolled in eligible program	X		
C. Citizen or permanent resident	X		
D. Satisfactory progress	X		
E. Default/refund status	X		
F. Social security number match requirement	X		
G. Other requirements	X		
VI. Coordination of programs			
A. Financial aid organization	X		
B. Other information available	X		
C. Needs analysis	X		
D. Professional judgment documentation	X		

ATTACHMENT B - SERVICER INFORMATION

UNISA, INC.

7400 E. Arapahoe Rd., Ste 10
 Englewood, CO 80112-1279
 Voice: (303) 221-5626
 Fax: (303) 221-5606
 Email: cust-svc@unisainc.com

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

<u>Compliance requirement</u>	<u>Responsibility of Institution</u>	<u>Responsibility of UNISA, INC.</u>	<u>Explanation of Divided Responsibility</u>
VII. Administrative capability			
A. Student file maintenance	X		
B. Record retention	X		
C. Verification	X		
VIII. Disbursements			
A. Financial aid transcripts/NSLDS information	X		
B. Independent/Dependent status determination	X		
C. Timing and amount of disbursements	X		
IX. Refunds or overpayments			
A. Policy	X		
B. Refund calculations	X		
C. Overpayment calculations	X		
D. Disbursement and accounting for refunds/overpayments	X		
X. Institutional disclosure			
A. Accuracy of institutional data	X		
B. Disclosure to students	X		
XI. Pell Grant			
A. Types of expenditures allowed	N/A		
B. Program performance			
1. Program expenditures			
2. Timing of payment; cutoff dates for receipts of SAR's			
C. Financial reports			
XII. Campus-based programs (general)			
A. Types of expenditures allowed			
1. Program expenditures	X		
2. Administrative cost allowance	X		
B. Program performance			
1. Accuracy of FISAP data	X		
2. System of need analysis	X		

ATTACHMENT B - SERVICER INFORMATION

UNISA, INC.

7400 E. Arapahoe Rd., Suite 10
Englewood, CO 80112-1279
Voice: (303) 221-5626
Fax: (303) 221-5606
Email: cust-svc@unisainc.com

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

<u>Compliance requirement</u>	<u>Responsibility of Institution</u>	<u>Responsibility of UNISA, INC.</u>	<u>Explanation of Divided Responsibility</u>
XIII. Campus-based programs (Perkins)			
A. Type of expenditures allowed	X		
B. Matching	X		
C. Program performance			
1. Student eligibility	X		
2. Approved promissory note	X		
3. Due diligence		X	
4. Repayment records		X	
D. Special compliance requirements			
1. Minimum cash balance; cash planning	X		
2. Treatment of interest earned on Perkins loan balance	X		
XIV. Campus-based programs (FSEOG)	N/A		
A. Eligible expenditures			
B. Matching			
C. Selection of students for FSEOG awards			
XV. Campus-based programs (FWS)	N/A		
A. Types of expenditures and employment allowed			
1. Types of employment allowed			
2. Types of expenditures allowed			
B. Matching			
C. Program performance			
1. Selection of students for employment			
2. Approval of time sheets and payment to students			
D. Special compliance requirements			
1. JLD And CSJLD programs			
2. CSL programs (5% min.)			
XVI. Federal Family Education Loans (FFEL)	N/A		
A. Program performance			
1. Determination of eligibility and completion of application			
2. Default reduction measures			
3. Entrance and exit counseling			
4. Loan disbursement			
5. EFT Roster reconciliation			
6. Eligibility for disbursement			
B. Status reporting			
1. SSCR completion			
2. Change in enrollment status			
C. Special compliance requirements			
1. Refund policy			
2. Refunds to lenders			

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XVII Federal Direct Loan Programs (FDLP)	N/A
A. Program performance	
1. Determination of eligibility	
2. Entrance and exit counseling	
3. Exporting and importing electronic files to/from the LOC	
4. Loan disbursement	
5. Monthly data matching including:	
a. Loan and cash detail records	
b. Summary reporting	
B. FDLP Status reporting	
1. SSCR's	
2. Change in enrollment status	