

PERFORMANCE AUDIT  
OF  
SELECTED COMMUNITY COLLEGES' REPORTING OF  
ACTIVITIES CLASSIFICATION STRUCTURE DATA

May 2003



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Performance Audit*  
*Selected Community Colleges' Reporting of*  
*Activities Classification Structure Data*

Report Number:  
 45-500-03

Released:  
 May 2003

*The activities classification structure (ACS) was developed in response to Section 8, Act 419, P.A. 1978. Also, uniform data reporting requirements were developed for use in making State budget and appropriation decisions. Act 117, P.A. 1984, provided for a funding formula to be used to determine State aid for each community college based on ACS data. The Michigan Department of Career Development (MDCD) is responsible for the collection and analysis of certain ACS data.*

***Audit Purpose:***

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General and was mandated by Act 161, P.A. 2002, the annual appropriations act for community colleges.

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***Audit Objective:***

To assess whether colleges reported ACS data to MDCD on the ACS forms in accordance with the provisions of the annual appropriations act for community colleges (Act 52, P.A. 2001), the ACS Manual for Michigan Community Colleges, the Manual for Uniform Financial Reporting of Michigan Public Community Colleges (MUFR), and MDCD's annual instructions.

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***Audit Conclusion:***

We concluded that the selected community colleges generally reported ACS data to MDCD on the ACS forms in accordance with the provisions of the annual

appropriations act for community colleges (Act 52, P.A. 2001), the ACS Manual for Michigan Community Colleges, MUFR, and MDCD's annual instructions. However, we did identify reportable conditions relating to the calculation of the count date for credit hours, contact hours, and student headcount; student course enrollment data reporting; contact hour computations and reporting; instructional minutes computation; cost allocations and expenditure reporting; and property tax data (Findings 1 through 6).

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***Agency Responses:***

Our audit includes 6 findings and recommendations. We discussed our audit findings, along with the other reporting exceptions presented as supplemental information, with the management of each community college. The colleges' responses indicated general concurrence with our findings.

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A copy of the full report can be  
obtained by calling 517.334.8050  
or by visiting our Web site at:  
[www.state.mi.us/audgen/](http://www.state.mi.us/audgen/)



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May 23, 2003

The Honorable Shirley Johnson, Chairperson  
Senate Appropriations Committee  
Michigan Senate  
and  
The Honorable Marc Shulman, Chairperson  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan

Dear Senator Johnson and Representative Shulman:

This is our report on the performance audit of Selected Community Colleges' Reporting of Activities Classification Structure Data for the colleges' fiscal year 2001-02 (July 1, 2001 through June 30, 2002), mandated by Act 161, P.A. 2002, the annual appropriations act for community colleges.

This report contains our report summary; description of reported data; audit objective, scope, and methodology and agency responses; comment, findings, and recommendations; a summary of audit findings by college and a schedule of other reporting exceptions, presented as supplemental information; and a glossary of acronyms and terms.

Annual appropriations acts require that the audited institutions develop formal responses within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us by the community colleges.

AUDITOR GENERAL

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## Description of Reported Data

The activities classification structure (ACS) was developed in response to Section 8, Act 419, P.A. 1978 (a section of the fiscal year 1978-79 appropriations act for community colleges). Also, uniform data reporting requirements were developed for use in making State budget and appropriation decisions. Act 117, P.A. 1984, provided for a funding formula to be used to determine State aid for each community college. The funding formula is based on ACS data, such as full-time equated students, contact hours, expenditures, and other activity measures. For fiscal year 2001-02, Act 52, P.A. 2001, continued with the reporting requirements as established in Act 117, P.A. 1984.

The development of ACS has proven beneficial in that ACS:

1. Assists in the collection of uniform and comparable financial data from the 28 State-supported community colleges.
2. Provides an internal management tool to relate information about resources and activities to the achievement of institutional objectives.
3. Interfaces a State reporting structure with accounting practices and organizational structures common to the community college system.
4. Provides a framework for identifying areas of institutional similarities and differences.
5. Provides a logical basis for determining the gross need of individual colleges and of the total system, which then becomes translated into State appropriations.

The Michigan Department of Career Development (MDCD) is responsible for the collection and analysis of certain data submitted by the colleges on the various ACS forms. Colleges are to report ACS data in accordance with provisions of the annual appropriations act for community colleges (Act 52, P.A. 2001), the ACS Manual for Michigan Community Colleges, the Manual for Uniform Financial Reporting for Michigan Public Community Colleges (MUFRR), and MDCD's annual instructions.

## **Audit Objective, Scope, and Methodology and Agency Responses**

### Audit Objective

The audit objective for our performance audit\* of Selected Community Colleges' Reporting of Activities Classification Structure Data was to assess whether colleges reported activities classification structure (ACS) data to the Michigan Department of Career Development (MDCD) on the ACS forms in accordance with the provisions of the annual appropriations act for community colleges (Act 52, P.A. 2001), the ACS Manual for Michigan Community Colleges, the Manual for Uniform Financial Reporting of Michigan Public Community Colleges (MUFR), and MDCD's annual instructions.

### Audit Scope

Our audit scope was to examine selected records supporting the activities classification structure data reported by seven community colleges for their fiscal year ended June 30, 2002. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

We randomly selected the following seven colleges to be audited and obtained ACS data for the colleges from MDCD:

- Alpena Community College
- Delta College
- Kellogg Community College
- Lansing Community College
- Monroe County Community College
- North Central Michigan College
- Oakland Community College

### Audit Methodology

Our fieldwork was performed from January through March 2003. We interviewed staff responsible for preparing and submitting ACS data at each college. We tested the reporting of general fund expenditure data at the activity, sub-activity, and element

\* See glossary at end of report for definition.

levels; supporting documentation regarding general fund full-time equated positions; and data related to tuition rates and local financing. We also tested the accuracy of reported contact and credit hours and headcount totals; class lists for headcounts, including in-district and out-of-district classification, class drop and add adjustments, and registration documentation; contact hour calculations; methods for determining legal residency; and methods for classifying general fund and non-general fund courses. In addition, we tested supporting documentation for energy usage and costs and the accuracy of reported physical plant area and volume.

### Agency Responses

Our audit includes 6 findings and recommendations. We discussed our audit findings, along with the other reporting exceptions presented as supplemental information, with the management of each community college. The colleges' responses indicated general concurrence with our findings.

Annual community college appropriations acts require the principal executive officers of the audited institutions to submit written responses to our audit to the House and Senate Appropriations Committees, the House and Senate Fiscal Agencies, the Michigan Department of Career Development, the Auditor General, and the Department of Management and Budget. The responses are due within 60 days after the audit report has been issued and should specify the action taken by the institutions regarding the audit report's recommendations.

# COMMENT, FINDINGS, AND RECOMMENDATIONS

## ACCURACY OF REPORTED DATA

### COMMENT

**Audit Objective:** To assess whether colleges reported activities classification structure (ACS) data to the Michigan Department of Career Development (MDCD) on the ACS forms in accordance with the provisions of the annual appropriations act for community colleges (Act 52, P.A. 2001), the ACS Manual for Michigan Community Colleges, the Manual for Uniform Financial Reporting of Michigan Public Community Colleges (MUFR), and MDCD's annual instructions.

**Conclusion:** We concluded that the selected community colleges generally reported ACS data to MDCD on the ACS forms in accordance with the provisions of the annual appropriations act for community colleges (Act 52, P.A. 2001), the ACS Manual for Michigan Community Colleges, MUFR, and MDCD's annual instructions. However, we did identify reportable conditions\* relating to the calculation of the count date for credit hours, contact hours, and student headcount; student course enrollment data reporting; contact hour computations and reporting; instructional minutes computation; cost allocations and expenditure reporting; and property tax data (Findings 1 through 6).

These reporting errors were not considered material and may not necessarily have a direct dollar impact on the community colleges' funding. However, it is important for comparative analyses that all community colleges report their enrollment and other ACS data in a consistent manner that adheres to the provisions of the annual appropriations act for community colleges (Act 52, P.A. 2001), the ACS Manual for Michigan Community Colleges, MUFR, and MDCD's annual instructions.

Several of our audit findings pertain to more than one college; therefore, we have included a summary of audit findings by college, presented as supplemental information, to identify the specific colleges involved.

\* See glossary at end of report for definition.

Also presented as supplemental information is a schedule of other reporting exceptions. These reporting exceptions represent instances of noncompliance that have been determined, after consultation with MDCD, to have a minimal, if any, impact on the funding formula and the ACS Data Book\*.

## **FINDING**

### **1. Calculation of the Count Date for Credit Hours, Contact Hours, and Student Headcount**

Four colleges did not calculate their count dates in accordance with MDCD's instructions.

To ensure uniformity in reporting, MDCD's instructions require the colleges to report all enrollment data as of the count date. The count date for full academic period courses is defined as being one-tenth of the total calendar days between and including the first and last days of instruction (including holidays and the final examination day). When the one-tenth calculation results in less than one day, the first day of the course offering should be recognized as the count date. When course offerings are for less than a full academic period and have fixed start and end dates, the college must choose one of three methods to determine the count date: (1) the one-tenth principle; (2) the last scheduled day of the course; or (3) the last day of the academic period. The college must adopt one of these methods as an instructional policy and count all such courses in a consistent manner.

Our review of count date calculations and applications disclosed:

- a. Three colleges did not use the correct count date.
  - (1) Kellogg Community College used the incorrect count date for 2 of 5 less-than-full academic period courses.
  - (2) Monroe County Community College used the incorrect count date for 4 of 7 full academic period courses and 1 of 3 less-than-full academic period courses.
  - (3) Oakland Community College used the incorrect count date for 2 of 7 full academic period courses and 2 of 3 less-than-full academic period

\* See glossary at end of report for definition.

courses. The College always rounded fractional days up rather than the traditional mathematical procedure of truncating amounts under .5 and rounding up amounts .5 or over.

- b. North Central Michigan College did not use a consistent method to determine its count date for all course offerings that were less than a full academic period. The College used the last day of the academic period method for its general fund courses and used the one-tenth principle method for non-general fund courses.

WE NOTED THIS SAME EXCEPTION IN OUR PRIOR AUDIT OF THE COLLEGE FOR ITS FISCAL YEAR 1996-97.

### **RECOMMENDATION**

We recommend that the colleges calculate their count dates in accordance with MDCD's instructions.

### **FINDING**

#### **2. Student Course Enrollment Data Reporting**

Seven colleges reported student course enrollment data on the course enrollment data by instructional element, sub-activity, and activity form (ACS 6\*) that did not agree with their supporting class lists and class summaries.

The appropriations act and MDCD's instructions require the colleges to generate their ACS 6's using class lists and class summaries as of the count date. MDCD's instructions also require that the data reported to MDCD on the ACS 6 must be consistent with that shown on the class lists and class summaries. Our comparison of the colleges' ACS 6's with supporting documentation disclosed:

- a. Alpena Community College, Lansing Community College, and Oakland Community College incorrectly included students who were "auditing" courses in their credit hour totals. MDCD's instructions do not allow the inclusion of students "auditing" courses in credit hour totals.

\* See glossary at end of report for definition.

WE NOTED THIS SAME EXCEPTION IN OUR PRIOR AUDIT OF OAKLAND COMMUNITY COLLEGE FOR ITS FISCAL YEAR 1998-99.

- b. Alpena Community College, Delta College, and Monroe County Community College did not include all courses in calculating their unduplicated student headcount.
- c. Lansing Community College did not have an accurate unduplicated student headcount as it did not eliminate students who were included in both credit and noncredit courses listings.
- d. Delta College did not include students in its duplicated student headcount who were enrolled on, but dropped the class after, the count date.
- e. Delta College did not maintain or produce documentation to support the number of courses on its ACS 6. In response to our inquiries, the College produced various documents that did not reconcile with the ACS 6 as of the count date but did provide reasonable assurance that the data reported on the ACS 6 was materially correct.

WE NOTED THIS SAME EXCEPTION IN OUR PRIOR AUDIT OF THE COLLEGE FOR ITS FISCAL YEAR 1998-99.

- f. Kellogg Community College did not maintain adequate documentation to support the student enrollment data on its ACS 6. In response to our inquiries, the College produced various documents that did not reconcile with the ACS 6 as of the count date but did provide reasonable assurance that the data reported on the ACS 6 was materially correct.
- g. Monroe County Community College did not maintain adequate documentation to support the number of occupation contact hours on its ACS 6. In response to our inquiry, the College produced various documents that did not reconcile with the ACS 6 as of the count date but did provide reasonable assurance that the data reported on the ACS 6 was materially correct.
- h. Alpena Community College incorrectly reported its in-district and out-of-district student headcount, contact hours, and credit hours on its ACS 6 report.

However, the total student headcount, contact hours, and credit hours were correct.

- i. Kellogg Community College did not include all of its student enrollment data for its health education courses.
- j. Lansing Community College understated its duplicated student headcount, contact hours, and occupational contact hours on its ACS 6.
- k. North Central Community College and Oakland Community College overstated their occupational contact hours on their ACS 6's.

### **RECOMMENDATION**

We recommend that the colleges report student course enrollment data that agrees with supporting class lists and class summaries.

### **FINDING**

#### **3. Contact Hour Computations and Reporting**

Seven colleges did not calculate and report contact hours based on MDCCD's instructions.

MDCCD's instructions require that a contact hour be based on 50 instructional minutes. Total contact hours for a course are to be calculated by summing the total instructional minutes for a course in the academic period and dividing by 50. The instructions further state that: 1) course contact hours may be calculated on a section-by-section basis, or 2) all sections of a course may be reported at the same course contact hour value as long as each section's actual course contact hour value is not less than the reported value of that course by more than 5%. Colleges must perform an actual calculation on a random sample of courses to determine the actual contact hour difference and maintain documentation of their random sample for audit purposes. Our review disclosed:

- a. Delta College and North Central Michigan College conducted a random sample using sections instead of courses.

- b. Monroe County Community College and Oakland Community College did not conduct a random sample of courses to determine the accuracy of their contact hours.
- c. Alpena Community College and Delta College did not develop a corrective action plan to address the course sections with actual contact hours that were more than 5% less than reported contact hours.
- d. Alpena Community College did not calculate the actual contact hours based on total instructional minutes. The College included two final examinations in its calculation of actual contact hours for lecture/laboratory courses.
- e. Lansing Community College and Oakland Community College sometimes did not correctly calculate contact hours. Lansing Community College calculated contact hours based on the number of credit hours and standard number of weeks scheduled for the class without omitting holidays. Oakland Community College calculated contact hours based on 55 minutes rather than the required 50 minutes.
- f. Alpena Community College, for certain classes, and Kellogg Community College did not calculate the contact hours based on total instructional minutes. Instead, the Colleges calculated contact hours based on their "informal definition" of instructional minutes. Neither College had a published policy to support the alternative methodology.

## **RECOMMENDATION**

We recommend that the colleges calculate and report contact hours based on MDCD's instructions.

## **FINDING**

### **4. Instructional Minutes Computation**

Two colleges did not provide the required instructional minutes per semester per credit hour for some classes.

The ACS Manual for Michigan Community Colleges specifies that a semester credit hour provide at least 800 instructional minutes for each class.

Alpena Community College and Monroe County Community College did not provide the required instructional minutes per credit hour for some classes. Both Colleges did not meet the 800 instructional minutes for 1 of 10 classes that we tested.

## **RECOMMENDATION**

We recommend that the colleges provide the required instructional minutes per semester per credit hour for all classes.

## **FINDING**

### **5. Cost Allocations and Expenditure Reporting**

Five colleges sometimes did not properly allocate costs or report some expenditures on their activity/sub-activity/element general fund expenditures forms (ACS 3's\*).

The annual appropriations acts, the ACS Manual for Michigan Community Colleges, MUFR, and MDCD's instructions provide direction to community colleges on the proper allocation and reporting of expenditures. Our review disclosed:

- a. Four of the community colleges did not properly allocate costs or report expenditures on their ACS 3's:
  - (1) Alpena Community College reported all expenditures associated with a campus to sub-activity 4.4, Instructional Administration and Support. Some of these expenditures should have been reported in element 1.54, Tutorial Instruction, and sub-activities 4.5, Instructional Facility Rental; 5.3, Counseling & Guidance and Special Student Services; 7.1, Physical Plant Administration; and 7.2, Building and Grounds; Maintenance and Repair.
  - (2) Lansing Community College reported expenditures for its President to sub-activity 4.4, Instructional Administration and Support, instead of sub-activity 6.1, Executive Management. In addition, Lansing Community

\* See glossary at end of report for definition.

College did not report expenditures for element 1.44, Therapeutic Technologies, although its ACS 6 reported expenditures for element 1.44. The College reported expenditures related to element 1.44 in element 1.17, Health Education.

- (3) Monroe County Community College did not properly allocate costs for deans and directors who taught courses. The College appropriately accounted for the deans and directors in sub-activity 4.4, Instructional Administration and Support; however, when the deans and directors taught courses, the related costs were not charged to activity 1.0, Instruction.
- (4) North Central Michigan College did not properly allocate costs to the appropriate ACS codes. The College charged data processing staff salaries to sub-activities 4.4, Instructional Administration and Support, and 6.2, General Administration and Institutional Services, rather than allocating these costs to various other sub-activities in accordance with its cost allocation plan. Also, the College charged "other" computer costs to sub-activity 6.2 that should have been allocated in accordance with the cost allocation plan. In addition, the College charged Internet service costs to sub-activity 4.3, Educational Media Services, that should have been allocated to the entire College.

- b. Kellogg Community College did not allocate indirect costs for auxiliary services in compliance with MDCD's instructions.

Accurate cost allocations and expenditure reporting are necessary for comparable analyses of expenditures among the 28 community colleges. This data is used to determine the financial need of the individual colleges in the appropriation process.

### **RECOMMENDATION**

We recommend that the colleges properly allocate costs and report expenditures on their ACS 3's.

## **FINDING**

### **6. Property Tax Data**

Kellogg Community College did not accurately report its millage rate on its tuition/taxable value/millage data form (ACS 5\*).

The College overstated its "Total Operating Millage Levied" and understated its "Building and Site" line item for fiscal years 2001-02 and 2002-03. The College inappropriately included in its operating millage .8470 mills dedicated to repairs, reconstruction, and construction.

## **RECOMMENDATION**

We recommend that Kellogg Community College accurately report its millage rate on its ACS 5.

\* See glossary at end of report for definition.

# SUPPLEMENTAL INFORMATION

SELECTED COMMUNITY COLLEGES' REPORTING OF  
ACTIVITIES CLASSIFICATION STRUCTURE DATA  
 Summary of Audit Findings by College  
July 1, 2001 through June 30, 2002

Audit Finding	Alpena Community College	Delta College	Kellogg Community College	Lansing Community College	Monroe County Community College	North Central Michigan College	Oakland Community College
1a			X		X		X
1b						X	
2a	X			X			X
2b	X	X			X		
2c				X			
2d		X					
2e		X					
2f			X				
2g					X		
2h	X						
2i			X				
2j				X			
2k						X	X
3a		X				X	
3b					X		X
3c	X	X					
3d	X						
3e				X			X
3f	X		X				
4	X				X		
5a	X			X	X	X	
5b			X				
6			X				

SELECTED COMMUNITY COLLEGES' REPORTING OF  
ACTIVITIES CLASSIFICATION STRUCTURE DATA

Schedule of Other Reporting Exceptions\*

July 1, 2001 through June 30, 2002

ACS 3: Activity/Sub-Activity/Element General Fund Expenditures

1. Alpena Community College did not accurately report its expenditures in sub-activity 5.1, Student Service Administration. The College included in sub-activity 5.1 salaries and fringes related to individuals providing services related to the following: intramurals (5.2); counseling (5.3); advising (5.3); testing services (5.3); employment services (5.4); athletics (5.6); and admissions (5.7).
2. Alpena Community College did not report energy expenditures related to sub-activity 7.4, Energy Services, under the "Other" column. The College reported these expenditures under the "Computer" column.
3. Alpena Community College did not report facility rental expenditures under the "Facility" column. The College reported these expenditures under the "Other" column.
4. Delta College did not accurately report its expenditures for sub-activity 4.5, Instructional Facility Rental and sub-activity 7.2, Building and Grounds; Maintenance and Repair. The College reported amounts paid for a prepaid lease to sub-activity 7.2 instead of sub-activity 4.5. This occurred because, although the College originally used the space for classrooms, it made a decision to no longer offer College courses at this facility; however, the College is still obligated for the amount of the lease.
5. Delta College did not report water and sewage expenditures in sub-activity 7.4, Energy Services. The College reported these expenditures in sub-activity 7.2, Building and Grounds; Maintenance and Repair.
6. Lansing Community College did not accurately report its computer expenditures. The College reported the expenditures in sub-activity 7.4, Energy Services. The College's supporting documentation indicated that the expenditures should have been reported in sub-activity 7.5, Health and Safety Services.

7. North Central Michigan College did not always accurately report its expenditures for the various sub-activities within each activity level. The College understated the amount reported in sub-activity 4.3, Educational Media Services, because the College did not include expenditures for its Distance Learning Center. The expenditures were inappropriately included in sub-activity 4.1, Library Services.
8. North Central Michigan College did not report facility rental expenditures under the "Facility" column. The College reported these expenditures under the "Other" column. In addition, the College did not accurately report facility rental expenditures for nonspecific instructional programs in sub-activity 4.5, Instructional Facility Rental. The College reported these rental expenditures in sub-activity 4.4, Instructional Administration and Support.
9. North Central Michigan College did not report its computer expenditures in the "Computer" column. The College reported expenditures related to information technology staff under the "Salaries" and "Fringes" columns. Also, the College reported other computer expenditures under the "Other" column.

#### ACS 4: General Fund Personnel Activity Measures

1. Alpena Community College did not accurately report full-time equated (FTE) positions for employees at the instructional and non-instructional sub-activity levels. The College understated its FTE positions by 3.44.
2. Kellogg Community College did not accurately report FTE positions for employees at the instructional and non-instructional sub-activity levels. The College overstated its FTE positions by 1.93.
3. Lansing Community College did not accurately report FTE positions for employees at the instructional and non-instructional sub-activity levels. The College improperly included 0.14 FTE position from the non-instructional sub-activity level in the instructional sub-activity level.
4. Monroe County Community College did not accurately report FTE positions for employees at the instructional and non-instructional sub-activity levels. The College did not allocate the deans and directors who taught courses between activity 1.0, Instruction, and Activity 4.0, Instructional Support.

5. North Central Michigan College did not have the proper procedures in place to ensure the accuracy of the instructional and non-instructional FTE positions. The College used formulas and information that related to its prior instructional and non-instructional employees.
6. Oakland Community College did not accurately report FTE positions for employees at the instructional and non-instructional sub-activity levels. The College understated its FTE positions by 4.00.
7. Oakland Community College calculated overload and part-time faculty FTE positions using an average salary basis rather than a total-units-produced basis.

#### ACS 6: Course Enrollment Data by Instructional Element, Sub-Activity, and Activity

1. Delta College incorrectly reported the instructional number of courses for element 1.62, Personal Interest.
2. Delta College did not have a process to ensure that the corporate service training courses student enrollment data complied with the ACS 6 reporting requirements.
3. Kellogg Community College did not produce a Non-General Fund ACS 6; however, the College reported non-general fund instructional expenditures in its audited financial statements. The ACS Manual for Michigan Community Colleges requires that, if the audited financial statements show expenditures for instructions outside the general fund, a Non-General Fund ACS 6 should be completed. The College was unable to determine if the non-general fund courses were incorrectly included in the general fund ACS 6.
4. Lansing Community College did not provide a breakdown of the number of in-district and out-of-district student headcount and contact hours for its Business and Community Institute classes.
5. Lansing Community College incorrectly reported student enrollment data for element 1.35, Electrical & Electronic Trades and Services Technologies, in element 1.34, Construction Trade Technologies.
6. Monroe County Community College did not report its Economic Development Job Training courses taught by outside consultants in its Non-General Fund ACS 6.

7. North Central Michigan College did not have course summary reports for each enrollment period during fiscal year 2001-02 to support the yearly totals reported in the Non-General Fund ACS 6.
8. North Central Michigan College did not include its non-general fund courses in its contact hour random sample population and did not conduct a separate random sample of the non-general fund course sections to determine if the non-general fund contact hours were within the 5% threshold.
9. North Central Michigan College's computer system did not always indicate on its class list the correct count date for its courses.
10. Oakland Community College could not provide supporting documentation for its non-general fund courses to support that it did not have duplicate students reported for the same course, had not registered students prior to the count date, had properly treated its drop and add students, and had used the correct count dates.

#### ACS 7: Expenditures and Activity Measures Plant and Grounds

1. Alpena Community College overstated its gross cubic footage because of a miscalculation.
2. Delta College overstated its physical plant total fund line item and physical plant general fund line item. The College overstated these line items because the College included its water and sewage expenditures in the physical plant line items. In addition, the College overstated expenditures in sub-activity 7.2, Building and Grounds; Maintenance and Repair. Reported expenditures for sub-activity 7.2 included costs related to facility rentals that should have been included in sub-activity 4.5, Instructional Facility Rental (see item 4 under ACS 3 "Other Reporting Exceptions"). The overstatement of sub-activity 7.2 also results in an overstatement of the physical plant line items.
3. Kellogg Community College overstated its general fund energy, water and sewage, and physical plant line items by not allocating applicable costs to the auxiliary fund.
4. Kellogg Community College understated its physical plant line items as it did not include all expenditures reported in sub-activities 7.1, Physical Plant Administration; 7.2, Building and Grounds; Maintenance and Repair; 7.3, Custodial

Services; and 7.5, Health and Safety Services. Also, the College did not include non-utility expenditures from sub-activity 7.4, Energy Services.

5. Kellogg Community College understated its gross cubic footage. The College miscalculated the cubic footage for one building and did not convert square footage, which was appropriately calculated, to cubic footage for a portion of another building.
6. Lansing Community College overstated its physical plant total fund line item and physical plant general fund line item. This occurred because the College did not exclude its energy expenditures from the total and also the College used an unaudited total for physical plant. Also, for the physical plant total fund line item, the College included all funds rather than just all current funds.
7. Lansing Community College overstated its gross square footage and cubic footage because the College included leased buildings.
8. North Central Michigan College overstated its physical plant total fund line item and physical plant general fund line item by including its energy and water expenditures.
9. North Central Michigan College overstated its expenditures for electricity and energy total line items because the College included its water and sewage expenditures in the electricity line item.
10. North Central Michigan College understated its energy general fund line items by excluding charges for 3 of 4 electric meters.
11. North Central Michigan College understated its gross square and gross cubic footage. This occurred because the College did not include all areas of its new Student and Community Resource Center in its calculations for gross square and gross cubic footage.
12. Oakland Community College overstated its physical plant total fund line item and physical plant general fund line item by including energy and water expenditures.
13. Oakland Community College understated its gross square and gross cubic footage as a result of incomplete information in the College's database and miscalculations.

- \* This schedule of other reporting exceptions identifies instances of noncompliance that have been determined, after consultation with the Michigan Department of Career Development, to have a minimal, if any, impact on the funding formula and the ACS Data Book.

## Glossary of Acronyms and Terms

<b>ACS</b>	activities classification structure.
<b>ACS Data Book</b>	An annual publication from MDCCD of enrollment, instruction, fiscal, and other data submitted by Michigan's 28 community colleges.
<b>ACS 3</b>	activity/sub-activity/element general fund expenditures form.
<b>ACS 5</b>	tuition/taxable value/millage data form.
<b>ACS 6</b>	course enrollment data by instructional element, sub-activity, and activity form.
<b>FTE</b>	full-time equated.
<b>MDCCD</b>	Michigan Department of Career Development.
<b>MUFR</b>	Manual for Uniform Financial Reporting of Michigan Public Community Colleges.
<b>performance audit</b>	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
<b>reportable condition</b>	A matter that, in the auditor's judgment, represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.