

LANE COMMUNITY COLLEGE
EUGENE, OREGON

FEDERAL SINGLE AUDIT ACT AUDIT
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Year Ended June 30, 2023

KENNETH KUHNS & CO.

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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

March 28, 2024

Board of Education
Lane Community College
Eugene, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lane 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 Lane Community College's major federal programs for the year ended June 30, 2023. Lane Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lane 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; 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 Lane Community College and to meet our other ethical responsibilities, in accordance with the 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 Lane 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 Lane Community College's federal programs.

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 Lane 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 Lane 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 Lane 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 Lane 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 Lane 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.

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 limitations, 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 Lane Community College as of and for the year ended June 30, 2023, and have issued our report thereon dated February 27, 2024 which contained an unmodified opinion on those financial statements. Our audit was conducted 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.

Kenneth Kuhns & Co

Kenneth Kuhns & Co.

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

	Assistance Listing Number	Pass-Through Grantor's Number	Total Expenditures
<u>U.S. DEPARTMENT OF EDUCATION:</u>			
Direct programs:			
Student Financial Assistance Cluster:			
Supplemental Educational Opportunity Grants	84.007		\$ 712,905
College Work Study	84.033		359,108
Federal Perkins Loans	84.038		1,591
Pell Grant	84.063		8,567,093
Federal Direct Student Loan	84.268		6,221,763
			<u>15,862,460</u>
TRIO - SSS 8-23	84.042A		320,696
TRIO - SSS 8-22	84.042A		32,572
TRIO STEM 8-23	84.042A		269,121
TRIO STEM 8-22	84.042A		22,540
			<u>644,929</u>
CCAMPIS 9-23	84.335A		104,497
CCAMPIS 9-22	84.335A		5,989
			<u>110,486</u>
Title III - Strengthening Institutions 9-23	84.031A		416,884
Title III - Strengthening Institutions 9-22	84.031A		108,627
			<u>525,511</u>
Aviation Academy MASI 9-24	84.116Z		74,750
Education Stabilization Fund:			
COVID-19 - Higher Education Emergency Relief Fund-IHE's	84.425E		(662)
COVID-19 - Higher Education Emergency Relief Fund-IHE/Institution	84.425F		790,689
COVID-19 - Higher Education Emergency Relief Fund - Strengthening Institutions	84.425M		600,088
			<u>1,390,115</u>
Passed Through Linn-Benton Community College:			
Education Stabilization Fund:			
COVID-19 - Higher Education Emergency Relief Fund-CCL Navigator	84.425U		68,221
			<u>1,458,336</u>
Passed Through Oregon Higher Education Coordinating Commission:			
Adult Education - Comprehensive 6-23	84.002A	V002A200038	423,903
Adult Education - IEL/CE 6-23	84.002A	V002A200038	82,563
Adult Education - Corrections 6-23	84.002A	V002A200038	42,391
Adult Education - Accountability 6-23	84.002A	V002A200038	49,990
Learning Standards Trainers 6-23	84.002	20-081C	14,931
			<u>613,778</u>
Passed Through Oregon Department of Education:			
Career and Technical Education - Perkins 9-23	84.048	57602	606,827
Career and Technical Education - Perkins 9-22	84.048	V048A300037	27,873
Passed Through Lane Education Service District:			
Career and Technical Education - Reserve 7-23	84.048	57618	112,442
			<u>747,142</u>
Total U.S. Department of Education			<u>20,037,392</u>

(Continues)

LANE COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

	Assistance Listing Number	Pass-Through Grantor's Number	Total Expenditures
<u>NATIONAL SCIENCE FOUNDATION:</u>			
Passed Through University of Oregon: NSF: Math-UO Subaward 6-23	47.076	2016G0A	\$ 33,278
<u>SMALL BUSINESS ADMINISTRATION:</u>			
Direct programs:			
SBA/OSBDCN 12-23	59.037		399,995
SBA/OSBDCN 12-22	59.037		1,132,374
COVID-19 - OSBDCN	59.037		171,471
Total Small Business Administration			1,703,840
<u>CORPORATION FOR NATIONAL & COMMUNITY SERVICE:</u>			
Direct programs:			
Senior Companion 6-23	94.016		157,558
<u>U. S. DEPARTMENT OF LABOR:</u>			
Passed through Mt Hood Community College: SCC MHCC Subaward 1-25	17.261	MI-35897-21-60-A-41	71,733
<u>U. S. DEPARTMENT OF AGRICULTURE:</u>			
Passed Through Oregon Department of Education: Child and Adult Care Food Program	10.558		34,110
<u>U. S. DEPARTMENT OF ENERGY:</u>			
Direct program: BECA Program 5-24	81.086		77,725
Passed through Oregon State University: USDOE - OSU Subaward 9-26	81.117	G0191A-A	44,347
Total U.S. Department of Energy			122,072
<u>U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES:</u>			
Direct programs:			
HRSA SAMHSA Suicide Prevention 9-22	93.243		22,436
HRSA SAMHSA Suicide Prevention 9-23	93.243		58,702
			81,138
HRSA 3-23	93.924		49,823
Passed through Oregon Department of Education: CCDF Cluster: CFC ARPA Stabilization via ODE 8-22	93.575	19598	138,925
Passed through Oregon Department of Education: Child Care Stabilization Fund TA 6-23	93.575	18525	146,215
Passed through Oregon Department of Education: ODE ELD CCR&R 06-23	93.575	14837	795,039
			1,080,179
Total U.S. Department of Health & Human Services			1,211,140
Total all programs			\$ 23,371,123

LANE COMMUNITY COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

1. Purpose of the Schedule:

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Lane Community College's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position, changes in financial position or cash flows of the College.

2. Significant Accounting Policies:

Reporting Entity: The reporting entity is fully described in Note 1 to the College's financial statements. The Schedule includes all federal financial assistance programs administered by the College for the year ended June 30, 2023.

Basis of Presentation: The information in the Schedule is presented 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).

Federal Financial Assistance: Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Basis of Accounting: The expenditures in the Schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in the Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Direct loans (Assistance Listing No. 84.268) are loans held by the Federal Government and are not included in loans receivable for the College. Direct loans disbursed during the year are included in the federal expenditures presented in the Schedule. Perkins Loans (Assistance Listing No. 84.038) outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The College has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Matching Costs: The Schedule does not include matching expenditures.

LANE COMMUNITY COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

3. Federal Perkins Loans:

Activity of the College's Federal Perkins Loan program (Assistance Listing # 84.038) during the 2022-23 fiscal year is as follows:

Balance - 7/1/2022		\$ 1,591
Loan advances		-
Loan repayments, assignments and cancellations		<u>-</u>
Balance - 6/30/2023		<u><u>\$ 1,591</u></u>

4. Subrecipients:

During the year ended June 30, 2023, the College provided federal awards to subrecipients as follows:

	<u>Assistance Listing Number</u>	<u>Expenditures</u>
Small Business Development Centers	59.037	\$ 888,509

LANE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

A - SUMMARY OF AUDIT RESULTS:

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Lane Community College.
2. There were no significant deficiencies in internal control over financial reporting reported during the audit of the financial statements of Lane Community College.
3. No instances of noncompliance material to the financial statements of Lane Community College were disclosed during the audit.
4. There were no significant deficiencies in internal control over compliance reported during the audit of the major federal award programs of Lane Community College.
5. The independent auditor's report on compliance for the major federal award programs of Lane Community College expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs of Lane Community College are reported in this schedule.
7. The programs tested as major programs are as follows:

<u>Program Name</u>	<u>Assistance Listing Number</u>
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Perkins Loans	84.038
Federal Pell Grant Program	84.063
Federal Direct Loans	84.268
Education Stabilization Fund	84.425

8. The threshold for distinguishing Type A programs from Type B programs was \$750,000.
9. Lane Community College did not qualify as a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

C - FINDINGS AND QUESTIONED COSTS, MAJOR FEDERAL AWARD PROGRAMS
AUDIT:

None.