



State of Rhode Island and Providence Plantations  
Council on Postsecondary Education  
**OFFICE OF THE POSTSECONDARY COMMISSIONER**  
560 Jefferson Boulevard Suite 100  
Warwick, Rhode Island 02886-1304

Enclosure 8a.  
February 24, 2016

**Barbara S. Cottam**  
Chair

To: Council on Postsecondary Education

**Council on Elementary and  
Secondary Education**

From: Commissioner Jim Purcell, Ed.D.

**Daniel P. McConaghy**  
Chair

Date: January 28, 2016

Amy Beretta, Esq.

RE: Recommendation for acceptance of the audited financial statements for URI, RIC, and CCRI for the Fiscal Year Ended June 30, 2015.

Colleen A. Callahan, Ed.D.

Karin Forbes

In addition to the completed financial audits submitted to the State Controller by the three institutions for inclusion in the State's Single Audit Report, each institution also undergoes an A-133 audit performed by our external audit firm, O'Connor and Drew. These reports have a required completion date of November 30<sup>th</sup> which was met during the current year in order to comply with the State Controller's timetable.

Jo Eva Gaines

Marta V. Martinez

Lawrence Purtill

Joyce L. Stevos, Ph.D.

The OMB A-133 Compliance Supplement is an extensive federal government guide issued by the Office of Management and Budget (OMB) that is used to audit federal assistance and federal grant programs. In addition to the procedures for the regular annual financial statement audit, our external auditors perform a significant number of tests and procedures needed to obtain an opinion on both the compliance to the granting agencies' requirements as well as internal controls over proper financial reporting related to these federal programs. All three institutions have an A-133 audit as a requirement for the participation in the various federal student aid programs as well as other federal grant programs.

**Council on Postsecondary  
Education**

**William Foulkes**  
Chair

Michael Bernstein

Dennis Duffy, Esq.

The Honorable Thomas Izzo

Judy Ouellette

Kerry I. Rafanelli, Esq.

John J. Smith, Jr.

O'Connor and Drew completes the A-133 audits and provides the associated reports for the three institutions. These reports were presented to the Finance and Facilities Committee whose recommendation it is for the Council's acceptance.

Dr. Jeffery A. Williams

Accordingly, I recommend:

***THAT the Council on Postsecondary Education accepts the A-133 reports for the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island for the fiscal year ended June 30, 2015.***

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and  
Providence Plantations)

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**INDEPENDENT AUDITORS' REPORTS AS REQUIRED  
BY OFFICE OF MANAGEMENT AND BUDGET (OMB)  
CIRCULAR A-133 AND *GOVERNMENT AUDITING  
STANDARDS* AND RELATED INFORMATION**

**JUNE 30, 2015**

# UNIVERSITY OF RHODE ISLAND

(a Component Unit of the State of Rhode Island and Providence Plantations)

## Independent Auditors' Reports as Required by Office of Management and Budget (OMB) Circular A-133 and *Government Auditing Standards* and Related Information

June 30, 2015

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

To the Board of Education of  
State of Rhode Island and Providence Plantations  
Providence, Rhode Island

### **Report on Compliance for Each Major Federal Program**

We have audited the University of Rhode Island's (the "University") 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 the University's major federal programs for the year ended June 30, 2015. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the University'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the University complied, in all material respects, with the types of 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, 2015.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Finding 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

## **Report on Internal Control over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 the University'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. 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2015-001, that we consider to be significant deficiencies.

The University's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the University as of and for the year ended June 30, 2015 and have issued our report thereon dated September 30, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed 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 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 Organization*. 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 basic 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 basic financial statements as a whole.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*O'Connor and Drew, P.C.*

**Certified Public Accountants  
Braintree, Massachusetts**

November 30, 2015

(except for the Schedule of Expenditures of Federal Awards, for which the date is September 30, 2015)



**INDEPENDENT AUDITORS' 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***

To the Board of Education of  
State of Rhode Island and Providence Plantations  
Providence, Rhode Island

We have audited, 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, the financial statements of the University of Rhode Island (the "University"), which comprise the statement of net position as of June 30, 2015, the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated September 30, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

*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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*O'Connor and Drew, P.C.*

**Certified Public Accountants  
Braintree, Massachusetts**

September 30, 2015

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Current Year Findings and Questioned Costs**

**June 30, 2015**

**Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

***Federal Award***

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

**UNIVERSITY OF RHODE ISLAND**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Current Year Findings and Questioned Costs - Continued**

**June 30, 2015**

Major federal programs of University of Rhode Island include:

<b><u>Grantor/Pass-Through Grantor/Program Title</u></b>	<b><u>CFDA Number</u></b>
Student Financial Assistance Cluster	Various
Research and Development Cluster	Various

The dollar threshold to distinguish between Type A and B programs is \$13,500,000.

The University does not qualify as a low-risk auditee.

**UNIVERSITY OF RHODE ISLAND**  
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**Schedule of Current Year Findings and Questioned Costs - Continued**

**June 30, 2015**

**Finding number:** 2015-001  
**Federal agency:** U.S. Department of Education  
**Program:** Federal Direct Student Loans  
**CFDA #:** 84.268  
**Award year:** 2015

***Condition***

The Federal Government requires the University to report student enrollment changes to the National Student Loan Data System (NSLDS) within sixty days. Out of a sample of forty students with enrollment status changes, fifteen of the students' status change dates were not reported within the appropriate time frame to the NSLDS. The timeframe for reporting the change in status for the students was between 10 to 38 days late. Four students were not reported to the NSLDS at all.

***Criteria***

According to 34 C.F.R. Section 685.309(b)(2):

An institution shall, unless it expects to submit its next Enrollment Reporting Roster File to the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days if the institution discovers a Direct Subsidized, Direct Unsubsidized, or Direct Plus loan has been made to a student who enrolled at the institution and:

1. Has ceased to be enrolled on at least a half-time basis
2. Has failed to enroll on at least a half-time basis for the period for which the loan was intended
3. The loan was made to a full-time student who has ceased to be enrolled on a full-time basis
4. Has changed his or her permanent address

***Cause/Effect***

Our audit disclosed that, although the University had policies and procedures for transmitting information to the National Student Clearinghouse on at least a monthly basis to ensure reporting of all students is done in a timely manner, there were some instances in which the University failed to correct enrollment files within an adequate time frame to ensure timely reporting.

During the audit, it was also disclosed that there were certain combinations of reporting statuses that were not reported by the National Student Clearinghouse. This caused four students to not be reported to the NSLDS at all.

**UNIVERSITY OF RHODE ISLAND**  
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**Schedule of Current Year Findings and Questioned Costs - Continued**

**June 30, 2015**

***Recommendation***

We recommend that the University review and update its policies and procedures for transmitting information to the National Student Clearinghouse on enrollment changes.

***Questioned Costs***

None

***Views of Responsible Officials***

The University concurs with the findings and has conducted a thorough review of its processes involving Clearinghouse submissions. Several procedural changes have been instituted. The University began using the delivered PeopleSoft process rather than a Custom process for creating the file for submission during the Summer of 2015. Additionally, each month the University will request the SSCR Roster which will be compared to the enrollment file for submission. For students that have outstanding Title IV aid that are listed on the enrollment file, but not listed on the SSCR Roster, they will be manually added to the SSCR Roster through the NSLDS site by the University.

It should be noted that when the Clearinghouse contract with NSLDS was terminated in November 2014 by the Department of Education, the Clearinghouse data flow frequency and reporting method changed. This unforeseen data flow gap caused students to not be added onto rosters when updated enrollment information was reported after the student had separated from the school (typically Withdrawn or Graduated). This resulted in four students not being reported to NSLDS.

***Contact Person***

Bonnie Saccucci  
Senior Associate Director, Enrollment Services

**UNIVERSITY OF RHODE ISLAND**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Prior Year Findings and Questioned Costs**

**June 30, 2015**

**Finding number:** 2014-001  
**Federal agency:** U.S. Department of Agriculture  
**Program:** Research and Development Cluster  
**CFDA #:** 10.561  
**Award year:** 2014

***Condition***

The University contracted with the Rhode Island Department of Human Services to provide outreach services as a part of the Supplemental Nutrition Assistance Program (SNAP) during fiscal year 2014. The contract states that the matching expenditures were to be provided, principally, by third party entities, which had partnered with the University. As is allowed under the terms of the program, the payroll of the third party entities was used to meet the matching requirement of the grant.

Although the matching expenditures appear reasonable in comparison to the budget, the University did not receive payroll records from forty-one third party vendors totaling \$390,995 to support the matching requirement.

***Auditors' current year comment***

This finding was corrected.

**Finding number:** 2014-002  
**Federal agency:** U.S. Department of Education  
**Program:** Federal Direct Student Loans  
**CFDA #:** 84.268  
**Award year:** 2014

***Condition***

One of the underlying assertions regarding the student status reports is the accuracy of the information as it relates to the effective dates of status changes. Out of a sample of forty students with enrollment status changes, the students' status change dates for two students were not reported properly.

***Auditors' current year comment***

This finding was corrected.

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Prior Year Findings and Questioned Costs - Continued**

**June 30, 2015**

<b>Finding number:</b>	2014-003
<b>Federal agency:</b>	U.S. Department of Education
<b>Program:</b>	Federal Direct Student Loans
<b>CFDA #:</b>	84.268
<b>Award year:</b>	2014

***Condition***

The Federal Government requires the University to report student enrollment changes to the National Student Loan Data System (NSLDS) within sixty days. Out of a sample of forty students with enrollment status changes, three of the students' status change dates were not reported within the appropriate time frame to the NSLDS. The timeframe for reporting the change in status for the three students was 11, 71 and 125 days late.

***Auditors' current year comment***

This finding was not corrected. See current year description of finding 2015-001.

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal Expenditures
<b><u>Student Financial Assistance Cluster:</u></b>		
<i>U.S. Department of Education:</i>		
Federal Supplemental Educational Opportunity Grants	84.007	\$ 1,385,061
Federal Work Study Program	84.033	805,509
Federal Perkins Loan Program-Federal Capital Contributions	84.038	906,934
Federal Pell Grant Program	84.063	15,994,007
Federal Direct Student Loans	84.268	98,716,854
Teacher Education Assistance for College and Higher Education (TEACH) Grants	84.379	10,000
<i>U.S. Department of Health and Human Services:</i>		
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Student	93.342	225,558
Nursing Student Loans	93.364	289,900
Total Student Financial Assistance Cluster		<u>118,333,823</u>
<b><u>Research and Development Cluster:</u></b>		
<i>U.S. Department of Agriculture:</i>		
Federal Funds:		
Department of Agriculture with No CFDA	10.000	12,540
Agricultural Research-Basic and Applied Research	10.001	94,884
Plant and Animal Disease, Pest Control, and Animal Care	10.025	26,838
Grants for Agricultural Research, Special Research Grants	10.200	17,586
Integrated Programs	10.303	102,708
Agriculture and Food Research Initiative (AFRI)	10.310	190,074
Crop Protection and Pest Management Competitive Grants Program	10.329	86,753
Crop Insurance Education in Targeted States	10.458	174,945
Cooperative Extension Service	10.500	129,363
Forest Health Protection	10.680	7,713
Soil and Water Conservation	10.902	4,377
Soil Survey	10.903	15,856
Environmental Quality Incentives Program	10.912	12,563
Technical Agricultural Assistance	10.960	444,703
Formula Funds:		
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	2,218,447
Cooperative Extension Service	10.500	1,418,839

The accompanying notes are an integral part of this schedule.

**UNIVERSITY OF RHODE ISLAND**  
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**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
Passed Through Subcontracts:		
Agricultural Research-Basic and Applied Research	10.001	\$ 12,547
Plant and Animal Disease, Pest Control, and Animal Care	10.025	7,235
Sustainable Agriculture Research and Education	10.215	43,989
Integrated Programs	10.303	11,498
Homeland Security Agricultural	10.304	17,916
Organic Agriculture Research and Extension Initiative	10.307	162,781
Agriculture and Food Research Initiative (AFRI)	10.310	65,586
Cooperative Extension Service	10.500	83,196
Farm to School Grant Program	10.575	14,362
Farm and Ranch Lands Protection Program	10.913	5,354
Passed Through Other State Agencies:		
Specialty Crop Block Grant Program-Farm Bill	10.170	51,661
Grants for Agricultural Research, Special Research Grants	10.200	67,637
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	716,533
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	717,092
Total U.S. Department of Agriculture		6,935,576
<i>U.S. Department of Commerce:</i>		
Federal Funds:		
Department of Commerce with No CFDA	11.000	222,199
Sea Grant Support	11.417	2,501,755
Climate and Atmospheric Research	11.431	153
Cooperative Science and Education Program	11.455	76,879
Weather and Air Quality Research	11.459	171,464
Special Oceanic and Atmospheric Projects	11.460	172,737
Applied Meteorological Research	11.468	83,483
Congressionally-Identified Projects	11.469	43,735
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	208,551
Passed Through Subcontracts:		
Department of Commerce with No CFDA	11.000	643,787
Ocean Exploration	11.011	19,301
Integrated Ocean Observing Systems	11.012	121,666
Sea Grant Support	11.417	35,215
Coastal Zone Management Administrative Awards	11.419	7,049
National Oceanic and Atmospheric Administration	11.432	94,881
Habitat Conservation	11.463	35,986
Meteorological and Hydrologic Modernization Development	11.467	42,847
Unallied Science Program	11.472	12,947

*The accompanying notes are an integral part of this schedule.*

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
Passed Through Other State Agencies:		
Department of Commerce with No CFDA	11.000	\$ 13,237
Coastal Zone Management Administrative Awards	11.419	25,135
Coastal Zone Management Estuarine Research Reserves	11.420	2,073
Total U.S. Department of Commerce		<u>4,535,080</u>
<b>U.S. Department of Defense:</b>		
Federal Funds:		
Department of Defense with No CFDA	12.000	309,705
Collaborative Research and Development	12.114	1,594,989
Basic and Applied Scientific Research	12.300	1,978,836
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	357,408
Basic Scientific Research	12.431	142,637
Basic, Applied, and Advanced Research in Science and Engineering	12.630	58,335
Air Force Defense Research Sciences Program	12.800	67,518
Passed Through Subcontracts:		
Department of Defense with No CFDA	12.000	185,997
Collaborative Research and Development	12.114	579,537
Basic and Applied Scientific Research	12.300	859,521
The Language Flagship Grants to Institutions of Higher Education	12.550	397,554
Air Force Defense Research Sciences Program	12.800	100,897
Research and Technological Development	12.910	92,917
Passed Through Other State Agencies:		
Department of Defense with No CFDA	12.000	32,540
Total U.S. Department of Defense		<u>6,758,391</u>
<b>U.S. Department of Interior:</b>		
Federal Funds:		
Department of Interior with No CFDA	15.000	27,869
Hurricane Sandy Disaster Relief-Coastal Resiliency Grants	15.153	50,317
Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)	15.423	689,158
Marine Minerals Activities-Hurricane Sandy	15.424	22,745
Sport Fish Restoration Program	15.605	30,509
Fish and Wildlife Management Assistance	15.608	53,691
Research Grants (Generic)	15.650	77,529
Migratory Bird Monitoring, Assessment and Conservation	15.655	2,113
Assistance to State Water Resources Research Institutes	15.805	96,808
Earthquake Hazards Research and Monitoring Assistance	15.807	69,545
U.S. Geological Survey-Research and Data Collection	15.808	51,364
National Land Remote Sensing Education Outreach	15.815	25,414
Department of Interior National Park Service	15.944	7,393
Cooperative Research and Training Programs- Resources of the National Park System	15.945	1,900,413

The accompanying notes are an integral part of this schedule.

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
Passed Through Subcontracts:		
Department of Interior with No CFDA	15.000	\$ 25,667
Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)	15.423	56,740
Coastal Impact Assistance Program	15.426	108,736
State Wildlife Grants	15.634	7,058
National Land Remote Sensing-Education Outreach and Research	15.815	13,219
Passed Through Other State Agencies:		
Department of Interior with No CFDA	15.000	60,375
Wildlife Restoration and Basic Hunter Education	15.611	415,111
State Wildlife Grants	15.634	46,800
Total U.S. Department of Interior		<u>3,838,574</u>
<b>U.S. Department of Justice:</b>		
Federal Funds:		
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	157,925
Passed Through Subcontracts:		
Juvenile Mentoring Program	16.726	31,801
Edward Byrne Memorial Justice Assistance Grant Program	16.738	5,288
Total U.S. Department of Justice		<u>195,014</u>
<b>U.S. Department of Labor:</b>		
Passed Through Subcontracts:		
WIA/WIOA Pilots, Demonstrations, and Research Projects	17.261	52,954
Total U.S. Department of Labor		<u>52,954</u>
<b>U.S. Department of State:</b>		
Federal Funds:		
Public Diplomacy Programs for Afghanistan and Pakistan	19.501	68,350
Passed Through Subcontracts:		
Academic Exchange Programs-Scholars	19.401	90,824
Total U.S. Department of State		<u>159,174</u>

The accompanying notes are an integral part of this schedule.

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
<i>U.S. Department of Transportation:</i>		
Federal Funds:		
Highway Research and Development Program	20.200	\$ 3,892
University Transportation Centers Program	20.701	27,886
Passed Through Other State Agencies:		
Highway Research and Development Program	20.200	(8,198)
Highway Planning and Construction	20.205	3,390
Total U.S. Department of Transportation		26,970
<i>National Aeronautics and Space Administration:</i>		
Federal Funds:		
NASA with No CFDA	43.000	554,496
Aerospace Education Services Program	43.001	12,698
Passed Through Subcontracts:		
NASA with No CFDA	43.000	13,250
Aerospace Education Services Program	43.001	109,395
Education	43.008	40,641
Total National Aeronautics and Space Administration		730,480
<i>National Endowment for the Humanities</i>		
Federal Funds:		
Promotion of the Humanities Federal/State Partnership	45.129	2,000
Total National Foundation for the Humanities		2,000
<i>Institute of Museum and Library Science:</i>		
Federal Funds:		
National Leadership Grants	45.312	(157)
Passed Through Subcontracts:		
National Leadership Grants	45.312	19,654
Total Institute of Museum and Library Science		19,497

The accompanying notes are an integral part of this schedule.

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal Expenditures
<i>National Science Foundation:</i>		
Federal Funds:		
National Science Foundation with No CFDA	47.000	\$ 233,431
Engineering Grants	47.041	787,259
Mathematical and Physical Sciences	47.049	128,695
Geosciences	47.050	6,165,833
Computer and Information Science and Engineering	47.070	541,804
Biological Sciences	47.074	768,959
Social, Behavioral, and Economic Sciences	47.075	14,744
Education and Human Resources	47.076	1,390,300
Polar Programs	47.078	875,291
International Science and Engineering (OISE)	47.079	462,387
Office of Experimental Program to Stimulate Competitive Research	47.081	3,586,592
American Recovery and Reinvestment Act (ARRA):		
Trans NSF Recovery Act Research Support	47.082	5,152
Passed Through Subcontracts:		
National Science Foundation with No CFDA	47.000	52,276
Geosciences	47.050	578,889
Biological Sciences	47.074	7,697
Education and Human Resources	47.076	72,286
Office of Experimental Program to Stimulate Competitive Research	47.081	131,788
Total National Science Foundation		<u>15,803,383</u>
<i>Securities and Exchange Commission</i>		
Federal Funds:		
Securities and Exchange Commission No CFDA	58.000	<u>211,181</u>
Total Securities and Exchange Commission		<u>211,181</u>
<i>Small Business Administration:</i>		
Federal Funds:		
Small Business Development Centers	59.037	<u>482,209</u>
Total Small Business Administration		<u>482,209</u>
<i>U.S. Department of Veterans Affairs:</i>		
Federal Funds:		
Veterans Rehabilitation-Alcohol and Drug Dependence	64.019	<u>1,924</u>
Total U.S. Department of Veterans Affairs		<u>1,924</u>

The accompanying notes are an integral part of this schedule.

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
<i>Environmental Protection Agency:</i>		
Federal Funds:		
Environmental Protection Agency with No CFDA	66.000	\$ 715
National Estuary Program	66.456	63,320
Great Lakes Program	66.469	140,422
P3 Award: National Student Design Competition for Sustainability	66.516	4,083
Chemical Emergency Preparedness	66.810	13,531
Passed Through Subcontracts:		
Environmental Protection Agency with No CFDA	66.000	31,227
Climate Showcase Communities Grant Program	66.041	19,603
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	66.716	4,050
Passed Through Other State Agencies:		
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	72,863
Performance Partnership Grants	66.605	48,665
Total Environmental Protection Agency		<u>398,479</u>
<i>U.S. Nuclear Regulatory Commission:</i>		
Federal Funds:		
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008	16,068
Total U.S. Nuclear Regulatory Commission		<u>16,068</u>
<i>U.S. Department of Energy:</i>		
Federal Funds:		
Office of Science Financial Assistance Program	81.049	29,888
Renewable Energy Research and Development	81.087	457,729
Defense Nuclear Nonproliferation Research	81.113	173,369
Passed Through Subcontracts:		
US Department of Energy with No CFDA	81.000	142,315
State Energy Program	81.041	19,624
Office of Science Financial Assistance Program	81.049	1,010,502
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical	81.117	30,226
Advanced Research and Projects Agency-Energy Financial Assistance Program	81.135	113,966
Passed Through Other State Agencies:		
State Energy Program	81.041	145,622
Total U.S. Department of Energy		<u>2,123,241</u>

The accompanying notes are an integral part of this schedule.

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal Expenditures
<i>U.S. Department of Education:</i>		
Federal Funds:		
Javits Fellowships	84.170	\$ 31,012
Passed Through Subcontracts:		
Magnet Schools Assistance	84.165	417
Special Education- Grants for Infants and Families	84.181	91,344
Research in Special Education	84.324	136,066
Race to the Top-Early Learning Challenge	84.412	930
Passed Through Other State Agencies:		
Special Education- Grants for Infants and Families	84.181	(99)
College Access Challenge Grant Program	84.378	463,445
Total U.S. Department of Education		<u>723,115</u>
<i>U.S. Department of Health and Human Services:</i>		
Federal Funds:		
Environmental Health	93.113	1,518
Research and Training in Complementary and Alternative Medicine	93.213	50,448
Mental Health Research Grants	93.242	10,950
Advanced Nursing Education Grant Program	93.247	(516)
Alcohol Research Programs	93.273	467,925
Drug Abuse and Addiction Research Programs	93.279	771,184
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	293,693
Trans-NIH Research Support	93.310	375,799
Nursing Research	93.361	113,921
National Center for Research Resources	93.389	3,165,673
Academic Res Enhancement Award	93.390	12,508
Cancer Cause and Prevention Research	93.393	224,555
Cancer Detection and Diagnosis Research	93.394	47,961
Cancer Biology Research	93.396	187,599
Health Care Innovation Awards (HCIA)	93.610	3,089,268
Developmental Disabilities Basic Support and Advocacy Grants	93.630	483,703
Blood Diseases and Resources Research	93.839	215,678
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	252,570
Allergy, Immunology and Transplantation Research	93.855	2,815,345
Biomedical Research and Research Training	93.859	3,237,873
Child Health and Human Development Extramural Research	93.865	1,260,471
Aging Research	93.866	159,685
Medical Library Assistance	93.879	87,670
Research, Prevention, and Education Programs on Lyme Disease in the United States	93.942	256,457
Geriatric Education Centers	93.969	397,587
International Research and Research Training	93.989	27,425

*The accompanying notes are an integral part of this schedule.*

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
Passed Through Subcontracts:		
Department of Health and Human Services	93.000	\$ 36,544
Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107	84,568
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143	6,001
Mental Health Research Grants	93.242	175,292
Alcohol Research Programs	93.273	25,788
National Center for Advancing Translational Sciences	93.350	13,025
The Affordable Care Act – Medicaid Adult Quality Grants	93.609	80,071
Cardiovascular Diseases Research	93.837	48,368
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	105,295
Allergy, Immunology and Transplantation Research	93.855	126,926
Biomedical Research and Research Training	93.859	328,401
Passed Through Other State Agencies:		
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	253,522
Temporary Assistance for Needy Families	93.558	196,496
Block Grants for Prevention and Treatment of Substance Abuse	93.959	74,604
Total U.S. Department of Health and Human Services		<u>19,561,851</u>
<i>Corporation for National and Community Service:</i>		
Passed Through Other State Agencies:		
AmeriCorps	94.006	98,046
Total Corporation for National and Community Service		<u>98,046</u>
<i>U.S. Department of Homeland Security:</i>		
Federal Funds:		
Centers for Homeland Security	97.061	1,320
Passed Through Subcontracts:		
Centers for Homeland Security	97.061	510,899
Total U.S. Department of Homeland Security		<u>512,219</u>
<i>Agency for International Development:</i>		
Federal Funds:		
USAID Foreign Assistance for Programs Overseas	98.001	4,722,088
Passed Through Subcontracts:		
USAID Foreign Assistance for Programs Overseas	98.001	609,950
USAID Development Partnerships for University Cooperation and Development	98.012	11,739
Total Agency for International Development		<u>5,343,777</u>

The accompanying notes are an integral part of this schedule.

**UNIVERSITY OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal Expenditures
Total Research and Development Cluster		\$ 68,529,203
<b>Total Expenditures of Federal Awards</b>		<b>\$ 186,863,026</b>

*The accompanying notes are an integral part of this schedule.*

**UNIVERSITY OF RHODE ISLAND**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Notes to the Schedule of Expenditures of Federal Awards**

**June 30, 2015**

Note 1 - **Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activities of University of Rhode Island (the "University") (a component unit of the State of Rhode Island and Providence Plantations) and is presented on the accrual basis of accounting.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the University, agencies, departments of the Federal Government, and all subawards to the University by non-federal organizations pursuant to federal grants, contracts, and similar agreements.

Note 2 - **Federal Direct Student Loans Program**

The University disbursed \$98,716,854 of loans under the Federal Direct Student Loans program, which include Stafford Subsidized and Unsubsidized Loans and Parents' Loans. It is not practical to determine the balances of loans outstanding to students of the University under this program as of June 30, 2015. The University is only responsible for the performance of certain administrative duties and, accordingly, these loans are not included in the University's financial statements.

Note 3 - **Federal Perkins, Health Professional Student and Nursing Student Loan Programs**

During the year ended June 30, 2015, \$906,934 in loans was advanced under the Federal Perkins Loan Program, \$225,558 in loans was advanced under the Health Professional Student Loan Program, and \$289,900 in loans was advanced under the Nursing Loan Program. As of June 30, 2015, loan balances receivable under the Perkins, Health Professional Student and Nursing Loan Programs were \$9,210,427, \$1,968,517 and \$1,682,034, respectively.

**RHODE ISLAND COLLEGE**  
(a Component Unit of the State of Rhode Island and  
Providence Plantations)

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**INDEPENDENT AUDITORS' REPORTS AS  
REQUIRED BY OFFICE OF MANAGEMENT AND  
BUDGET (OMB) CIRCULAR A-133 AND  
*GOVERNMENT AUDITING STANDARDS* AND  
RELATED INFORMATION**

**JUNE 30, 2015**

# **RHODE ISLAND COLLEGE**

**(a Component Unit of the State of Rhode Island and Providence Plantations)**

## **Independent Auditors' Reports as Required by Office of Management and Budget (OMB) Circular A-133 and *Government Auditing Standards* and Related Information**

**June 30, 2015**

### **C O N T E N T S**

<b>Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133</b>	1-3
<b>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	4-5
Schedule of Current Year Findings and Questioned Costs	6-9
Schedule of Prior Year Findings and Questioned Costs	10-11
Schedule of Expenditures of Federal Awards	12-14
Notes to the Schedule of Expenditures of Federal Awards	15



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

The Board of Education of  
State of Rhode Island and Providence Plantations  
Providence, Rhode Island

**Report on Compliance for Each Major Federal Program**

We have audited Rhode Island College's (a component unit of the State of Rhode Island and Providence Plantations) (the "College") 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 the College's major federal programs for the year ended June 30, 2015. Rhode Island College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Rhode Island College's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Rhode Island College'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Rhode Island College's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Rhode Island College complied, in all material respects, with the types of 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, 2015.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

Rhode Island College's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

Management of Rhode Island College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rhode Island College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Rhode Island College'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. *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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of current year findings and questioned costs as Findings 2015-001, which we consider to be a significant deficiency.

Rhode Island College's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of current year findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of Rhode Island College as of and for the year ended June 30, 2015 and have issued our report thereon dated September 30, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed 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 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 basic 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*O'Connor and Drew, P.C.*

**Certified Public Accountants  
Braintree, Massachusetts**

November 20, 2015

(except for our report on the Schedule of Expenditures of Federal Awards, for which the date is September 30, 2015)



**INDEPENDENT AUDITORS' 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***

The Board of Education of  
State of Rhode Island and Providence Plantations  
Providence, Rhode Island

We have audited, 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, the financial statements of Rhode Island College (a component unit of the State of Rhode Island and Providence Plantations) (the "College"), which comprise the statement of net position as of June 30, 2015, the related statements of revenues and expenses, changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Rhode Island College's basic financial statements and have issued our report thereon dated September 30, 2015. Our report includes a reference to other auditors who audited the financial statements of Rhode Island College Foundation, as described in our report on Rhode Island College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Rhode Island College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

*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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Rhode Island College's financial statements are free from 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*O'Connor and Drew, P.C.*

**Certified Public Accountants  
Braintree, Massachusetts**

September 30, 2015

**RHODE ISLAND COLLEGE**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Current Year Findings and Questioned Costs**

**June 30, 2015**

**Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Current Year Findings and Questioned Costs - Continued**

**June 30, 2015**

Major programs of Rhode Island College include:

<b><u>Grantor/Pass-Through Grantor/Program Title</u></b>	<b><u>CFDA Number</u></b>
Student Financial Assistance Cluster:	
U.S. Department of Education:	
Federal Direct Student Loans (Note 2)	84.268
Federal Pell Grant Program	84.063
Federal Perkins Loan Program	84.038
Federal Supplemental Education Opportunity Grant Program	84.007
Federal Work Study Program	84.033

The dollar threshold to distinguish between Type A and Type B programs is \$13,500,000.

The Office of Management and Budget (OMB) has minimum requirements for a recipient of federal funds to be considered a low-risk auditee. The College does not qualify as a low-risk auditee because of prior year audit findings.

**RHODE ISLAND COLLEGE**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Current Year Findings and Questioned Costs - Continued**

**June 30, 2015**

**Finding number:** 2015-001  
**Federal agency:** U.S. Department of Education  
**Program:** Federal Work Study Program  
**CFDA #:** 84.033  
**Award year:** 2015

***Condition***

Federal Work Study Program testing procedures included a review of documentation to determine if the institution maintained adequate time records to support amounts students worked and were paid for.

Our testing revealed one of ten students tested did not have an adequate time record.

***Criteria***

According to 34 C.F.R. Section 675.19(b):

An institution must establish and maintain program and fiscal records that include a certification by the student's supervisor, an official of the institution or off-campus agency, that each student has worked and earned the amount being paid. The certification must include or be supported by, for students paid on an hourly basis, a time record showing the hours each student worked in clock time sequence or the total hours worked per day.

***Cause/Effect***

Our audit disclosed that although Rhode Island College had policies and procedures requiring off-campus agencies to certify accurate student time records prior to the student being paid, there was an apparent lack of oversight. The student's time record was deemed to be insufficient as it was not in agreement with the hours the student was paid for. The deficient student time record resulted in questioned costs because there was no verification for the hours the student worked and was paid for.

# **RHODE ISLAND COLLEGE**

**(a Component Unit of the State of Rhode Island and Providence Plantations)**

## **Schedule of Current Year Findings and Questioned Costs - Continued**

**June 30, 2015**

### ***Recommendation***

We recommend that management strengthen their oversight of off-campus agencies associated with the College's Federal Work Study Program. The College should require all student hours be supported with time records indicating the hours worked in clock time sequence or the total hours worked per day.

### ***Questioned Costs***

\$488

### ***Views of Responsible Officials***

The College agrees with the finding. The College will enforce the policy that any student work hours submitted to the payroll office not via the on-line time reporting system must be done so by the written payroll form "Manual Time Sheet". In order for payment to be made this form must be properly approved and accompanied by a copy of the individual student sign-in sheet maintained by the department. Payroll Office website will be updated so that this form is readily available to the college community. The accounting and payroll offices will work with the Career Development Center to ensure all employer and employee manuals contain the proper procedure for documentation required and record retention of such documentation. All future training provided by these offices will reinforce the proper procedures.

### ***Contact Person***

Melissa Souza  
Assistant Controller

# **RHODE ISLAND COLLEGE**

**(a Component Unit of the State of Rhode Island and Providence Plantations)**

## **Schedule of Prior Year Findings and Questioned Costs**

**June 30, 2015**

**Finding number:** 2014-001  
**Federal agency:** U.S. Department of Education  
**Program:** Federal Work Study Program  
**CFDA #:** 84.033  
**Award year:** 2014

### ***Condition***

According to 34 C.F.R. Section 668.24(e):

An institution shall keep records relating to its administration of the Federal Perkins Loan, FWS, FSEOG, Federal Pell Grant, ACG, National SMART Grant, or TEACH Grant Program for three years after the end of the award year for which the aid was awarded and disbursed under those programs.

### ***Auditors' Current Year Comment***

Our current year testing revealed no findings in this area.

**Finding number:** 2014-002  
**Federal agency:** U.S. Department of Education  
**Program:** Student Financial Assistance Cluster  
**CFDA #:** Multiple  
**Award year:** 2014

### ***Condition***

Out of a sample of forty students, twenty-five students' financial aid caused a student credit. Out of the twenty-five students whose financial aid caused a credit, two were applied to prior year charges in excess of \$200. Per federal regulations, current year awards are only allowed to be applied to current year charges, unless under \$200.

### ***Auditors' Current Year Comment***

Our current year testing revealed no findings in this area.

**RHODE ISLAND COLLEGE**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Prior Year Findings and Questioned Costs - Continued**

**June 30, 2015**

**Finding number:** 2014-003  
**Federal agency:** U.S. Department of Education  
**Program:** Student Financial Assistance Cluster  
**CFDA #:** Multiple  
**Award year:** 2014

***Condition***

Out of a sample of forty students, twenty-five students' financial aid caused a student credit. Out of the twenty-five credits, two credits were applied to prior award year charges instead of being refunded to the student. Because the students' accounts were credited instead of the student receiving the refund, the refund is past the 14-day requirement.

***Auditors' Current Year Comment***

Our current year testing revealed no findings in this area.

**RHODE ISLAND COLLEGE**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2015**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<i>U.S. Department of Education:</i>		
Direct Programs:		
<i>Student Financial Assistance Cluster:</i>		
Federal Supplemental Educational Opportunity Grants	84.007	\$ 797,037
Federal Work Study Program	84.033	651,856
Federal Perkins Loan Program-Federal Capital Contributions	84.038	507,409
Federal Pell Grant Program	84.063	13,571,248
Federal Direct Student Loans	84.268	34,198,203
 <i>Other Direct Programs:</i>		
TRIO - Upward Bound	84.047A	613,340
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326C	<u>91,322</u>
Total Direct Programs		<u>50,430,415</u>
 Passed-Through Programs:		
<i>Rhode Island Department of Education:</i>		
Special Education - Grants to States	84.027	972,739
Special Education - Grants to States	84.027A	660,206
Special Education - Preschool Grants	84.173	124,280
Special Education - State Personnel Development	84.323A	627,057
Institute for Early Childhood Development at Rhode Island College	84.412A	286,014
 <i>Office of Higher Education:</i>		
Improving Teacher Quality State Grants	84.367B	132,063
College Access Challenge Grant Program	84.378A	312,888
 <i>Department of Human Services:</i>		
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126A	89,582
Special Education - Grants for Infants and Families	84.181A	<u>164,312</u>
Total Passed-Through Programs		<u>3,369,141</u>
Total U.S. Department of Education		<u>53,799,556</u>

See accompanying notes to the schedule of expenditures of federal awards.

**RHODE ISLAND COLLEGE**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b><i>U.S. Department of Health and Human Services:</i></b>		
Direct Programs:		
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	\$ 66,272
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	495,637
Child Health and Human Development Extramural Research	93.865	<u>102,379</u>
Total Direct Programs		<u>664,288</u>
Passed-Through Programs:		
<i>Department of Human Services:</i>		
Temporary Assistance for Needy Families	93.558	77,721
Refugee and Entrant Assistance - State Administered Programs	93.566	18,572
Medical Assistance Program	93.778	120,070
<i>Rhode Island Department of Education:</i>		
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	16,041
<i>Department of Children, Youth and Families:</i>		
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	26,973
Adoption Opportunities	93.652	117,521
<i>University of Rhode Island:</i>		
Biomedical Research and Research Training	93.859	317,783
Geriatric Education Center	93.969	27,000
<i>Other Sources:</i>		
Medical Assistance Program	93.778	59,740
Adoption Opportunities	93.652	<u>2,007</u>
Total Passed-Through Programs		<u>783,428</u>
Total U.S. Department of Health and Human Services		<u>1,447,716</u>
<b><i>National Science Foundation:</i></b>		
Passed-Through Programs:		
<i>University of Rhode Island:</i>		
Education and Human Resources - Geology Textbook Evaluation	47.076	82,611
Office of Experimental Program to Stimulate Competitive Research	47.081	<u>215,171</u>
Total National Science Foundation		<u>297,782</u>

See accompanying notes to the schedule of expenditures of federal awards.

**RHODE ISLAND COLLEGE**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended June 30, 2015**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b><i>U.S. Department of Labor:</i></b>		
Passed-Through Programs:		
<i>Department of Labor &amp; Training</i>		
Workforce Investment Act (WIA) Adult Program	17.258	\$ 21,196
 <i>Rhode Island Department of Education:</i>		
Incentive Grants - WIA Section 503	17.267	4,579
 <i>Other Sources:</i>		
Workforce Investment Act (WIA) National Emergency Grants	17.277	<u>53,116</u>
Total U.S. Department of Labor		<u>78,891</u>
 <b><i>National Endowment for the Humanities:</i></b>		
Passed-Through Programs:		
<i>Other Sources:</i>		
Promotion of the Humanities - Federal/State Partnership	45.129	<u>880</u>
 <b><i>U.S. Department of Agriculture:</i></b>		
Passed-Through Programs:		
<i>Department of Environmental Management:</i>		
Specialty Crop Block Grant Program - Farm Bill	10.170	<u>5,254</u>
Total Federal Expenditures		<u>\$ 55,630,079</u>

See accompanying notes to the schedule of expenditures of federal awards.

**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Notes to the Schedule of Expenditures of Federal Awards**

**June 30, 2015**

Note 1 - **Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activities of Rhode Island College (the "College") (a component unit of the State of Rhode Island and Providence Plantations) and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the College, agencies, departments of the Federal Government, and all subawards to the College by non-federal organizations pursuant to federal grants, contracts, and similar agreements.

Note 2 - **Federal Direct Student Loans Program**

The College disbursed \$34,198,203 of loans under the Federal Direct Student Loans Program, which includes Stafford Subsidized and Unsubsidized Loans, and Parents' Loans for Undergraduate Students. It is not practical to determine the balances of loans outstanding to students of the College under this program as of June 30, 2015. The College is only responsible for the performance of certain administrative duties and, accordingly, these loans are not included in the College's financial statements.

Note 3 - **Federal Perkins Loan Program**

During the year ended June 30, 2015, \$507,409 in loans was advanced under the Federal Perkins Loan Program. As of June 30, 2015, loan balances receivable under the Federal Perkins Loan Program was \$4,903,573.

# **COMMUNITY COLLEGE OF RHODE ISLAND**

**(a Component Unit of the State of Rhode Island and  
Providence Plantations)**

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**INDEPENDENT AUDITORS' REPORTS AS  
REQUIRED BY OFFICE OF MANAGEMENT AND  
BUDGET (OMB) CIRCULAR A-133 AND  
*GOVERNMENT AUDITING STANDARDS* AND  
RELATED INFORMATION**

**JUNE 30, 2015**

**COMMUNITY COLLEGE OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Independent Auditors' Reports as Required by Office of Management and  
Budget (OMB) Circular A-133 and *Government Auditing Standards* and  
Related Information**

**June 30, 2015**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133**

The Board of Education  
State of Rhode Island and Providence Plantations  
Providence, Rhode Island

**Report on Compliance for Each Major Federal Program**

We have audited the Community College of Rhode Island's (a component unit of the State of Rhode Island and Providence Plantations) (the "Community College") 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 the Community College's major Federal programs for the year ended June 30, 2015. Community College of Rhode Island's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of current year findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Community College of Rhode Island's major Federal programs based on our audit of the types of compliance requirements referred to above. 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 the Community College of Rhode Island'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 on compliance for each major Federal program. However, our audit does not provide a legal determination of Community College of Rhode Island's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Community College of Rhode Island complied, in all material respects, with the types of 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, 2015.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of current year findings and questioned costs as Finding 2015-001. Our opinion on each major Federal program is not modified with respect to this matter.

Community College of Rhode Island's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Community College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

Management of Community College of Rhode Island is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Community College of Rhode Island's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program 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 Community College of Rhode Island'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. *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.

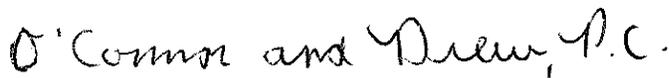
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of current year findings and questioned costs as Finding 2015-001, which we consider to be a significant deficiency.

Community College of Rhode Island's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of current year findings and questioned costs. The Community College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the Community College of Rhode Island as of and for the year ended June 30, 2015 and have issued our report thereon dated September 30, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed 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 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 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 basic 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



**Certified Public Accountants  
Braintree, Massachusetts**

November 30, 2015

(except for the Schedule of Expenditures of Federal Awards, for which the date is September 30, 2015)



**INDEPENDENT AUDITORS' 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***

The Board of Education  
State of Rhode Island and Providence Plantations  
Providence, Rhode Island

We have audited, 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, the financial statements of the Community College of Rhode Island (the "Community College"), which comprise the statements of net position as of June 30, 2015 and 2014, the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Community College of Rhode Island's basic financial statements and have issued our report thereon dated September 30, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Community College of Rhode Island's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of the Community College's internal control.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Community College of Rhode Island's financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*O'Connor and Drew, P.C.*

**Certified Public Accountants  
Braintree, Massachusetts**

November 30, 2015

**COMMUNITY COLLEGE OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Current Year Findings and Questioned Costs**

**June 30, 2015**

**Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

**COMMUNITY COLLEGE OF RHODE ISLAND**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Current Year Findings and Questioned Costs - Continued**

**June 30, 2015**

Major programs of Community College of Rhode Island include:

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>
Student Financial Assistance Cluster:	
U.S. Department of Education:	
Federal Supplemental Education Opportunity Grant Program	84.007
Federal Work Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans (Note 2)	84.268

The dollar threshold to distinguish between Type A and Type B programs is \$13,500,000.

The Office of Management and Budget (OMB) has minimum requirements for a recipient of Federal funds to be considered a low-risk auditee. The Community College does not qualify as a low-risk auditee because of prior year audit findings.

**COMMUNITY COLLEGE OF RHODE ISLAND**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Current Year Findings and Questioned Costs - Continued**

**June 30, 2015**

**Finding number:** 2015-001  
**Federal agency:** U.S. Department of Education  
**Program:** Federal Direct Student Loans  
**CFDA #:** 84.268  
**Award year:** 2015

***Condition***

One of the underlying assertions regarding the student status reports is the timely reporting of the information as it relates to the student's effective status.

Our testing revealed 5 of 29 students tested did not have the proper effective status reported timely. The reporting of these status changes occurred between 19 to 87 days after the due date.

***Criteria***

According to 34 C.F.R. Section 685.309(b)(2)

As institution shall, unless it expects to submit its next Enrollment Reporting Roster File to the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days if the institution discovers a Direct Subsidized, Direct Unsubsidized, or Direct Plus loan has been made to a student who enrolled at the institution and has ceased to be enrolled on at least a half-time basis.

***Cause/Effect***

Our audit disclosed that, although the Community College of Rhode Island had policies and procedures for transmitting information to the National Student Clearinghouse (NSC) on at least a monthly basis to ensure reporting of all students is done in a timely manner, there were some instances in which the Community College failed to correct enrollment files within an adequate time frame to ensure timely reporting.

***Recommendation***

We recommend that the Community College review and update its policies and procedures for transmitting information to the National Student Clearinghouse on enrollment changes.

**COMMUNITY COLLEGE OF RHODE ISLAND**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Current Year Findings and Questioned Costs - Continued**

**June 30, 2015**

***Questioned Costs***

None

***Views of Responsible Officials***

All previous enrollment reporting submissions to Clearinghouse were done on time and correct. Changes to the reporting program were made during fall 2014 to be compliant with new federal regulations. The final submission, enrollment update for the fall 2014 semester was sent on December 29, 2014. This file rejected. On January 5, 2015 the College received a reject file with 5,000 edits (student records). Correspondence between CCRI, Clearinghouse and NSLDS began. Settings within the enrollment reporting system (Banner) needed to be changed to pull the information now required for submission. As adjustments were made, CCRI continued to submit the file to Clearinghouse to rectify the issue. All subsequent transmittals were rejected with the same results as first submission.

After unsuccessful attempts, IT submitted a ticket to Ellucian (Banner) on February 4, 2015. While working with Ellucian consultants, the College continued submitting enrollment files without success. Ellucian continued researching the reporting reject issues and tested any recommended solutions. File was successfully submitted on February 23, 2015 and the ticket with Ellucian was closed.

The rejected file submission in December directly affected all future enrollment reporting until a resolution was reached. The Fall graduate file was successfully submitted on February 25, 2015 and the first spring 2015 enrollment file was submitted on February 26, 2015. All subsequent submissions were successfully submitted in compliance with federal guidelines.

***Contact Person***

Joel Friedman  
Director of Financial Aid

**COMMUNITY COLLEGE OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Prior Year Findings and Questioned Costs**

**June 30, 2015**

<b>Finding number:</b>	2014-001
<b>Federal agency:</b>	U.S. Department of Education
<b>Program:</b>	Federal Direct Student Loans
<b>CFDA #:</b>	84.268
<b>Award year:</b>	2014

One of the underlying assertions regarding the student status reports is the accuracy of the information as it relates to the student's effective status.

Our fiscal year 2014 testing revealed three students did not have the proper effective status reported to the National Student Clearinghouse.

***Auditors' Current Year Comment***

Our prior year recommendation was implemented. Our current year testing revealed no findings in this area.

**COMMUNITY COLLEGE OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards**

**For the Year Ended June 30, 2015**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<i>U.S. Department of Education:</i>		
Direct Programs:		
<i>Student Financial Assistance Cluster</i>		
Federal Supplemental Educational Opportunity Grants	84.007	\$ 439,125
Federal Work Study Programs	84.033	478,706
Federal Pell Grant Program	84.063	27,739,446
Federal Direct Student Loans (Note 2)	84.268	<u>16,600,499</u>
Total Student Financial Assistance Cluster		<u>45,257,776</u>
<i>Trio Cluster</i>		
TRIO - Student Support Services	84.042	537,854
TRIO - Talent Search	84.044	458,463
TRIO - Education Opportunity Center	84.066	<u>610,497</u>
Total Trio Cluster		<u>1,606,814</u>
Total Direct Programs		<u>46,864,590</u>
Passed through:		
<i>Rhode Island Department of Education</i>		
Adult Skills Training	84.048A	120,872
Science, Technology, Engineering and Math	84.048	<u>267,073</u>
Total Passed Through Rhode Island Department of Education		<u>387,945</u>
Passed through:		
<i>Rhode Island Department of Human Services</i>		
Race to the Top-Early Learning Challenge	84.412	501,608
<i>Other Sources</i>		
College Access Challenge Grant Program	84.378	<u>370,945</u>
Total Passed Through Programs		<u>1,260,498</u>
Total U.S. Department of Education		<u>48,125,088</u>
<i>U.S. Department of Health and Human Services</i>		
Passed Through:		
<i>Rhode Island Department of Human Services</i>		
Temporary Assistance for Needy Families	93.558	396,462
Child Care and Development Grant	93.575	<u>166,203</u>
Total U.S. Department of Health and Human Services		<u>562,665</u>

**COMMUNITY COLLEGE OF RHODE ISLAND**  
(a Component Unit of the State of Rhode Island and Providence Plantations)

**Schedule of Expenditures of Federal Awards**

**For the Year Ended June 30, 2015**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b><i>U.S. Department of Labor</i></b>		
Direct Program:		
Trade Adjustment Assistance Community College and Career Training Grant	17.282	\$ 656,037
Trade Adjustment Assistance Community College and Career Training Grant	17.282	<u>321,748</u>
Total Direct Program		<u>977,785</u>
Passed Through:		
<i>Rhode Island Department of Labor &amp; Training</i>		
Trade Adjustment Assistance	17.245	<u>12,000</u>
Total U.S. Department of Labor		<u>989,785</u>
<b><i>U.S. Department of Energy</i></b>		
Direct Program:		
Electrical Power Technician Program	81.122	<u>33,594</u>
Total U.S. Department of Energy		<u>33,594</u>
<b><i>National Science Foundation</i></b>		
Direct Program:		
Education and Human Resources - Geology Textbook Evaluation	47.076	<u>59,602</u>
Passed Through:		
<i>University of Rhode Island</i>		
Office of Experimental Program to Stimulate Competitive Research	47.081	<u>129,219</u>
Total National Science Foundation		<u>188,821</u>
Total Expenditures of Federal Awards		<u>\$ 49,899,953</u>

*See accompanying notes to the schedule of expenditures of Federal awards.*

**COMMUNITY COLLEGE OF RHODE ISLAND**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Notes to the Schedule of Expenditures of Federal Awards**

**June 30, 2015**

Note 1 - **Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (the "Schedule") includes the Federal grant activities of the Community College of Rhode Island (the "Community College") (a component unit of the State of Rhode Island and Providence Plantations) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

For purposes of the Schedule, Federal awards include all grants, contracts and similar agreements entered into directly between the Community College, agencies, departments of the Federal Government, and all sub-awards to the Community College by non-federal organizations pursuant to Federal grants, contracts, and similar agreements.

Note 2 - **Federal Direct Student Loans Program**

The Community College disbursed \$16,600,499 of loans under the Federal Direct Student Loans program, which includes Stafford Subsidized and Unsubsidized Loans and Parents' Loans for Undergraduate Students. It is not practical to determine the balances of loans outstanding to students of the Community College under this program as of June 30, 2015. The Community College is only responsible for the performance of certain administrative duties and, accordingly, these loans are not included in the Community College's financial statements.