

Washtenaw Community College

Federal Awards  
Supplemental Information

*Year Ended June 30, 2023*

Washtenaw Community College

Federal Awards  
Supplemental Information

Year Ended June 30, 2023

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Independent Auditor's 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*

Board of Trustees  
Washtenaw Community College  
Ann Arbor, Michigan

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 Washtenaw Community College (College) and its discretely presented component unit, Washtenaw Community College Foundation (Foundation), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 14, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College'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.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

*Andrews Hooper Pavlik PLC*

Saginaw, Michigan  
September 14, 2023

Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Trustees  
Washtenaw Community College  
Ann Arbor, Michigan

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

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

We have audited Washtenaw Community College's (College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Washtenaw Community College and its discretely presented component unit, Washtenaw Community College Foundation (Foundation), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated September 14, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Andrews Hooper Paulik PLC*

Saginaw, Michigan  
September 14, 2023

# Washtenaw Community College

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Agency/Pass-Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Project/Grant Number	Federal Expenditures
<b>Major Programs</b>			
U.S. Department of Education:			
Student Financial Assistance Cluster - Direct Program:			
Federal Direct Student Loan Program	84.268	P268K230244	\$ 14,503,576
Federal Pell Grant Program	84.063	P063P220244	12,660,189
Federal Pell Grant Allowance	84.063	P063Q220244	16,775
Federal Pell Grant Allowance	84.063	P063Q210244	1,905
Federal Pell Grant Allowance	84.063	P063Q200244	10
Federal Work-Study Program	84.033	P033A222100	152,218
Federal Supplemental Educational Opportunity Grants Program	84.007	P007A222100	352,720
Federal Supplemental Educational Opportunity Grants Program	84.007	P007A212100	5,223
Total Student Financial Assistance Cluster			27,692,616
Vocational Education Basic Grants:			
(passed through the Michigan Department of Labor & Economics)			
Vocational Education Administration	84.048A	V048A220022	9,200
Vocational Education Local Annual	84.048A	2221-27-V048A210022	(66,483)
Vocational Education Local Annual	84.048A	V048A220022	793,306
Total Vocational Education Basic Grants			736,023
Total Major Programs			28,428,639
<b>Other Federal Awards</b>			
U.S. Department of Health & Human Services:			
Temporary Assistance for Needy Families (TANF) Cluster:			
(passed through the Michigan Works! Southeast Consortium)			
SBDC - Business Services Path	93.558	22-01-Spec. Business	22,333
(passed through the State of Michigan)			
Federal Fostering Futures	93.558	2301MITANF	18,709
Total Temporary Assistance for Needy Families (TANF) Cluster			41,042
Total U.S. Department of Health & Human Services			41,042
U.S. Department of Education:			
COVID-19 Higher Education Emergency Relief Funds (HEERF) - Direct Program:			
Student	84.425E	P425E201730 - 20B	24,086
Institutional	84.425F	P425F201306 - 20B	28,102
Total COVID-19 Higher Education Emergency Relief Funds			52,188
Title III - Program for Academic Success PASS - Alpha Scholars - Direct Program			
	84.031A	P031A200134	341,455
(passed through the University of Michigan)			
East Asia National Resource Center	84.015	P015A220026-SUBK00017145	18,362
(passed through Michigan Department of Education)			
Workforce Innovation Opportunity Act Title II Adult Education Family Literacy Act	84.002	V002A210023	243,759
(passed through the Michigan Works! Southeast Consortium)			
WIA Title II Adult Education State Grant Program	84.002A	22-01-Spec. Business	193
Total U.S. Department of Education			655,957
U.S. Small Business Administration:			
(passed through Grand Valley State University)			
Michigan Small Business Development Center - 2023	59.037	SBAOEDSB230049-01-01	62,783
Michigan Small Business Development Center - 2022	59.037	SBAHQ20B0049	293,766
Total U.S. Small Business Administration			356,549

*See Notes to Schedule of Expenditures of Federal Awards.*



# Washtenaw Community College

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Agency/Pass-Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Project/Grant Number	Federal Expenditures
<u>Other Federal Awards (continued)</u>			
U.S. National Science Foundation:			
(passed through the University of Michigan)			
LSAMP with University of Michigan - Phase 4	47.076	2109942-SUBK00014601	\$ 38,403
(passed through the Michigan State University)			
S-STEM with Michigan State University	47.076	1742381-RC107563WCC	200,653
Prospect S-STEM with Michigan State University	47.076	2138058-RC113664WCC	8,000
Total U.S. National Science Foundation			247,056
American Rescue Plan:			
(passed through Washtenaw County)			
2022 Priority Funding - Washtenaw County	21.027	SLFRP0226	20,208
Total American Rescue Plan			20,208
U.S. Department of Transportation:			
(passed through the University of Michigan)			
CCAT with University of Michigan	20.701	69A3551747105-3004352859	82,494
(passed through the Michigan Department of State)			
Highway Safety Cluster:			
Motorcycle Safety 2023	20.616	MC-23-01	3,541
Motorcycle Safety 2022	20.616	MC-22-01	4,831
Total Highway Safety Cluster			8,372
Total U.S. Department of Transportation			90,866
U.S. Department of Labor:			
(passed through the Southeast Michigan Community Alliance)			
ABA Apprenticeships Building America	17.285	AP-38901-22-60-A-26	6,673
Workforce Innovation Opportunity Act (WIOA) Cluster:			
(passed through the Michigan Works! Southeast Consortium)			
SBDC Business Services WIOA Dislocated Worker	17.278	22-01- Spec. Business	10,154
SBDC Business Services WIOA Youth	17.259	22-01- Spec. Business	18,640
SBDC Business Services WIOA Adult	17.258	22-01- Spec. Business	18,427
(passed through Southeast Michigan Community Alliance)			
EV Jobs Academy - SEMA/WIN	17.unknown	MSC 221030-CV	33,301
Total Workforce Innovation Opportunity Act (WIOA) Cluster			80,522
(passed through Oakland Community College)			
Closing the Skills Gap	17.268	HG-34346-20-60-A-26	33,765
(passed through the Southeast Michigan Community Alliance)			
H1B Infinity	17.268	HG-35907-21-60-A-26	52,440
(passed through the Michigan Works! Southeast Consortium)			
SBDC Business Services Closing Skills Gap	17.268	22-01- Spec. Business	251
Employment Services Cluster:			
(passed through the Michigan Works! Southeast Consortium)			
SBDC Business Services Wagner Psyer	17.207	22-01- Spec. Business	17,723
Total U.S. Department of Labor			191,374
Total Other Federal Awards			1,603,052
Total Expenditures of Federal Awards			\$ 30,031,691

*See Notes to Schedule of Expenditures of Federal Awards.*

# Washtenaw Community College

## Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

### **Note 1. Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards (schedule) includes the federal grant activity of the Washtenaw Community College (College) under programs of the federal government for the fiscal year ended June 30, 2023. Expenditures reported on the schedule are reported on the same basis of accounting as the financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of the Uniform Guidance. In addition, expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented, or used, in the preparation of the financial statements.

Because the schedule presents only a selected portion of the operations of Washtenaw Community College, it is not intended to, and does not present the financial position, changes in net position, or cash flows, of Washtenaw Community College.

The College's reporting entity is defined in Note 1 to the College's financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

### **Note 2. Other Adjustments**

During the fiscal year ended June 30, 2023, the College carried back \$8,474 from the 2022-2023 Federal Work Study Program (84.033) to the 2021-2022 award year. The College transferred \$68,750 of the 2022-2023 Federal Work Study Program to the Supplemental Educational Opportunity Grant (84.007), which it expended in the 2022-2023 award year. The College carried back \$31,784 of the 2022-2023 Supplemental Education Opportunity Grant to the 2021-2022 Supplemental Education Opportunity Grant. The 2023-2024 Supplemental Opportunity Grant provided \$17,228 to the 2022-2023 Supplemental Educational Opportunity Grant award year.

### **Note 3. Indirect Cost Allocation**

For purposes of charging indirect costs to federal awards, the College has elected not to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

Washtenaw Community College

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness identified?	<u>          </u> Yes	<u>  X  </u> No	
Significant deficiency identified not considered to be material weakness?	<u>          </u> Yes	<u>  X  </u> None reported	
Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>  X  </u> No	

**Federal Awards**

Internal control over major programs:			
Material weakness identified?	<u>          </u> Yes	<u>  X  </u> No	
Significant deficiency identified not considered to be material weakness?	<u>          </u> Yes	<u>  X  </u> None reported	
Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	<u>          </u> Yes	<u>  X  </u> No	

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Cluster and Federal Programs</u>
	Student Financial Aid:
84.268	Federal Direct Student Loan Program
84.063	Pell Grant Program
84.033	Federal Work-Study Program
84.007	Supplemental Educational Opportunity Grants Program
84.048A	Vocational Education Basic Grants

Dollar threshold used to distinguish between Type A and Type B programs:	<u>          \$750,000          </u>
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes <u>          </u> No

Washtenaw Community College

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Washtenaw Community College  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2023

No matters were reported.