

Washtenaw Community College

Federal Awards  
Supplemental Information

*Year Ended June 30, 2022*

Washtenaw Community College

Federal Awards  
Supplemental Information

Year Ended June 30, 2022

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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 unity Washtenaw College Foundation (Foundation), as of and for the year ended June 30, 2022, 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, 2022.

**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) 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 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 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.

*Andrews Hooper Pavlik PLC*

Saginaw, Michigan  
September 14, 2022

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, 2022. 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, 2022.

***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 unity Washtenaw Community College Foundation (Foundation), as of and for the year ended June 30, 2022, 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, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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, 2022

# Washtenaw Community College

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

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:			
COVID-19 Higher Education Emergency Relief Funds (HEERF) - Direct Program:			
Student	84.425E	P425E201730-20B	\$ 7,972,251
Institutional	84.425F	P425F201306-20A	9,526
Institutional	84.425F	P425F201306-20B	7,581,721
Strengthening Institutions Program	84.425M	P425M201008-20B	915,128
Total COVID-19 Higher Education Emergency Relief Funds			16,478,626
Total Major Programs			16,478,626
<b>Other Federal Awards</b>			
U.S. Department of Health & Human Services:			
(passed through the Southeast Michigan Consortium)			
SBDC - Business Services Families Forward	93.563	WIOA 20-05 SBDC Bus	543
Temporary Assistance for Needy Families (TANF) Cluster:			
(passed through the Southeast Michigan Consortium)			
SBDC - Business Services Path	93.558	WIOA 20-05 SBDC Bus	24,019
(passed through the State of Michigan)			
Federal Fostering Futures	93.558	1386000134C4	11,916
Total Temporary Assistance for Needy Families (TANF) Cluster			35,935
Total U.S. Department of Health & Human Services			36,478
U.S. Department of Education:			
Student Financial Assistance Cluster - Direct Program:			
Federal Direct Student Loan Program	84.268	P268K220244	12,364,419
Federal Pell Grant Program	84.063	P063P210244	12,107,160
Federal Pell Grant Allowance	84.063	P063Q210244	17,545
Federal Pell Grant Allowance	84.063	P063Q200244	2,455
Federal Pell Grant Allowance	84.063	P063Q190244	15
Federal Work-Study Program	84.033	P033A212100	89,327
Federal Work-Study Program	84.033	P033A222100	8,474
Federal Work-Study Program	84.033	P033A202100	364
Federal Supplemental Educational Opportunity Grants Program	84.007	P007A212100	480,828
Federal Supplemental Educational Opportunity Grants Program	84.007	P007A222100	26,561
Federal Supplemental Educational Opportunity Grants Program	84.007	P007A202100	17,959
Total Student Financial Assistance Cluster			25,115,107
Vocational Education Basic Grants:			
(passed through the Michigan Department of Education)			
Vocational Education Administration	84.048A	V048A210022	9,200
Vocational Education Local Annual	84.048A	V048A210022	737,081
Total Vocational Education Basic Grants			746,281
Title III - Program for Academic Success PASS - Alpha Scholars - Direct Program			
	84.031A	P031A200134	426,120
(passed through the University of Michigan)			
East Asia National Resource Center	84.015A	P015B180114-SUBK00009713	20,216
(passed through the Michigan Strategic Fund - Workforce Development)			
WIA Title II Adult Education State Grant Program	84.002A	211130-211437	239,419
(passed through the Southeast Michigan Consortium)			
WIA Title II Adult Education State Grant Program	84.002A	WIOA 20-05 SBDC Bus	2,146
Total WIA Title II Adult Education State Grant Program			241,565
Total U.S. Department of Education			26,549,289

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



Washtenaw Community College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

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. Small Business Administration:			
(passed through Grand Valley State University)			
Michigan Small Business Development Center - 2022	59.037	SBAHQ20B0049	\$ 46,711
Michigan Small Business Development Center - 2021	59.037	SBAHQ21B0057	328,508
Total U.S. Small Business Administration			<u>375,219</u>
U.S. National Science Foundation:			
(passed through the University of Michigan)			
LSAMP with University of Michigan	47.076	1619681-3004280412	27,678
LSAMP with University of Michigan - Phase 4	47.076	2109942-SUBK00014601	24,862
(passed through the Michigan State University)			
S-STEM with Michigan State University	47.076	1742381-RC107563WCC	256,647
Total U.S. National Science Foundation			<u>309,187</u>
U.S. Department of Transportation:			
(passed through the Michigan Department of State)			
Highway Safety Cluster:			
Motorcycle Safety 2022	20.616	MC-22-01	3,580
Motorcycle Safety 2021	20.616	MC-21-01	4,494
Total Highway Safety Cluster			<u>8,074</u>
(passed through the University of Michigan)			
CCAT with University of Michigan	20.701	69A3551747105-3004352859	109,632
Total U.S. Department of Transportation			<u>117,706</u>
U.S. Department of Labor:			
(passed through the Southeast Michigan Consortium)			
SBDC Business Services PY18 Apprentice State Expansion	17.285	WIOA 20-05 SBDC Bus	3,000
Workforce Innovation Opportunity Act (WIOA) Cluster:			
SBDC Business Services WIOA Dislocated Worker	17.278	WIOA 20-05 SBDC Bus	11,266
SBDC Business Services WIOA Youth	17.259	WIOA 20-05 SBDC Bus	12,259
SBDC Business Services WIOA Adult	17.258	WIOA 20-05 SBDC Bus	8,081
SBDC Business Services Admin	17.unknown	WIOA 20-05 SBDC Bus	35
SBDC Business Services SWA	17.unknown	WIOA 20-05 SBDC Bus	4,211
Total Workforce Innovation Opportunity Act (WIOA) Cluster			<u>35,852</u>
SBDC Business Services Trade	17.245	WIOA 20-05 SBDC Bus	1,906
(passed through Southeast Michigan Community Alliance)			
H1B Infinity	17.268	HG-35907-21-60-A-26	23,793
(passed through Oakland Community College)			
Closing the Skills Gap	17.268	HG-34346-20-60-A-26	61,469
Employment Services Cluster:			
(passed through the Southeast Michigan Consortium)			
SBDC Business Services Employment Services	17.207	WIOA 20-05 SBDC Bus	9,674
SBDC Business Services AY19 Clean Slate	17.207	WIOA 20-05 SBDC Bus	544
Total Employment Services Cluster			<u>10,218</u>
Total U.S. Department of Labor			<u>136,238</u>
U.S. Department of Agriculture:			
(passed through the Southeast Michigan Consortium)			
Supplemental Nutrition Assistance Program (SNAP) Cluster:			
SBDC Business Services Food Assistance Employment and Training	10.561	WIOA 20-05 SBDC Bus	705
Total U.S. Department of Agriculture			<u>705</u>
Total Other Federal Awards			<u>27,524,822</u>
Total Expenditures of Federal Awards			<u>\$ 44,003,448</u>

See Notes to Schedule of Expenditures of Federal Awards.

# Washtenaw Community College

## Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

### **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, 2022. 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, 2022, the College carried forward \$364 from the 2020-2021 Federal Work Study Program (84.033) to the 2021-2022 award year. The College transferred \$185,492 of the 2021-2022 Federal Work Study Program to the Supplemental Educational Opportunity Grant (84.007), which it expended in the 2021-2022 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, 2022

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>
	COVID-19 Higher Education Emergency Relief Funds (HEERF):
84.425E	Student
84.425F	Institutional
84.425M	Strengthening Institutions Program

Dollar threshold used to distinguish between Type A and Type B programs:	<u>          \$1,320,103          </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, 2022

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, 2022

No matters were reported.