

October 8, 2024

Board of Directors
Washtenaw Technical Middle College
Ann Arbor, Michigan

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Washtenaw Technical Middle College for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Washtenaw Technical Middle College are described in Note 1 to the financial statements. We noted no transactions entered into by Washtenaw Technical Middle College during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Washtenaw Technical Middle College's financial statements was:

Management's estimate of the net pension liability and net OPEB liability are based on the actuarial valuation performed by Gabriel, Roeder, Smith & Company (GRS) and the pension and OPEB reports published by the Michigan Office of Retirement Services on behalf of the Michigan Public School Employees' Retirement System (MPERS). We evaluated the key factors and assumptions used to develop the net pension and OPEB liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

The disclosure of pension and OPEB activity in Note 6 and 7 as well as in the required supplementary information (RSI) to the financial statements. The information for these disclosures is based on the actuarial valuation performed by Gabriel, Roeder, Smith & Company (GRS) and the pension and OPEB reports published by the Michigan Office of Retirement Services on behalf of the Michigan Public School Employees' Retirement System (MPSERS).

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements. The schedule below summarizes the proposed audit adjustments that were corrected by management and has been included in the financial statements.

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
4603				
To reclass WCC from 4190 to 3130				
11-1259-3130-000-0000-0000-0000	Pupil Services		17,500.00	
11-1259-4190-000-0000-08483-0000	Other Repairs and Maintenance			17,500.00
Total			<u>17,500.00</u>	<u>17,500.00</u>
Adjusting Journal Entries JE # 2				
4603				
To correct asset addition and depreciation FY24				
91-2241	Equipment and Furniture		8,804.00	
91-1113-6410-000-0000-08483-0000	New Equipment and Furniture - Depreciable			8,804.00
Total			<u>8,804.00</u>	<u>8,804.00</u>

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Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 3		4304		
to adjust maturity interest for CD				
11-2181-0000	Investments		18,266.00	
11-0151-0000-000-0000-00000-0000	Earnings on Investments and Deposits			18,266.00
Total			18,266.00	18,266.00
Adjusting Journal Entries JE # 4		4304		
To adjust maturity on CDs				
11-2181-0000	Investments		38,922.00	
11-0151-0000-000-0000-00000-0000	Earnings on Investments and Deposits			38,922.00
Total			38,922.00	38,922.00
Adjusting Journal Entries JE # 5		5202		
To adjust accrued benefits due to overaccrual				
11-2461-3000	Accrued Benefits Expense		21,799.00	
11-2461-3000	Accrued Benefits Expense		2,548.00	
11-1113-2110-000-0000-08483-0000	Group Life			435.00
11-1113-2120-000-0000-08483-0000	Group Disability			1,849.00
11-1113-2130-000-0000-08483-0000	Group Health and Accident			17,616.00
11-1113-2140-000-0000-08483-0000	Dental Health Care			1,485.00
11-1113-2150-000-0000-08483-0000	Vision Care			133.00
11-1216-2110-041-0000-08483-0000	Group Life			19.00
11-1216-2120-041-0000-08483-0000	Group Disability			74.00
11-1216-2130-041-0000-08483-0000	Group Health and Accident			458.00
11-1216-2140-041-0000-08483-0000	Dental Health Care			50.00
11-1216-2150-041-0000-08483-0000	Vision Care			5.00
11-1218-2110-063-2020-08483-0000	Group Life -SPED			19.00
11-1218-2120-063-2020-08483-0000	Group Disability -SPED			83.00
11-1218-2150-063-2020-08483-0000	Vision Care -SPED			16.00
11-1241-2110-000-0000-08483-0000	Group Life			19.00
11-1241-2120-000-0000-08483-0000	Group Disability			50.00
11-1241-2130-000-0000-08483-0000	Group Health and Accident			1,816.00
11-1241-2140-000-0000-08483-0000	Dental Health Care			206.00
11-1241-2150-000-0000-08483-0000	Vision Care			14.00
Total			24,347.00	24,347.00
Total Adjusting Journal Entries			107,839.00	107,839.00
Total All Journal Entries			107,839.00	107,839.00

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Washtenaw Technical Middle College's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Washtenaw Technical Middle College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. Internal control issues and deficiencies should be brought to the attention of the Board of Directors. Please see the separate management letter that was prepared for our summary of internal control issues and recommendations.

During our audit procedures we noted that the investment account balance in the general ledger did not tie to the value per the investment statement at June 30, 2024. The balance was adjusted via audit adjusting entries.

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Other Matters

We applied certain limited procedures to the management's discussion and analysis and the required supplementary information (RSI), as identified in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information (OSI), as identified in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Washtenaw Technical Middle College and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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