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Independent Auditor’s Report

To the Board of Trustees
Schoolcraft College

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Schoolcraft College 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 October 11, 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. We have not performed any procedures with respect to the audited financial statements subsequent to October 11, 2023.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

October 11, 2023
Independent Auditor's Report

To Management and the Board of Trustees
Schoolcraft College

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 business-type activities and the aggregate discretely presented component units of Schoolcraft College (the "College") 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 October 11, 2023. The financial statements of the discretely presented component units were not audited in accordance with Government Auditing Standards.

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 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 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 or significant deficiencies 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 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 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.
To Management and the Board of Trustees
Schoolcraft College

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.

October 11, 2023
Independent Auditor’s Report

To the Board of Trustees
Schoolcraft College

Report on Compliance for the Major Federal Programs

Opinion on Each Major Federal Program

We have audited Schoolcraft College’s (the “College”) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (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 compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the “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.
To the Board of Trustees
Schoolcraft College

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 GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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.
To the Board of Trustees
Schoolcraft College

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.

October 11, 2023
### Schedule of Expenditures of Federal Awards

#### Year Ended June 30, 2023

**Clusters:**

**Student Financial Assistance Cluster - U.S. Department of Education:**

<table>
<thead>
<tr>
<th>Assistance</th>
<th>College Grant Number</th>
<th>Total Amount Provided to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Pell Grant Program</td>
<td>45-5658</td>
<td>$9,247,545</td>
</tr>
<tr>
<td>Federal Supplemental Educational Opportunity Grants</td>
<td>45-5653</td>
<td>$238,330</td>
</tr>
<tr>
<td>Federal Work-Study Program</td>
<td>45-5655</td>
<td>$50,225</td>
</tr>
<tr>
<td>Federal Direct Student Loans</td>
<td>45-5662</td>
<td>$4,493,989</td>
</tr>
</tbody>
</table>

**Highway Safety Cluster - U.S. Department of Transportation:**

**Motorcycle Safety Training 2023 - Passed through the State of Michigan Department of State**

<table>
<thead>
<tr>
<th>Listing Number</th>
<th>Other Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.063</td>
<td>P063P201652</td>
<td>$9,247,545</td>
</tr>
<tr>
<td>84.033</td>
<td>P033A202073</td>
<td>$238,330</td>
</tr>
<tr>
<td>84.268</td>
<td>P268K211652</td>
<td>$50,225</td>
</tr>
</tbody>
</table>

**Total Student Financial Assistance Cluster**

- $14,030,089

**Highway Safety Cluster**

- $61,296

**Other federal awards:**


<table>
<thead>
<tr>
<th>Listing Number</th>
<th>Other Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.425E</td>
<td>P425E201734</td>
<td>$2,878,593</td>
</tr>
</tbody>
</table>

**Total Education Stabilization Fund**

- $2,878,593

- **U.S. Department of Education - Passed through the State of Michigan Department of Education - Vocational Education - Basic Grants to States**

<table>
<thead>
<tr>
<th>Listing Number</th>
<th>Other Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.048</td>
<td>223510-222125</td>
<td>$782,158</td>
</tr>
</tbody>
</table>

- **U.S. Department of Defense (Defense Logistics Agency) - Procurement Technical Assistance for Business Firms - Cost Sharing Cooperative Agreement - 2023**

<table>
<thead>
<tr>
<th>Listing Number</th>
<th>Other Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.002</td>
<td>SP4800-21-2-2118</td>
<td>$475,793</td>
</tr>
</tbody>
</table>

- **U.S. Small Business Administration - Passed through the Michigan Small Business Development Center:**

<table>
<thead>
<tr>
<th>Listing Number</th>
<th>Other Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>59.037</td>
<td>EMU</td>
<td>$22,348</td>
</tr>
</tbody>
</table>

- **Passed through the Workforce Intelligence Network - H-1B Job Training Grant - Apprenticeships: Closing the Skills Gap (CTISG)**

<table>
<thead>
<tr>
<th>Listing Number</th>
<th>Other Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.268</td>
<td>HG-35346-20-60-A-26</td>
<td>$40,218</td>
</tr>
</tbody>
</table>

**Total federal awards**

- $18,811,055

See notes to schedule of expenditures of federal awards.
Schoolcraft College

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Schoolcraft College (the "College") under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where available.

The College has elected not to use the 10 percent de minimis indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 - Adjustments and Transfers

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, in the year ended June 30, 2022, the College carried forward $19,541 of the 2021-2022 Federal Work-Study Program (84.033) award and $19,085 of the 2021-2022 Federal Supplemental Educational Opportunity Grants (84.007) award, which it spent in the 2022-2023 award year. In addition, in the year ended June 30, 2023, the College carried forward $18,665 of the 2022-2023 Federal Work-Study Program (84.033) award and $26,212 of the 2022-2023 Federal Supplemental Educational Opportunity Grants (84.007) award, which it intends to spend in the 2023-2024 award year.
Section I - Summary of Auditor's Results

Financial Statements
Type of auditor's report issued: Unmodified

Internal control over financial reporting:
- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported
- Noncompliance material to financial statements noted? Yes X None reported

Federal Awards
Internal control over major programs:
- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes X No

Identification of major programs:

<table>
<thead>
<tr>
<th>Assistance Listing Number</th>
<th>Name of Federal Program or Cluster</th>
<th>Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.063, 84.007, 84.033, 84.268</td>
<td>Student Financial Assistance Cluster</td>
<td>Unmodified</td>
</tr>
<tr>
<td>84.048</td>
<td>Vocational Education Grants</td>
<td>Unmodified</td>
</tr>
<tr>
<td>84.425E</td>
<td>COVID-19 - Higher Education Emergency Relief Fund</td>
<td>Unmodified</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between type A and type B programs: $750,000
Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Audit Findings

<table>
<thead>
<tr>
<th>Reference Number</th>
<th>Finding</th>
<th>Questioned Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

Section III - Federal Program Audit Findings

<table>
<thead>
<tr>
<th>Reference Number</th>
<th>Finding</th>
<th>Questioned Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year</td>
<td>None</td>
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</tr>
</tbody>
</table>