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(*) Indicates a roll-call item



BOARD OF TRUSTEES MEETING
Action & Information Report
Board Meeting Date: June 10, 2024

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANE?</i>
6.0 Items for Decision 6.3 Consideration of Millage Request* <u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL-08 Communication & Support to the Board
Executive Summary:
Below for the Board’s consideration is DRAFT language for a proposal to restore the millage rate for Jackson College to its original charter: <i>Shall the limitation on the amount of taxes which may be assessed against all property in Jackson College, Michigan, be increased by 0.2 mills (\$0.20 per \$1,000 of taxable valuation) for a period of 10 years, from 2024 to 2033, inclusive? This restoration of the previously authorized millage rate of 1.33 mills (reduced to 1.13 mills by required millage rollbacks) will provide funds for job training, job placement, apprenticeship training, and professional trades education programs. If approved and levied in full, this increase is estimated to raise approximately \$1,200,000 in the first year the millage is levied.</i> I recommend that this item be placed on the ballot for the November election; the deadline to file a proposal is August 13 th by 4:00P. This decision can be made at this meeting or as late as the August 12 th Board meeting.
Requested Board Action:
Consider the proposal to restore the millage rate for Jackson College.
Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: June 10, 2024



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

<p>Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANES?</i></p>
<p>7.0 Consent / Required Approval Agenda 7.1 FY'25 Audit and Assessment Engagement Letters*</p> <p><u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS – EL-05 Asset Protection</p>
<p>Description:</p>
<p>The enclosed letters will confirm the arrangement for Rehmann Robson to provide Jackson College (the “College”) services in connection with the following for the fiscal year ending June 30, 2025:</p> <ol style="list-style-type: none"> 1. The College’s Information Technology Audit and Assessment 2. The College’s Financial Audit and Assessment 3. The College Foundation’s Financial Audit and Assessment - <i>(The College Foundation approves this engagement letter. This is just FYI.)</i> <p>Rehmann Robson will correspond with John Globoker, the College’s Chief Financial Officer, periodically for the purpose of assisting in the development of an annual scope of procedures, which should be approved by the College’s management and the Audit Committee; this plan will then be executed by Rehmann Robson.</p> <p>.</p>
<p>Resource Impact:</p>
<p>None</p>
<p>Requested Board Action:</p>
<p>Approve the arrangement for Rehmann Robson to provide Jackson College (the “College”) audit and assessment services as outlined for the fiscal year ending June 30, 2025.</p>
<p>Action Taken:</p>



May 15, 2024

Mr. John Globoker
Jackson College
2111 Emmons Road
Jackson, MI 49201

This letter will confirm the arrangement for Rehmann Robson to provide Jackson College (the “College”) services in connection with the College’s Information Technology Audit and Assessment for the fiscal year ending June 30, 2025. We will correspond with John Globoker, the College’s Chief Financial Officer, periodically for the purpose of assisting in the development of an annual scope of procedures, which should be approved by the College’s management and the Audit Committee; this plan will then be executed by Rehmann Robson.

Scope of Services

We will apply the procedures, based upon the scope of the engagement as outlined in Appendix B to supporting documentation and existing internal policies and procedures of the College. As part of this engagement, we will not perform management functions, make management decisions, or act, or appear to act, in a capacity equivalent to that of an employee. You agree that the College will make all management decisions, designate a competent employee(s) to oversee the services, evaluate the adequacy and results of the services performed, and where appropriate, establish and maintain internal controls including ongoing monitoring activities. Our procedures will be coordinated through John Globoker, who is the designated management representative to oversee the services performed in this engagement. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our draft report or will not issue a report as a result of this engagement.

College’s Responsibilities

Management is responsible for any decisions that may be required to be made related to changes in the compliance process, internal controls, financial and regulatory reporting, IT systems, and other applicable processes affected. Any work that we perform is meant to supplement but not replace management’s role and responsibility.

Management has the responsibility to timely communicate weaknesses in its regulatory compliance program or similar matters to its the Audit Committee or the Board of Trustees.

Conflict of Interest

Rehmann assures that to the best of our knowledge there exists no conflict of interest between Rehmann, its business or financial interest and the services provided under this engagement. Should this situation change during the term of this engagement, Rehmann will immediately advise the College of such change.

We will document the results of the engagement in a formal report to be delivered to College management and its Audit Committee. As part of this engagement, we will not perform management functions, make management decisions or act, or appear to act, in a capacity equivalent to that of an employee.

We will perform services for the College based on present professional standards, laws and regulations. Management is responsible for identifying and ensuring that the College complies with applicable laws and regulations.





The scope of this engagement is listed in Appendix B and details the schedule of the fieldwork to be completed over the course of the engagement period.

Deliverables

Upon completion of our engagement, we will discuss preliminary findings with the College’s designated engagement liaison and other members of the College’s management, as deemed necessary. We will then prepare a written report formalizing our findings, comments, recommendations, and other items deemed worthy of management’s attention.

Fees

Our fees for this year’s engagement will be \$35,000, plus out of pocket expenses such as travel and a nominal allocation of our technology related overhead costs. This fee is based on anticipated cooperation from the College’s personnel and the assumption that unexpected circumstances will not be encountered during the performance of these procedures. Fees for additional projects or research time will first be discussed and then be billed to the College at an agreed-upon rate and amount of time to be spent on each project. In these circumstances, we may also issue a change order form (an attached example is provided at Appendix C).

This fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. Additionally, Rehmann personnel will be prepared to answer related questions via telephone, email or other means of correspondence. If a question requires significant research time on the part of our personnel, we will notify the College. Fees for additional projects or research time will be billed to the College at an agreed-upon rate and amount of time to be spent on each project, which may not occur prior to the time being incurred. Additional fees will be discussed and then be billed to the College at an agreed-upon rate and amount of time to be spent on each project. In these circumstances, we may also issue a change order form (an attached example is provided at Appendix C).

Agreement

This engagement letter and the attached Rehmann Services Engagement Letter Terms at Appendix A reflect the entire understanding between us relating to the services covered by this agreement. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreements of the College and Rehmann contained in this document shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included.

We appreciate the opportunity to work with you and your management team and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.





ACKNOWLEDGEMENT:

This letter correctly sets forth the understanding of *Jackson College*.

(Officer signature)

(Title)

(Date)



Appendix A

Rehmann Robson LLC Services Engagement Letter Terms

ADDITIONAL SERVICES - The College may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with management regarding the scope of the additional services and the estimated fees. We also may issue a change order form (an attached example is provided), or a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

CHANGES IN STANDARDS, LAWS AND REGULATIONS - We perform services for the College based on present professional standards, laws and regulations. While we may on occasion be able to communicate with College management with respect to changes in professional standards, laws and regulations, as a general principle we cannot undertake with clients to advise them of every change that may occur. College management can always obtain reassurance in this regard by contacting us for an updated review of the College's situation.

MANAGEMENT'S REPRESENTATIONS - The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. Accordingly, misleading, incomplete, or omitted representations could cause us to expend unnecessary efforts or could cause material error or a fraud to go undetected by our procedures. In addition, the College further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, that we may incur as a result of the services performed under this engagement in the event there are false or misleading representations made to us by any member of the College's management.

MANAGEMENT'S RESPONSIBILITIES - The College's management is responsible for establishing, designing and maintaining an effective internal control system, record keeping, management, decision-making and other customary management functions. An effective internal control system reduces the likelihood that errors or fraud will occur and remain undetected; however, it does not eliminate that possibility. Our work does not guarantee that errors or fraud will not occur and may not detect errors or fraud should they occur. The College's management shall be fully and solely responsible for applying independent business judgment with respect to the services and work product provided by us, to make implementation decisions, if any, and to determine further courses of action with respect to any matters addressed in any advice, recommendations, services, reports or other work product or deliverables to the College.

WORKPAPER DOCUMENTATION - All engagement information provided to and received by Rehmann in the course of this engagement will constitute confidential information of the College. Rehmann will protect this information with reasonable safeguards and procedures. All Rehmann personnel working on this engagement will be instructed to preserve the confidentiality of the engagement material. All confidential material provided to and received by Rehmann will be scanned and stored securely.

All confidential material in possession of Rehmann shall remain the sole property of the College. The College agrees to allow Rehmann to retain any necessary copies as may be required by law or regulation. Rehmann will not distribute confidential material to any third party without the College's prior consent.

Rehmann's work product is prepared solely for the internal use of the College's Audit Committee, management, and employees. As the workpapers are the property of Rehmann, access by any third party to the workpapers will be subject to the requirements of

Rehmann's standard policies for granting access to our workpapers, in addition to our prior approval of any other distribution or disclosure. We may be requested to make certain workpapers available to applicable state and federal regulatory agencies pursuant to authority given to them by law or regulation. Upon management signing of our required work paper release letter, we will provide them immediate and full access to our reports and work papers. If requested, access to such workpapers, will be provided under the supervision of Rehmann. Furthermore, upon request, we may provide photocopies of selected workpapers to applicable state and federal regulatory agencies. They may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

Notwithstanding anything contained herein to the contrary, if the College wishes to make reference to Rehmann or to disclose or disseminate in any manner any of Rehmann's work product or any portion thereof to a third party other than a regulatory agency, the College agrees to i) provide Rehmann with a draft of the proposed disclosure, ii) obtain Rehmann's written approval for inclusion of Rehmann name or work product in such disclosure before the disclosure is distributed, and iii) if requested by Rehmann, obtain from any specified entity or person and to provide to Rehmann a Non-Disclosure Agreement and/or Release in a form satisfactory to Rehmann in its sole discretion.

WORKSPACE - The College shall provide reasonable workspace for Rehmann personnel at the College, as well as occasional administrative support services. The College understands that Rehmann's performance is dependent on the College's timely and effective satisfaction of its own activities and responsibilities in connection with this engagement, as well as timely decisions and approvals by College personnel.

TIMELY DECISIONS AND APPROVALS - College management understands that Rehmann's performance is dependent on the College's timely and effective satisfaction of its own activities and responsibilities in connection with this engagement, as well as timely decisions and approvals by management.

ACCURACY AND COMPLETENESS OF INFORMATION - Management agrees to ensure that all information provided to us is accurate and complete in all material respects, contains no material omissions and is updated on a prompt and continuous basis. In addition, management will also be responsible for obtaining all third-party consents, if any, required to enable Rehmann to access and use any third-party products necessary to our performance.

E-MAIL - The College acknowledges that (a) Rehmann, the College and others, if any, participating in this engagement may correspond or convey documentation via Internet e-mail unless the College expressly requests otherwise, and (b) no party has control over the performance, reliability, availability, or security of Internet e-mail and (c) Rehmann shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond Rehmann's reasonable control.

OFFERS OF EMPLOYMENT - Neither party shall, during the term of this engagement letter and for one (1) year after its termination, solicit for hire as an employee, consultant or

Appendix A

Rehmann Robson LLC Services Engagement Letter Terms

otherwise, any of the other party's personnel without such other party's express written consent. If the College desires to offer employment to a Rehmann associate and the associate is hired in any capacity by the College, a market-driven compensation placement fee will apply.

ADDITIONAL FEES AND BILLING POLICIES - It must be understood that the nature of our engagement requires us to exercise our independent professional judgment with respect to various issues. In reaching our conclusions, we must retain the right to judge the nature and scope of the work required in order to conform to professional standards, as well as the work we deem necessary to enable us to reach the conclusions and form the opinions required of us. If our judgment as to the scope of the work required causes us to reassess our estimate of fees for this engagement, we will so advise the College. We reserve the right to refrain from performing additional work (and thereby incurring additional time charges) unless and until the College has confirmed its understanding of, and agreement to, any additional estimated charges.

Our fee estimate is based upon our discussions with management, in which management has disclosed no unusual problems or issues that would require us to expend time and effort in excess of that normally anticipated in an engagement of this type. The estimate also assumes that we will have the full cooperation of the College's personnel, as required, and that there is a reasonable continuity of the College's personnel familiar with the matters to which our engagement relates. In addition, our fee is based on the experience level of our personnel, at their respective standard hourly rates, performing certain audit procedures at certain timeframes. If we are caused to vary from that planning formula, additional fees will need to be charged to allow for more experienced personnel performing the work, reallocation of our client priority, overtime, etc. Further, management will provide us with the information and records that we request (which ordinarily are detailed in a request list in advance of our fieldwork) and all such information and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed upon. If the requested information and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will resume our work as soon as the information and records are provided to us and our professionals assigned to the engagement again become available.

In accordance with our Firm policies, work may be suspended if the College's account becomes 30 days or more overdue and will not be resumed until the account is paid in full or we have a definitive payment agreement approved by our Firm Administrator. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. The College will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through date of termination.

Our terms and conditions impose a late charge of 1 ½% per month, which is an annual percentage rate of 18%. Balances not paid within 30 days of the receipt of invoice are past due and a late charge of 1 ½% will be applied to the entire past due amount.

Rehmann now charges a 3% convenience fee on credit card payments.

MAXIMUM LIABILITY - The College agrees that our maximum liability to the College for any negligent errors or omissions committed by us in the performance of the engagement will be limited to the amount of our fees for this engagement, except to

the extent determined to result from our gross negligence or willful misconduct.

TERMINATION OF SERVICES - We reserve the right to suspend or terminate services for reasonable cause, such as failure to pay our invoices on a timely basis or failure to provide adequate information in response to our inquiries necessary for successful performance of our services. Our engagement will be deemed to be completed upon written notification of termination, even if we have not completed the procedures for which we were engaged. The College is obligated to compensate us for the time expended to that point and to reimburse us for all out-of-pocket expenditures through the date of termination.

We acknowledge the College's right to terminate our services at any time, and the College acknowledges our right to withdraw at any time, including, but not limited to, for example, instances where, in our judgment, (a) we can no longer rely on the integrity of management, or (b) management or the Audit Committee fails to reasonably support our efforts to perform the engagement in accordance with what we believe is necessary to comply with professional standards, subject in either case to our right to payment for charges incurred to the date of termination or resignation.

In the event that we determine to resign, and the College seeks damages allegedly resulting from such resignation, our maximum liability to the College in the event we are held liable because of such resignation shall be limited to the fees actually paid to us for current year work performed up to the date of resignation.

CLAIMS - Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, the Company agrees that, notwithstanding the statute of limitations of any particular State or U.S. Territory, any claim based on the audit engagement must be filed within 12 months after performance of our service, unless management has previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

INFORMAL ADVICE - As part of our engagement we may provide advice on operating, internal control over financial reporting and other matters that come to our attention. Informal advice is not considered to be a service unless we have entered into a separate engagement.

THIRD PARTY PROCEEDINGS - As a result of our prior or future services to the College, we might be requested to provide information or documents to management or a third party in a legal, administrative, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to the College as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with this request. For all requests, we will observe the confidentiality requirements of our profession and will notify management promptly of the request.

PROMOTIONAL MATERIALS - The College consents to Rehmann's use of your College name and a factual description of the services to be performed by Rehmann under this agreement in Rehmann's advertising and promotional materials and other proposal opportunities.

MEDIATION - If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services

Appendix A

Rehmann Robson LLC Services Engagement Letter Terms

Disputes before resorting to binding arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties.

USE OF OTHER PROVIDERS - We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. However, we will not use any third-party service providers without first obtaining written approval from the College's management. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

GOVERNING LAW - This Agreement shall be governed by and construed in accordance with the laws of any particular State or U.S. Territory, without regard to the principles of conflicts of law thereof.

DOCUMENT SHARING SITE - We are not hosts for any College information. Management is expected to retain all financial and non-financial information that management uploads to a document sharing site, and management is responsible for downloading and retaining in a timely manner anything we upload. Document sharing sites are meant as a method only of transferring and sharing data, and are not intended for the storage of information, which may be deleted at any time. Management is expected to maintain control over accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of the data or records. Giving us access to the College's accounting system does not make us hosts of information contained within.

Appendix B

Scope of Information Technology Consulting Services

IT General Controls

- Change/Patch Management
- Contingency Planning

Network Security

- Network Architecture
- Backup Processes
- Antivirus Implementation
- Workstation Configuration
- Network Operating System Security
- Virtualization
- Mobile Computing

Vulnerability Management

- External Vulnerability Analysis and Penetration Test
- Internal Vulnerability Analysis and Penetration Test
- Wireless Vulnerability Analysis and Penetration Test
- Social Engineering (Email)
- Social Engineering (Voice)

Review of PII Scan for Sensitive Information

Appendix C

Example

**REHMANN
CHANGE ORDER**

Client: *Jackson College* (the "College").

Date:

Project Description (and estimated completion date, if appropriate):

Estimated Additional Fees: \$_____

We believe it is our responsibility to exceed the College's expectations. This Change Order is being prepared because performance by us of the above project and/or additional service efforts was not anticipated in our original Agreement dated May 15, 2024. The estimated fees for the above project have been mutually agreed upon by the College and Rehmann. It is our goal to ensure that the College is never surprised by the price for any Rehmann service, and therefore, we have adopted the Change Order Policy. The estimated additional amount above is due and payable upon completion of the project described.

If management agrees with the above project description and the estimated fee amount, please authorize and date the Change Order below. A copy is enclosed for the College's records. Thank you for letting us serve the College.

Agreed to and accepted:

Officer signature

Printed Name

Title

Date

Appendix D List of Procedures

Disclaimer: While none of the testing procedures to be performed listed below will be omitted, Rehmann reserves the right to add procedures and make changes to procedures to meet best practice standards and testing requirements to maintain and reach the required testing result.

Change/Patch Management

1. Determine if the College has a documented Change Management Policy/Procedure which details the following at a minimum:
 - Is required to be approved by the Board or appropriate committee, at least annually
 - Addresses emergency changes (i.e., who can make/authorize emergency requests/changes, limitations regarding its use and auditing/follow-up on emergency changes)
 - Documents employees that are authorized to approve/authorize a change request
 - Documents the systems or applications are subject to the process
2. Determine if the College has a standard form in place to document all changes which captures the items that are specified in the Change Management Policy/Procedure. Determine if a log of all changes is maintained.
3. Determine if the College has a process to require the review of changes made by an individual that did not initiate the change.
4. Review the documentation for a selection of system changes completed and determine if the documentation is complete as required by the Change Management Policy.
5. Determine if the College has a documented Patch Management Policy/Procedure to protect computer systems against software vulnerabilities which includes the following, at a minimum:
 - Assignment of responsibilities for patch management
 - Requirement for the documentation of reasons for any missing or excluded patches
 - Testing of patches prior to implementation
 - Installation of vendor-supplied patches for systems which the College does not manage
 - Validation that system security configurations remain within standards after patch installation
 - Documented reviews of vendor-provided patch reports, if patch management is outsourced
 - Adequacy of automated tools to implement patches, audit for missing patches, and validate secure configurations after patching
 - Adequacy of the Vulnerability Management Program in validating the effectiveness of patch management
6. Review a selection of workstations and servers (separately). Review the list of installed patches on the selected systems and evaluate the effectiveness of the patch process including verifying that security patches have been applied on the systems within the past 30 days and no historical gaps are present which indicate patching was missed in recent months.
7. Determine if critical vendor software is hosted in-house and, if so, verify whether the software contract or license agreement addresses the following:
 - Possession of current source code or provision that the code is held in escrow
 - The right to obtain, use, and modify the software in the event the software vendor is unable or unwilling to properly maintain the program(s)

Appendix D List of Procedures

8. Determine if the College is using or supporting custom software, engaging in custom software development or programming, or contracting with third parties for the development of custom software (e.g., report development/queries, bridging/middleware/interfaces, ancillary applications) and, if so, evaluate the following systems development life cycle (SDLC) processes and procedures:
 - Segregation of duties and other security concerns
 - Software documentation
 - Version control
 - Quality assurance and user-acceptance testing
 - Emergency software fixes, including having a timely independent review of the fix and updating documentation
 - Restrictions on developer access, with no access to the quality control or production environment
 - Masking of data to protect sensitive information in the development environment
 - Independent reviews of software before migration into the production environment to ensure there are no security or integrity issues

Contingency Planning

1. Verify that the College has a documented Business Continuity/Disaster Recovery Plan which contains plans for each critical business function, including:
 - Detailed description of events or conditions that would prompt the implementation of the plan
 - Strategies and procedures to maintain, resume, and recover critical business functions and processes
 - Procedures to execute the plan's priorities for critical vs. non-critical functions, services, and processes
 - Procedures and priorities for returning to permanent and normal operations
2. Verify that the Board or appropriate committee has approved all Business Continuity/Disaster Recovery Plan documentation within the last twelve (12) months.
3. Verify that the Business Continuity/Disaster Recovery Plan documents a test strategy which is required to be executed on at least an annual basis. Ensure the test plan includes the following:
 - Core system (if hosted in-house)
 - Network systems
 - Phone Systems
 - Scope and objective for the test
 - Use of actual backup system and data files from off-site storage
 - Full recovery test of network systems
 - Suggestions for modifications to the testing process
 - Test script development in advance with anticipated outcomes
 - Review of the test script prior to conducting the test
 - Identification, documentation, and incorporation of lesson learned as a result of conducting the test
4. Review if the business continuity testing involves collaboration with critical third parties on an annual basis or management is obtaining and reviewing disaster recovery testing reports from critical third-party vendors annually.

Appendix D List of Procedures

5. Verify that the results of the Business Continuity/Disaster Recovery Test plan have been documented, presented, and approved by the Board or appropriate committee within the last twelve (12) months.
6. Verify that the Business Continuity Plan contains a Business Impact Analysis (BIA) which details all of the following:
 - Critical business functions for each department
 - Required hardware and software for each critical business function
 - Recovery point objectives (RPO) for potential data loss
 - Recovery time objectives (RTO) to restore services once an outage is detected
 - Maximum allowable outages (MAO) for a service before it has a severe impact
7. Verify that the College has conducted and documented a disaster-based risk assessment for the Business Continuity Plan.
8. Verify that Business Continuity Plan training is provided to all employees on an annual basis.
9. Determine if the College has a formal agreement for an alternate processing site and equipment should the need arise to relocate operations.
10. Determine if the College has documented manual work processes to maintain departmental prioritized operations following a disruption in technology availability. Ensure that the manual processes are tested on an annual basis to establish the length of time the processes can be adequately maintained during a technology outage.
11. Verify that the Business Continuity Plan includes or references the location of network diagrams as well as hardware and software listings.
12. Determine if a copy of the Business Continuity Plan is securely stored offsite.
13. Verify that the Business Continuity Plan contains a Pandemic Plan that is appropriate given the size and complexity of the College which addresses all of the following:
 - Planning
 - Preparing
 - Testing
 - Responding
 - Recovering

Network Architecture

1. Determine if the College maintains topologies, diagrams, or schematics accurately depicting the physical and logical network environment which are up to date and include:
 - Date of last update and revision information
 - Identification of all critical systems and components
 - Servers, firewall, routers, switches, IDS/IPS
 - Identification of all connection points
 - All third-party and vendor connections, VPN, etc.
 - Identification of network segmentation
 - Demilitarized zone (DMZ), virtual local area network (VLAN), wireless
2. Verify that a Demilitarized Zone "DMZ" has been configured for all Internet facing devices.

Appendix D List of Procedures

3. Determine if the College utilizes wireless access that allows communication directly to the internal network and, if so, verify that the oversight of wireless technology is adequate and includes:
 - Adoption of appropriate policies and procedures governing wireless access which are approved by management
 - Approval of a minimum set of security requirements for wireless networks (annual change of key, use strong encryption, etc.)
 - Annual independent security testing of wireless network(s)
4. Determine if the College utilizes guest wireless access and, if so, evaluate the configuration and controls for guest wireless networks, including:
 - Access to wireless access points are physically secured
 - Disabled unnecessary applications, ports, protocols, and services on wireless access point devices
 - Appropriately segment guest wireless networks from the internal network and accurately depict on the network topology diagram
 - Change the default password for the administrator account
 - Enabled strong authentication for remote management (if used)
 - Provide guests with terms and conditions for use
 - Limited hours of availability, broadcast range, and web filtering
5. Determine if all default passwords and unnecessary default accounts are changed, disabled, or removed before system implementation, where possible.
6. Determine if the College utilizes remote access technologies and, if so, assess the remote access practices used to authenticate, monitor, and control employee, vendor and third-party remote access to internal systems and resources:
 - Deployment of Multifactor Authentication
 - Disabling remote communications if no business need exists
 - Controlling access through management approvals and subsequent audits
 - Implementing robust control over configurations at both ends of the remote connection to prevent potential malicious use
 - Logging and monitoring remote access activities, particularly for vendors and privileged users
 - Using strong authentication and encryption to secure communications
 - Enabling vendor remote access accounts only when necessary
7. Determine if firewall rules are audited or verified at least annually to detect unauthorized changes.
8. Review if a normal network activity baseline is established or automatic alerts are configured which would trigger management notification and response should a Network event exceed a predefined threshold.
9. Review the firewall configuration and verify that it is running the latest OS, IOS or firmware.
10. Determine if the College has a formal intrusion detection and prevention appliance, other than basic logging, for monitoring host and/or network activity.
11. Determine if the Intrusion Detection/Prevention equipment is configured to inspect encrypted traffic via SSL/Deep Packet Inspection.

Appendix D List of Procedures

12. Determine if the College has implemented the ability to detect and prevent the unauthorized removal of data from the network via email, host-based detection, or network appliance.
13. Determine if the College is using any border routers for the connections between sites. If so, verify that the router(s) are running the latest OS, IOS or firmware and all passwords are encrypted in the configuration. Ensure that any passwords listed are NOT encrypted using the "enable password" option which is not considered secure or recommended per Cisco's guide for securing devices.
14. Determine who has administrative access to network all infrastructure equipment, including firewalls, routers, and switches. Ensure that administrator accounts are not shared, and that access is appropriate.
15. Determine if controls/procedures are in place to document, authorize and test any modifications to the configuration of network infrastructure equipment, such as firewalls, routers, and switches.

Backup Processes

1. Review the backup methodologies in use by the College and document the results.
2. Determine if the College has a documented Backup Policy and related procedures. Ensure that the College has defined its backup type, frequency, storage, and encryption methods for all backups. Ensure that the policy defines a test plan, which focuses on performing full system restores, is required to be conducted, and documented on at least an annual basis.
3. Verify that any backup media which is physically transported away from secure locations is fully encrypted during transport as well as at-rest once it arrives at its storage location.
4. Ensure that management is performing full backup restore testing of high risk data on at least an annual basis to ensure the backup media is readable and that restorable copies have been produced. Verify that the testing plan and results are appropriately documented.
5. If cold storage or physical backup tapes are in circulation, determine whether management performs periodic physical inventories of offsite backup material.
6. Verify that management is currently storing at least one copy of high risk data in a location which is air gapped from the Network to prevent corruption or inaccessibility of data in the event of a targeted network attack or ransomware.

Antivirus Implementation

1. Determine if management is informed of virus infections in real-time when viruses are detected in the environment. Determine if a process for escalating virus-related issues to senior management is documented.
2. Ensure that virus definitions are updated on at least a daily basis and document how the software is accomplishing this.
3. Determine if any additional security features, such as Anti-Spam, URL blocking, and/or content filtering, are in use.
4. Determine if Email and attachments are automatically scanned to detect malware and are blocked when malware is present.

Appendix D List of Procedures

5. Review a selection of all workstations and servers (separately) to ensure the antivirus definitions are up-to-date, a weekly full system scan is scheduled, and a full scheduled scan has been run within the last week.

Workstation Configuration

1. Ensure that users without administrative responsibilities are prevented from installing software.
2. Review if controls are in place to restrict the use of removable media unless authorized.
3. Determine if the College leverages advanced endpoint protection capabilities on all hosts to detect and mitigate the effects of ransomware activity including attacks that leverage JavaScript and other scripting-based attacks.
4. Review a selection of workstations and servers (separately). Review the list of installed patches on the selected systems and evaluate the effectiveness of the patch process including verifying that security patches have been applied on the systems within the past 30 days and no historical gaps are present which indicate patching was missed in recent months.
5. Determine if a password protected screensaver is enabled via Group Policy after no more than twenty (20) minutes of inactivity.
6. Verify that antivirus software is running on the workstation which is updated with the latest virus definitions, a weekly full system scan is scheduled, and a full scheduled scan has been run within the last week.
7. Examine the workstation to confirm that users are not storing sensitive information on their workstation.
8. Verify that the College disables the ability for users to have the "AutoComplete for user names and passwords" feature enabled via Group Policy.
9. Examine the workstation to confirm that users have not installed unauthorized software on their workstations.
10. Examine the workstation to confirm that unnecessary shares have not been configured for access on the network.

Network Operating System Security

1. Determine the type of server, operating system, and service pack level. Review the list of installed patches on the selected systems and evaluate the effectiveness of the patch process including verifying that security patches have been applied on the systems within the past 30 days and no historical gaps are present which indicate patching was missed in recent months.
2. Determine for this server:
 - Antivirus program is installed
 - Antivirus signatures have been updated within the past one (1) day
 - How Antivirus signatures are updated
 - Real-time monitoring is enabled
 - A scheduled, weekly full system scan is schedule and has been run in the last week

Appendix D List of Procedures

3. Verify that a group policy exists which limits the length of login sessions on servers and actively logs users out after a defined period of inactivity.
4. Record and review all accounts with administrative privileges on the Domain. Verify that the Administrator account has been renamed.
5. Determine if administrators use a standard account for network and email access and a second account for administrative use which is used only when administrative actions are required.
6. Verify that the Guest account has been disabled.
7. Verify that account policies for passwords on the Domain are set to the recommended best practice settings.
8. Verify that account policies for account lockout are set to the recommended best practice settings.
9. Verify the server has auditing capabilities enabled and set to the recommended best practice settings.
10. Determine if audit log records and other security event logs are retained in a secure manner on a device which did not generate the logs.
11. Review the server for unnecessary shares being shared to the network and ensure the share(s) permissions are appropriate.
12. Verify that a full backup of the server is performed on at least a weekly basis.

Mobile Computing

1. Discuss with management and record the extent of the use of mobile computing and central management capabilities by the College.
2. Determine if the College leverages an MDM solution to centrally manage and enforce security controls on mobile devices.
3. Determine if the College has a documented Mobile Security Device Policy. If so, determine if employees are required to read and acknowledge the policy prior to receiving mobile access. Determine if the Mobile Device Security Policy defines the authentication method for each mobile device based on a documented Data Classification Policy.
4. Determine if the College allows employees to connect or access data with personally owned devices. Ensure that the Mobile Device Security Policy address and defines the use of personally owned devices at the College.
5. Determine if the College requires team employees to sign a non-enterprise owned device agreement for any personally owned devices that are approved to access College resources. Ensure that such an agreement contains the following:
 - Acknowledgement of true and single ownership of the mobile device
 - Acknowledgement that employee is the only user of the mobile device
 - Agreement to indemnify the enterprise against claims of ownership
 - Acknowledgement that the enterprise may disconnect the device at any time if it feels that there is warranting risk

Appendix D List of Procedures

- Acknowledgement that the enterprise may indefinitely retain the property as evidence, if said property is to be used as evidence in potential or pending legal action
 - Acknowledgement that the employee will accept and abide by all rules set forth in the Enterprise's Acceptable Use Policy when using the personally owned device to send and receive email or data using the enterprise's systems
 - Acknowledgement that the employee will not store any unapproved enterprise's business information on the device or at any unapproved third-party site
 - Acknowledgement that the employee will not access the internet using the device on a public wireless network that does not require a password
 - Acknowledgement that the employee agrees to immediately notify the enterprise if the device becomes lost or stolen
 - Acknowledgement that the employee will keep up-to-date anti-virus software on the device and continue to update as new anti-virus products become available
 - Acknowledgement that the employee will password protect the device
 - Acknowledgement that upon termination of employment, or at the time when the mobile device will no longer be connected to the enterprise's systems, the IT staff can conduct a remote wipe to officially "clean" and decommission settings and data, which may set the device back to a factory default state
 - Acknowledgement that the employee will hold the enterprise harmless in all matters relating to the use of this device, including damages, negligence, and hereby waive my right to bring claim
6. If a Mobile Device Management solution is not used, determine how management is monitoring devices to ensure the required access controls are in effect.
 7. Determine if the following mobile devices are in use and, if so, are encrypted if they have the potential to store sensitive data.
 - Laptops
 - Non-iOS Tablets/Smartphones
 - Android
 - USB Removable Media
 8. Determine if the College provides mobile computing awareness training on at least an annual basis. Verify that the training is documented, dated, and retained.
 9. Determine if the College has a means to remove data from systems that access sensitive information in the event of a reported compromise or loss.

Virtualization

1. Determine if the College has documented virtualization in the risk assessment and includes considerations of the risk related to virtualization.
2. Determine the current version and specific details of the virtualization platform in use, including ensuring the platform is up-to-date with current relevant security patches.
3. Verify that policies and/or procedures are documented relating to virtualization and determine when these documents were last approved by the Board or applicable committee. The policies and related documentation should include the standards for:
 - Patching the virtualization platform and guest operations systems
 - Locking Down the Hypervisor

Appendix D List of Procedures

- Virtual Machine Creation and Change Management
 - Virtual Machine Separation
 - Administrative Access
 - Segregation of Duties, Assignment of User roles and Annual User Access Reviews
 - Security Logging and Log Monitoring
4. Determine the systems that are currently being run as a virtualized system and gain an understanding of which physical or virtual machines have the administrative console installed on them along with any associated user databases.
 5. Determine who has access to create, start, stop, and administer the virtual environment. How is administrative traffic segregated and secured?
 6. Determine what other roles and users have access to the virtualization system (beyond administrators). Examine the most recent annual review of the users and roles, if available.
 7. Determine whether copy & paste functionality between guest operating systems has been disabled.
 8. Determine whether security logging has been enabled within the virtualization platform. Determine if alerting is configured to notify management of virtual events that require investigation. If automatic alerting is not configured, ensure that management is documenting regular reviews of virtualization logs.
 9. Determine the frequency of virtual machine backups and verify that regular backups of all virtual machines are conducted and tested.
 10. Determine if controls and procedures are in place to document, authorize and test any changes to the virtualization environment. Determine if an inventory is maintained of all virtualized servers.

External Vulnerability Analysis and Penetration Test

1. Obtain a list of IP addresses to be tested from the client. Determine if the list provided is a complete and accurate list of IPs assigned to the client or to be included in the scope of testing.
2. Notify the client of the start of testing and perform vulnerability testing with Nessus. If it is determined that there are no open ports on any of the IPs being testing, ask the client if they will provide an exception in the firewall to test further.
3. Ensure that the testing process raised alerts that were automatically sent to management.
4. Perform the vulnerability scanning, review the scanning results, and record the findings.
5. Simulate an attack on external facing hosts in order to gain access to the Internal Network. The tools used for testing include a variety of proprietary as well as open-source software and exploits that are readily available on the internet, including those supported by Windows as well as those found in Kali Linux, an operating system configured with security-related tools targeted for use during network and computer security assessment and testing. The specific tools selected during testing are determined by the environment and network configuration and are those that are capable of demonstrating possible attack vectors and identify weaknesses and/or misconfigurations on the network which could allow an attacker to gain unauthorized access to systems, resources, and data.

Appendix D List of Procedures

Internal Vulnerability Analysis and Penetration Test

1. Obtain a list of IP addresses to be tested from the client. Determine if the list provided is a complete and accurate list of IPs assigned to the client or to be included in the scope of testing.
2. Notify the client of the start of testing and perform vulnerability testing with Nessus.
3. Determine if the testing activity generated any alerts on Network or Host Based IDS/IPS, or if users contacted IT to report pop-ups, errors, or alerts on their workstations.
4. Perform the vulnerability scanning, review the scanning results, and record the findings.
5. Simulate an attack that would be initiated if an attacker were able to, A) connect a rogue computer to a live network drop, or B) successfully gain persistent access to an existing host on the Internal Network through such means as Social Engineering. The testing completed should be executed without using any previously known credentials. The tools used for testing include a variety of proprietary as well as open-source software and exploits that are readily available on the internet, including those supported by Windows as well as those found in Kali Linux, an operating system configured with security-related tools targeted for use during network and computer security assessment and testing. The specific tools selected during testing are determined by the environment and network configuration and are those that are capable of demonstrating possible attack vectors and identify weaknesses and/or misconfigurations on the network which could allow an attacker to gain unauthorized access to systems, resources, and data.

Wireless Analysis and Penetration Test

1. Simulate an attack on the wireless access point in order to gain access to the internal network. The tools used for testing include a variety of proprietary as well as open-source software and exploits that are readily available on the internet, including those supported by Windows as well as those found in Kali Linux, an operating system configured with security-related tools targeted for use during network and computer security assessment and testing. The specific tools selected during testing are determined by the environment and network configuration and are those that are capable of demonstrating possible attack vectors and identify weaknesses and/or misconfigurations on the network which could allow an attacker to gain unauthorized access to systems, resources, and data.

Social Engineering (Email)

1. Send emails to College employees in an attempt to entice them to click a link, which is included in the email, and then enter information into a form or perform an additional action.

Social Engineering (Voice)

1. Determine if an individual contacting College employees via telephone can obtain sensitive information from the employees.

Review of PII Scan for Sensitive Information

1. Review the process the University has in place for scanning for PII to ensure that scans are being completed on a regular basis.



Professional Services Plan for the Year Ending
June 30, 2024

Jackson College and Jackson College Foundation

This report is intended solely for the information and use of the finance committee, board of directors, and management of Jackson College and the Board of Directors and management of Jackson College Foundation and is not intended to be and should not be used by anyone other than these specified parties.

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Appendices:

- Appendix A: Copy of the Jackson College Audit Engagement Letter
- Appendix B: Copy of the Jackson College Foundation Audit Engagement Letter



Scope of Services

Rehmann is committed to providing, in a highly professional manner, assurance and tax compliance services to **Jackson College and Jackson College Foundation** (the "College", "Foundation", respectively). As situations change, our Firm stands ready to expand or revise the scope of our projects for which we are retained. We understand the current scope of assurance and tax services to be as follows for the year ending June 30, 2024:

- A. We have been engaged to perform an audit of the statement of net position of **Jackson College** and its discretely presented component unit as of June 30, 2024, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ending. These financial statements prepared by management with oversight of those charged with governance, are expected to be presented on a comparative basis with 2023. The required supplemental information required by generally accepted accounting principles (management's discussion and analysis and required pension and OPEB information) will be subjected to certain limited procedures, but will not be audited. The document we will submit will also include the following information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements, and for which our auditors' report will disclaim an opinion:

- Combining statement of financial position
- Combining statement of revenues, expenses, transfers and changes in net position

We will also submit a separate document that will include the schedule of expenditures of federal awards that will be subjected to the auditing procedures applied in our audit of the basic financial statements. The Single Audit will be performed in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

We are to conduct our audit of the College 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. We are not expecting any scope limitations or any other matters that would cause us to issue anything other than an unqualified opinion on the financial statements.

- B. We have been engaged to perform an audit of the statement of net position of Jackson College Foundation as of June 30, 2024, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ending. These financial statements, prepared by management with the oversight of those charged with governance, are expected to be presented on a comparative basis with 2023.

We are to conduct our audits of the Foundation 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. We are not currently expecting any scope limitations or any other matters that would cause us to issue anything other than unmodified opinions on the financial statements.

- C. At the conclusion of the audits we will issue letters to communicate certain matters to those charged with governance of the College in accordance with the requirements of AU-C Section 260, *The Auditor's Communication With Those Charged With Governance*. Additionally, in accordance with AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*, we will communicate internal control-related matters, if any, noted in our audit. We will affirmatively report such matters to the College's Audit Committee or to management, as appropriate.
- D. We will prepare the Foundation's federal tax form 990 for the year ending June 30, 2024.

Due Dates

- *No later than October 31, 2024* - Final report on the financial statements and supplementary information of the College and its discretely presented component unit as of June 30, 2024 and the final federal awards audit report for the year ending June 30, 2024 (drafts will be presented to the College's Audit Committee on October 14, 2024).
- *No later than October 31, 2024* - Final communications to those charged with governance for the College provided to management for their review and comments, as follows:
 - Communications required by AU-C Section 260.
 - Communications of internal control related matters (AU-C Section 265).
- *No later than the earlier of March 31, 2024 or 30 days from the issuance of the Federal Awards Audit Report* - Submission of Federal awards audit reporting package to the Federal Clearinghouse, U.S. Department of Education and to pass-through entities.
- *October 14, 2024 Board meeting* - Final draft report on the financial statements of the Foundation as of June 30, 2024.
- *October 14, 2024 Board meeting* - Final draft communications to those charged with governance for the Foundation, as follows:
 - Communications required by AU-C Section 260.
 - Communications of internal control related matters (AU-C Section 265).

These communications are expected to be made in writing in a single document (finals will be presented to the Foundation Audit Committee in January 2025).

- *Date to be determined* - Filing for the Foundations' federal tax forms 990 for the year ending June 30, 2024. Final filing deadline of May 15, 2025.

Timing of Services

- A. Audits of the College's Financial Statements and Federal Awards Programs and the Foundation's Financial Statements:
- *As of June 30, 2024* – Verification of cash, investments, debt and selected accounts receivable and revenues
 - *Week of July 15, 2024* – Planning and interim audit fieldwork for federal awards programs
 - *Weeks of September 9 and 16, 2024* – Final audit fieldwork
- B. Preparation of the Foundation's form 990:
- *Date to be determined* – Fieldwork and gathering of information

Key Audit and Accounting Matters of Interest

- A. Financial statements are generally prepared under the presumption that the reporting entity will continue to operate as a going concern. Financial reporting under this presumption is commonly referred to as the going concern basis of accounting. The going concern basis of accounting is critical to financial reporting because it establishes the fundamental basis for measuring and classifying assets and liabilities. Accounting Standards Update (ASU) 2014-15, *Presentation of Financial Statements, Going Concern Subtopic 205-40*, which has been in effect since 2017, requires an entity's management to evaluate the presence of uncertainties surrounding an entity's ability to continue as a going concern.
- B. "Those Charged with Governance" as defined in AU-C Section 260 is as follows: "Those charged with Governance means the person(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. In some cases, those charged with governance are responsible for approving the entity's financial statements (in other cases management has this responsibility). For entities with a board of directors, this term encompasses the term board of directors or audit committee used elsewhere in generally accepted auditing standards."
- C. An independent auditor's objective in an audit is to obtain sufficient appropriate evidential matter to provide a reasonable basis for forming an opinion on the financial statements. In doing so, the auditor must work within economic limits; the opinion, to be economically useful, must be formed within a reasonable length of time and at reasonable cost. That is why an auditor's work is based on selected tests rather than an attempt to verify all transactions. Since evidence is examined on a test basis only, an audit provides only reasonable assurance, rather than absolute assurance, that financial statements are free of material misstatement. Thus, there is a risk that audited financial statements may contain undiscovered material errors or irregularities. The existence of that risk is implicit in the audit report phrase, "in our opinion."

- D. The concept of materiality is inherent in the work of an independent auditor. An independent auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote. For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting and financial reporting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."
- E. Verification of cash, investments, debt, and selected accounts receivable and revenues of the College and Foundation as of June 30, 2024.
- F. We will document our understanding of the College's and Foundation's internal control over financial reporting based on interviews of personnel and perform "walk-throughs" of key controls to confirm that they are functioning as described. We will not be performing detail tests of the internal controls to enable us to express an opinion on the effectiveness of the College's and Foundation's internal control over financial reporting or any part thereof and, accordingly, we will not express such an opinion.
- G. We will be performing analytical review procedures as a means of assisting in planning our final audit procedures and as an overall review of the financial information in the final review stage of the audit process.
- H. We will be performing certain procedures in accordance with AU-C Section 240, *Consideration of Fraud in a Financial Statement Audit*, in order to obtain reasonable assurance that the financial statements are free from material misstatement due to fraud.
- I. We will test and document the College's and Foundation's analysis of the impairment of investments and other assets, if any.
- J. We will perform other tests and procedures as deemed necessary in the circumstances.
- K. We will be requesting the College's and Foundation's legal counsel to respond in writing to our standard inquiry letter regarding any current, pending, or threatened litigation of which they are aware.
- L. We will be obtaining from management of the College and Foundation a customary, written representation letter at the conclusion of the audit engagements.
- M. We expect to make the final determination of the College's major programs for fiscal 2024 upon receipt of the initial draft of the Schedule of Expenditures of Federal Awards for the year ended June 30, 2024 from management during final fieldwork.

Significant Risks of Material Misstatement

Auditing standards require that we communicate significant risks identified in the planning phase of our audit of the College's and Foundation's financial statements. While we have not completed our planning procedures for the 2024 audit of the financial statements, and therefore such matters are subject to change, we have identified the following significant risks of material misstatement as part of our audit planning, in addition to the significant fraud risk associated with Management override of internal controls:

- We have identified improper recognition of revenue and other inflows as a significant fraud risk.

New Accounting and Auditing Pronouncements

Below are the pronouncements that are applicable to the College and Foundation now or in the near future:

GASB 100 ■ Accounting Changes and Error Corrections

Effective 06/15/2023 (your FY 2024)

This standard clarifies the presentation and disclosure requirements for prior period adjustments to beginning net position. We do not expect this standard to have any significant effect on the College.

GASB 101 ■ Compensated Absences

Effective 12/15/2023 (your FY 2025)

This standard revises the liability governments record for compensated absences payable to include any sick, vacation, personal time, or other PTO reasonably expected to be used by employees or paid out to them at termination.

GASB 102 ■ Certain Risk Disclosure

Effective 06/15/2024 (your FY 2025)

This standard requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. We do not expect this standard to have any significant effect on the College.

6/30/2024 Fiscal Year End

The Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants issued Statement on Auditing Standards (SAS) 143, Auditing Accounting Estimates and Related Disclosures, in July 2020. The requirements of SAS 143 are effective for fiscal years ending after December 15, 2023 (the fiscal year ending fiscal 2024).

The requirements of SAS 143 are intended to enable auditors to appropriately address the increasingly complex scenarios that arise from new accounting standards that include estimates.

The following are some the fundamental aspects of SAS 143 that enhance the auditing standards relating to auditing accounting estimates and the auditor's focus on factors driving estimation uncertainty and potential management bias. The SAS:

- Explains the nature of accounting estimates and the concept of estimation uncertainty,
- Provides information about scalability of the SAS for all the types of accounting estimates, from those that are relatively simple to those that are complex.
- includes an enhanced risk assessment intended to address the challenges auditors face when auditing accounting estimates by providing risk assessment requirements that are more specific to estimates and addresses the increasingly complex business environment and complexity in financial reporting frameworks,
- addresses the exercise of professional skepticism when auditing accounting estimates, and
- requires the auditor to evaluate, based on the audit procedures performed and the audit evidence obtained, whether the accounting estimates and related disclosures are reasonable in the context of the applicable financial reporting framework.

The Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants issued Statement on Auditing Standards (SAS) 145, Understanding the Entity and its Environment and assessing the Risks of Material Misstatement. The requirements of SAS 145 are effective for fiscal years ending after December 15, 2023 (the fiscal year ending 2024).

The requirements of SAS 145 are to enhance the requirements and guidelines related to obtaining an understanding of the entity's system of internal control and assessing control risk. It also enhances guidance that addresses the economic, technological, and regulatory aspects of the markets and environment in which entities and audit firms operate.

SAS 145 also includes revised and new requirements and guidance, including the following:

- A revised definition of significant risk;
- revised requirements to evaluate the design of certain controls within the control activities component, including general information technology (IT) controls, and to determine whether such controls have been implemented;
- a new requirement to separately assess inherent risk and control risk;
- a new requirement to assess control risk at the maximum level such that, if the auditor does not plan to test the operating effectiveness of controls, the assessment of the risk of material misstatement is the same as the assessment of inherent risk;
- a new "stand-back" requirement intended to drive an evaluation of the completeness of the auditor's identification of significant classes of transactions, account balances, and disclosures;

- revised requirements relating to audit documentation;
- new guidance on scalability; and
- new guidance on maintaining professional skepticism.

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Appendix A – Jackson College Audit Engagement Letter



June 3, 2024

Mr. John Globoker
Chief Financial Officer
Jackson College
2111 Emmons Road
Jackson, MI 49201

Enclosed is the engagement letter for **Jackson College** for the year ended June 30, 2024. *Government Auditing Standards* (as amended) require that we communicate, during the planning stage of an audit, certain information to the Audit Committee. This information includes the auditors' responsibilities in a financial statement audit, including our responsibilities for testing and reporting on compliance with laws and regulations and internal control over financial reporting. The engagement letter includes the items which must be communicated to the Audit Committee.

Therefore, please make copies of the attached engagement letter and forward the copies to the Audit Committee.

Please sign and return the enclosed copy of the attached engagement letter to us at your earliest convenience.

Sincerely,

Enclosures





June 3, 2024

Mr. John Globoker
Chief Financial Officer
Jackson College
2111 Emmons Road
Jackson, MI 49201

We are pleased to confirm our understanding of the services we are to provide to **Jackson College** (the "College") for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities and the discretely presented component unit, including the disclosures, which collectively comprise the basic financial statements of the College as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the College's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the College's RSI in accordance with auditing standards generally accepted in the United States of America ("GAAS"). These limited procedures will consist 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 will not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedules Required by GASB 68 - Pension Plan
3. Schedules Required by GASB 75 - OPEB Plan

We have also been engaged to report on supplementary information other than RSI, that accompanies the College's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 and will provide an opinion on it in relation to the financial statements as a whole.

1. Schedule of expenditures of federal awards



Mr. John Globoker
Chief Financial Officer
Jackson College
June 3, 2024
Page 2

The following other information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

1. Combining Statements of Net Position
2. Combining Statements of Revenues, Expenses, Transfers and Changes in Net Position

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions as to whether the College's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. 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 will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and with the Uniform Guidance in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose. Noncompliance with the compliance requirements applicable to a major program 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 applicable to each major program taken as a whole.

The concept of materiality is inherent in the work of an independent auditor. An independent auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote.

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Chief Financial Officer
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Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the College or to acts by management or employees acting on behalf of the College. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We have advised the College of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets) notwithstanding our obligations per the Single Audit Amendments of 1996 and the Uniform Guidance. We can, as a separate engagement, perform extended procedures specifically designed to potentially detect defalcations. Management acknowledges that the College has not engaged us to do so and does not wish us to do so at this time.

Internal Control Over Financial Reporting and Compliance

We will obtain an understanding of the College and its business environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may

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be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control, or to identify significant deficiencies or material weaknesses in internal control, or to express an opinion on the effectiveness of internal control over financial reporting. Accordingly, we will express no such opinion. However, during the audit, we will communicate to the appropriate level of management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards* and the Uniform Guidance. These matters refer to significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of those charged with governance in overseeing the College's financial reporting process. When applicable, we are responsible for communicating certain matters required by laws or regulations, or by additional requirements that may be applicable to this engagement. Auditing standards generally accepted in the United States of America do not require the independent auditor to design or perform procedures for the purpose of identifying other matters to communicate with those charged with governance. Management is responsible for assessing the implications of and correcting any internal control-related matters brought to the College's attention by us.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories (if applicable), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the College's attorneys as part of the engagement, and they may bill the College for responding to this inquiry.

We may from time to time, and depending on the circumstances, use third-party service providers in serving the College's account. We may share confidential information about the College with these service providers, but remain committed to maintaining the confidentiality and security of the College's information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of the College's personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of the College's information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of the College's confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, management will be asked to provide consent prior to the sharing of the College's confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the College's financial statements does not relieve management or those charged with governance of their responsibilities.

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Compliance with Laws and Regulations and the Provisions of Grant Agreements

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the College's compliance with provisions of applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the College's major programs. The purpose of those procedures will be to express an opinion on the College's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

Assistance provided by our Firm in the preparation of a reasonably adjusted trial balance is considered an additional billable service.

Responsibilities of Management for the Financial Statements and Compliance

Our audit will be conducted on the basis that you acknowledge and understand your sole and complete responsibility for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and internal control over compliance, and for ongoing monitoring activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with an acceptable financial reporting framework, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is responsible for determining, and has determined, that the applicable and appropriate financial reporting framework to be used in the preparation of the College's financial statements is accounting principles generally accepted in the United States of America (GAAP).

Management is also solely and completely responsible for making drafts of financial statements, all financial records and related information available to us, including a reasonably adjusted trial balance, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (2) additional information that we may request from management for the purpose of the audit, and (3) unrestricted access to persons within the College from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

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For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.

Management's responsibilities also include identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We will advise management and the Audit Committee, as necessary about appropriate accounting principles and their application and may assist in the preparation of the College's financial statements, but the ultimate responsibility for the financial statements remains with management with oversight by those charged with governance. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to the College's financial statements. Management is responsible for reviewing the entries, understanding the nature of any proposed entries and the impact they have on the financial statements, and the implications of such entries on the College's internal control over financial reporting. Further, the College is responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these nonattest services.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud, suspected fraud or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the College complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review at the conclusion of fieldwork.

Management is responsible for designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the College is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards, and for identifying and ensuring that the College complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs.

Management is responsible for preparation of the schedule of expenditures of federal awards in conformity with the Uniform Guidance. Management agrees to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we reported on the schedule of expenditures of federal awards. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon.

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Management's responsibilities include acknowledging to us in the representation letter that (a) management is responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (b) that management believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is also responsible for the preparation of the other supplementary information, which we have been engaged to report on, that is presented fairly in relation to the basic financial statements. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (a) management is responsible for presentation of the supplementary information in accordance with GAAP; (b) that management believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

The College is required to disclose the date through which subsequent events have been evaluated, which ordinarily is the date the financial statements were available to be issued. The College will not date the subsequent event note earlier than the date of management's written representation letter and the date of our independent auditors' report.

During the course of our engagement, we will request information and explanations from management regarding the College's operations, internal control over financial reporting, various matters concerning fraud risk, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written management representation letter.

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance. As part of the audit, we will assist with preparation of the College's financial statements, schedule of expenditures of federal awards, and related

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notes, as well as the data collection form. Management will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and the data collection form, and that management has reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Management agrees to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of these or other nonattest services performed by our Firm; and understand and accept responsibility for the results of such services.

We are not hosts for any College information. Management is expected to retain all financial and non-financial information that management uploads to a portal (document sharing site), and management is responsible for downloading and retaining in a timely manner anything we upload. Portals are meant as a method only of transferring and sharing data, and are not intended for the storage of College information, which may be deleted at any time. Management is expected to maintain control over the College's accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of the College's data or records. Giving us access to the College's accounting system does not make us hosts of information contained within.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management functions or responsibilities.

Fees

The not-to-exceed fee for the audit of the financial statements will be charged at rates commensurate with the value of our professional services rendered and are not expected to exceed \$48,000. If the College has more than two major programs tested in the single audit, a fee of no more than \$4,000 - \$8,000 will be charged for each additional program. Additional fees will be charged for additional hours spent related to significant changes in the compliance supplement.

Our invoices for these fees are due and payable as follows:

July 31, 2024	\$ 20,000
August 31, 2024	\$ 20,000
October 15, 2024	\$ 8,000

This fee is based on the assumption that unexpected circumstances will not be encountered during the audit. This fee is based on anticipated cooperation from the College's personnel, continued readiness and proactive assistance on their part in providing us with complete and accurate information (whether financial or nonfinancial in nature) considered necessary by us to form an appropriate opinion, and the assumption that unexpected circumstances will not be encountered during the audit. Such circumstances include, but are not necessarily limited to significant addition or deletion of funds, component units or related entities and first-time application of significant new professional accounting principles or auditing pronouncements. In addition, the fee above assumes management will analyze and maintain appropriate support for significant valuation assertions embodied in the financial statements including the valuation of investment securities, the actuarial methods and assumptions used to calculate the net pension and other postemployment benefits liabilities, impairment of capital assets including those held for sale, the valuation of inventories and land held for resale, allowances for uncollectible receivables, and the estimate for incurred-but-not-reported self

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insurance claims. If significant additional time is necessary, we will discuss the related circumstances with management and arrive at a new fee estimate, which may or may not occur before we incur the additional time. In these circumstances, we may also issue a change order form (an attached example is provided.)

Engagement Administration and Other

Management shall discuss any independence matters with Rehmann that, in management's judgment, could bear upon Rehmann's independence.

By applying a digital signature to this engagement letter or other document via DocuSign or a similar third-party digital signature service, management acknowledges the College's consent to receive and execute such documents via this method. Management further acknowledges that a digital signature applied via DocuSign or a similar third-party digital signature service has the same legal commitment as a traditional physical signature.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with management the electronic submission and certification. If applicable, we will provide copies of our reports for the College to include with the reporting package the College will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Rehmann and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or grantor agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such audit documentation will be provided under the supervision of Rehmann personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through College. If we are aware that a federal awarding agency, pass-through College, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Our audit engagement and our responsibility as auditors ends on delivery of our audit report to the Board of Trustees at the Regular or Special Board meeting. Any follow-up services that might be required will be part of a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we provide the College with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our 2023 peer review report accompanies this letter.

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This engagement letter, including the attached Rehmann Audit Engagement Letter Terms and Conditions which are incorporated herein by reference as if set forth within the body of this engagement letter in their entirety, reflect the entire understanding between us relating to the audit services covered by this agreement. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreements of the College and Rehmann contained in this document shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included.

Reporting

We will issue a written report upon completion of our audit of the College's financial statements. Our audit will also include performing procedures on the financial information of Jackson College Foundation to enable us to express an opinion on the College's financial statements. Our report will be addressed to the Board of Trustees of the College. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add emphasis-of-matter or other-matter paragraphs to our audit report, or if necessary, withdraw from this engagement. If our opinions on the financial statements or the Single Audit compliance opinion are other than unmodified, we will discuss the reasons with management in advance. If circumstances occur and come to our attention related to the condition of the College's records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, or we become aware that information provided by the College is incorrect, incomplete, inconsistent, misleading, contains material omissions, or is otherwise unsatisfactory which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We appreciate the opportunity to be of service to the College and believe the arrangements outlined above and in the attached Rehmann Audit Engagement Letter Terms and Conditions accurately summarize the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement, please sign the enclosed copy of this document and return it to us.



Joshua J. Sullivan, CPA
Principal
Executive responsible for supervising the
engagement and signing our report

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ACKNOWLEDGED AND ACCEPTED:

This letter correctly sets forth the understanding of *Jackson College*.

Officer Signature

Printed Name

Title

Date

Governance Signature

Printed Name

Title

Date

Rehmann Audit Engagement Letter Terms and Conditions

ADDITIONAL SERVICES - The College may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with management regarding the scope of the additional services and the estimated separate fees. We also may issue a change order form (an attached example is provided), or a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our attest services will continue to be governed by the terms of this engagement letter.

CODE OF CONDUCT - Management is responsible for identifying any violations by employees of the College's code of conduct.

CHANGES IN STANDARDS, LAWS AND REGULATIONS - We perform services for the College based on present professional standards, laws and regulations. While we may on occasion be able to communicate with management with respect to changes in professional standards, laws and regulations, as a general principle we cannot undertake with clients to advise them of every change that may occur. The College can always obtain reassurance in this regard by contacting us for an updated review of the College's situation.

MANAGEMENT'S REPRESENTATIONS - The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. Accordingly, false, misleading, incomplete, inconsistent, or omitted representations could cause us to expend unnecessary efforts or could cause material error or a fraud to go undetected by our procedures. In view of the foregoing, the College agrees that we shall not be responsible for any material misstatements in the College's financial statements that we may fail to detect as a result of false, inaccurate, incomplete, inconsistent, or misleading representations that are made to us by management. In addition, the College further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, that we may incur as a result of the services performed under this engagement in the event there are false or misleading representations made to us by any member of the College's management.

CLIENT ASSISTANCE - We understand that the College's employees will prepare all cash, accounts receivable, and other confirmations we request and will locate and refile any documents selected by us for testing. In addition, management will provide us with copies of all minutes and other documents that we believe may have a bearing on our evaluation of the College's financial affairs.

WORK SPACE - The College shall provide reasonable work space for Rehmann personnel at audit work sites, as well as occasional clerical support services.

TIMELY DECISIONS AND APPROVALS - The College understands that Rehmann's performance is dependent on the College's timely and effective satisfaction of its own activities and responsibilities in connection with this engagement, as well as timely decisions and approvals by College personnel.

ACCURACY AND COMPLETENESS OF INFORMATION - Management agrees to ensure that all information provided to us is accurate, complete, and consistent in all material respects, contains no material omissions and is updated on a prompt and continuous basis. In addition, management will also be responsible for obtaining all third-party consents, if any, required to enable Rehmann to access and use any third-party products necessary to our performance.

EMAIL - The College acknowledges that (a) Rehmann, the College and others, if any, participating in this engagement may correspond or convey documentation via Internet e-mail unless the College expressly requests otherwise, (b) no party has control over the performance, reliability, availability, or security of Internet e-mail, and (c) Rehmann shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond Rehmann's reasonable control.

OFFERS OF EMPLOYMENT - Professional standards require us to be independent with respect to the College in the performance of our services. Any discussions that management has with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that management inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Neither party shall, during the term of this engagement letter and for one (1) year after its termination, solicit for hire as an employee, consultant or otherwise any of the other party's personnel without such other party's express written consent. If the College desires to offer employment to a Rehmann associate and the associate is hired in any capacity by the College, a market-driven compensation placement fee may apply.

ADDITIONAL FEES AND BILLING POLICIES - It must be understood that the nature of our engagement requires us to exercise our independent professional judgment with respect to various auditing, accounting and related issues. In reaching our conclusions, we must retain the right to judge the nature and scope of the work required in order to conform to professional standards, as well as the work we deem necessary to enable us to reach the conclusions and form the opinions required of us. If our judgment as to the scope of the work required causes us to reassess our estimate of fees for this engagement, we will so advise the College. We reserve the right to refrain from performing additional work (and thereby incurring additional time charges) unless and until the College has confirmed its understanding of, and agreement to, any additional estimated charges.

Our fee estimate is based upon our discussions with management, in which management has disclosed no unusual problems or issues which would require us to conduct an audit of unusual scope or otherwise expend time and effort in excess of that normally anticipated in an engagement of this type. The estimate also assumes that we will have the full cooperation of College personnel, as required, and that there is a reasonable continuity of College personnel familiar with the matters to which our engagement relates. In addition, our fee is based on the experience level of our personnel, at their respective standard hourly rates, performing certain audit procedures at certain timeframes. If we are caused to vary from that planning formula, additional fees will need to be charged to allow for more experienced personnel performing the work, reallocation of our client priority, overtime, etc. Further, management will provide us with the schedules and records that we request (which ordinarily are detailed in a request list in advance of our fieldwork) and that all such schedules and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed upon. If the requested schedules and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will attempt to resume our work as soon as the schedules and records are provided to us and our professionals assigned to the engagement again become available.

As a result of well-publicized events, global economic convergence, and the continued evolution of the accounting profession, accounting and auditing standard setters and regulators are continually evaluating the need for changes that may affect the College. Such changes may result in changes in financial reporting and expanding the nature, timing and scope of activities we are required to perform to provide the services discussed in this letter. Proposed changes and shortened deadlines could result in a reduction of the level of assistance and preparedness the College is able to provide. We expect that our clients may continue to look to us to assist them with these changes. To the extent any changes require us to increase the time required to provide the services described in this letter or to complete new tasks required by such changes, we reserve the right to adjust our fees appropriately. We will endeavor to advise the College of anticipated changes to our fees on a timely basis.

In accordance with our Firm policies, work may be suspended if the College's account becomes 30 days or more overdue and will not be resumed until the account is paid in full or we have a definitive payment agreement approved by our Firm administrator in Saginaw, Michigan. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. The College will be obligated to compensate us for all time expended and

Rehmann Audit Engagement Letter Terms and Conditions

to reimburse us for all out-of-pocket expenditures through the date of termination.

Our terms and conditions impose a late charge of 1.5% per month, which is an annual percentage rate of 18%. Balances not paid within 30 days of the receipt of invoice are past due and a late charge of 1.5% will be applied to the entire past due amount.

Rehmann charges a 3% convenience fee on credit card payments.

CLAIMS - Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, the College agrees that, notwithstanding the statute of limitations of any particular State or U.S. Territory, any claim based on the audit engagement must be filed within 12 months after performance of our service, unless management has previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

TERMINATION OF SERVICES - We reserve the right to suspend or terminate services for reasonable cause such as failure to pay our invoices on a timely basis or failure to provide adequate information in response to our inquiries necessary for successful performance of our audit services. Our engagement will be deemed to be completed upon written notification of termination, even if we have not completed the audit and issued our signed auditors' report. The College is obligated to compensate us for the time expended to that point and to reimburse us for all out-of-pocket expenditures through the date of termination.

We acknowledge the College's right to terminate our services at any time, and the College acknowledges our right to withdraw at any time, including, but not limited to, for example, instances where, in our judgment, (a) the conditions in the Audit Scope and Objectives section of this letter exist, (b) our independence has been impaired, (c) we can no longer rely on the integrity of management, (d) management (or the Audit Committee, if applicable) fails to reasonably support our efforts to perform the engagement in accordance with what we believe is necessary to comply with professional standards, or (e) a lack of professionalism exhibited by management appears to demonstrate a lack of respect for our personnel such as that evidenced in inappropriate or threatening language/emails, subject in either case to our right to payment for charges incurred to the date of termination or our resignation.

In the event that we determine to resign, and the College seeks damages allegedly resulting from such resignation, our maximum liability to the College in the event we are held liable because of such resignation shall be limited to the fees actually paid to us for current year audit work performed up to the date of resignation.

INITIAL ISSUANCE OF OUR AUDIT REPORT ON FINANCIAL STATEMENTS - If the College intends to publish or otherwise reproduce our audit report on the financial statements and/or make reference to our Firm name, such as for inclusion in an annual report (such as, for example, in a Comprehensive Annual Financial Report), prospectus, official statement, or similar disclosure document, including incorporation by reference thereto, the College agrees to provide us with a copy of the final reproduced document for our review and approval before it is distributed, circulated or submitted. Additional fees for issuance or inclusion of our audit report and/or any other reference to our Firm in such other document, will be based on our standard hourly rates.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on the College's Internet Web site, the College understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

SUBSEQUENT REPRODUCTION OF OUR AUDIT REPORT ON FINANCIAL STATEMENTS - If the College decides to include, publish or otherwise reproduce our audit report on the financial statements at a date subsequent to our original report issuance, such as for inclusion in a Preliminary or Official Statement, an exempt offering in connection with a sale of bonds or notes, or other securities, or in a similar exempt offering

or other disclosure document such as a prospectus, official statement, etc. (hereinafter referred to as the "document"), our Firm is presumed not to be associated with such document, and we have no obligation to perform any procedures with respect to such document. In these circumstances, the College agrees to include in such document a statement that Rehmann has not been engaged to perform and has not performed, since the date of our audit report being reproduced, any procedures on the financial statements contained in such document or on any unaudited financial or other information contained in the document, or on the document itself. If, however, management or the College's agent (such as an underwriter, bond counsel, placement agent, financial advisor, broker-dealer, etc.) requests our involvement, thereby causing us to be engaged to or otherwise prepare a written acknowledgement (sometimes referred to as a "consent" or "agree to include") letter prior to including our audit report in such a document, or requests or engages us to assist in preparing or reviewing financial or other information contained in such document, or participate in related oral due diligence meetings or offering discussions, our Firm then becomes associated with the document. In this event, in accordance with professional standards, we will be required to perform certain subsequent events-based or other limited procedures with respect to this or other unaudited information contained in the document shortly before the initial and any subsequent distribution, circulation, or submission. Fees for reissuance or inclusion of our audit report in such a document will be based on our standard hourly rates. If the College wishes to make reference in such a document to our Firm's role in connection with the purpose and dissemination of the document, the caption "Independent Auditors" may be used to title or label that section of the document. In accordance with professional standards, the caption "Experts" should not be used, nor should our Firm be referred to as "Experts" anywhere in the document.

INFORMAL ADVICE - As part of our engagement we may provide advice on operating, internal control over financial reporting and other matters that come to our attention. Informal advice is not considered to be a consulting service unless we have entered into a separate engagement.

THIRD PARTY PROCEEDINGS - As a result of our prior or future services to the College, we might be requested or subpoenaed to provide information or documents to management, a court, a trier of fact, or a third party in a legal, investigative, regulatory, administrative, mediation, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be billable to the College as a separate engagement. We shall be entitled to compensation for our time at our standard or special hourly rates and reasonable reimbursement for our expenses (including our legal fees) in complying with this request. For all such requests, we will observe the confidentiality requirements of our profession and will notify management promptly of the request. This paragraph will survive the termination of this agreement for any reason, and will be binding upon successors to the College.

PEER REVIEW - Our Firm, as well as other major accounting firms, participates in a "peer review" program covering our audit and accounting practices. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the peer reviewer will review a sample of our work. It is possible that the work we perform for the College may be selected by the peer reviewer for their inspection. If it is, the peer reviewer is bound by professional standards to keep all information confidential. If management objects to having the work we perform for the College reviewed by our peer reviewer, please notify us in writing.

PROMOTIONAL MATERIALS - The College consents to Rehmann's use of your College name and a factual description of the services to be performed by Rehmann under this agreement in Rehmann's advertising and promotional materials and other proposal opportunities.

MEDIATION - If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to binding arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Rehmann Audit Engagement Letter Terms and Conditions

GOVERNING LAW - This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to the principles of conflicts of law thereof.



EXAMPLE CHANGE ORDER

Client: **Jackson College** (the "College")

Date:

Project Description (and estimated completion date, if appropriate):

Estimated Additional Fees: \$ _____

We believe it is our responsibility to exceed the College's expectations. This Change Order is being prepared because performance by us of the above project and/or additional service efforts was not anticipated in our original Agreement dated June 3, 2024. The estimated fees for the above project have been mutually agreed upon by the College and Rehmann. It is our goal to ensure that the College is never surprised by the price for any Rehmann service and, therefore, we have adopted the Change Order Policy. The estimated additional amount above is due and payable upon completion of the project described.

If management agrees with the above project description and the estimated fee amount, please authorize and date the Change Order below. A copy is enclosed for the College's records. Thank you for letting us serve the College.

Agreed to and accepted:

Officer Signature

Printed Name

Title

Date



Report on Firm's System of Quality Control

August 30, 2023

To the Principals of Rehmann Robson LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, an audit performed under FDICIA, and an examination of a service organization (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rehmann Robson LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rehmann Robson LLC has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP

**Appendix B – Jackson College Foundation Audit
Engagement Letter**



June 3, 2024

Julie Hand, Chief Advancement Officer
Jackson College Foundation
2111 Emmons Road
Jackson, MI 49201

Enclosed is the engagement letter for the **Jackson College Foundation** for the year ended June 30, 2024. *Government Auditing Standards* (as amended) require that we communicate, during the planning stage of an audit, certain information to the Audit Committee. This information includes the auditors' responsibilities in a financial statement audit, including our responsibilities for testing and reporting on compliance with laws and regulations and internal control over financial reporting. The engagement letter includes the items which must be communicated to the Audit Committee.

Therefore, please make copies of the attached engagement letter and forward the copies to Audit Committee.

Please sign and return the enclosed copy of the attached engagement letter to us at your earliest convenience.

Sincerely,

Enclosures





June 3, 2024

Julie Hand, Chief Advancement Officer
Jackson College Foundation
2111 Emmons Road
Jackson, MI 49201

We are pleased to confirm our understanding of the services we are to provide **Jackson College Foundation** (the "Organization") for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the Organization, including the disclosures, which collectively comprise the basic financial statements of the Organization as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI) such as management's discussion and analysis (MD&A), to supplement the Organization's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Organization's RSI in accordance with auditing standards generally accepted in the United States of America ("GAAS"). These limited procedures will consist 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 will not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions as to whether the Organization's basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. 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 will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.



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June 3, 2024
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We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Organization is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

The concept of materiality is inherent in the work of an independent auditor. An independent auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Organization and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

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We have advised the Organization of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We can, as a separate engagement, perform extended procedures specifically designed to potentially detect defalcations. Management acknowledges that the Organization has not engaged us to do so and does not wish to do so at this time.

Internal Control Over Financial Reporting

We will obtain an understanding of the Organization and its business environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control, or to identify significant deficiencies or material weaknesses in internal control, or to express an opinion on the effectiveness of internal control over financial reporting. Accordingly, we will express no such opinion. However, during the audit, we will communicate to the appropriate level of management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*. These matters refer to significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of those charged with governance in overseeing the Organization's financial reporting process. When applicable, we are responsible for communicating certain matters required by laws or regulations, or by additional requirements that may be applicable to this engagement. Auditing standards generally accepted in the United States of America do not require the independent auditor to design or perform procedures for the purpose of identifying other matters to communicate with those charged with governance. Management is responsible for assessing the implications of and correcting any internal control-related matters brought to the Organization's attention by us.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories (if applicable), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the Organization's attorneys as part of the engagement, and they may bill the Organization for responding to this inquiry.

We may from time to time, and depending on the circumstances, use third-party service providers in serving the Organization's account. We may share confidential information about the Organization with these service providers, but remain committed to maintaining the confidentiality and security of the Organization's information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of the Organization's personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of the Organization's information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of the Organization's confidential information to others. In the event that we are

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unable to secure an appropriate confidentiality agreement, management will be asked to provide consent prior to the sharing of the Organization's confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the Organization's financial statements does not relieve management or those charged with governance of their responsibilities.

Compliance with Laws and Regulations and the Provisions of Grant Agreements

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with the provisions of applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

Assistance provided by our Firm in the preparation of a reasonably adjusted trial balance is considered an additional billable service.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your sole and complete responsibility for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including ongoing monitoring activities; to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with an acceptable financial reporting framework. Management is responsible for determining, and has determined, that the applicable and appropriate financial reporting framework to be used in the preparation of the Organization's financial statements is accounting principles generally accepted in the United States of America.

Management is also solely and completely responsible for making drafts of financial statements, all financial records, and related information available to us, including a reasonably adjusted trial balance, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (2) additional information that we may request from management for the purpose of the audit, and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.

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Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We will advise management (and the Board of Directors, as necessary) about appropriate accounting principles and their application and may assist in the preparation of the Organization's financial statements, but the ultimate responsibility for the financial statements remains with management with oversight by those charged with governance. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to the Organization's financial statements. Management is responsible for reviewing the entries, understanding the nature of any proposed entries and the impact they have on the financial statements, and the implications of such entries on the Organization's internal control over financial reporting. Further, the Organization is responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these nonattest services.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud, suspected fraud, or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for the preparation of the supplementary information that is presented fairly in relation to the basic financial statements. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (1) management is responsible for presentation of the supplementary information in accordance with GAAP; (2) that management believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions for the report, and for the timing and format for providing that information.

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The Organization is required to disclose the date through which subsequent events have been evaluated, which ordinarily is the date the financial statements were available to be issued. The Organization will not date the subsequent event note earlier than the date of management's written representation letter and the date of our independent auditors' report.

During the course of our engagement, we will request information and explanations from management regarding the Organization's operations, internal control over financial reporting, various matters concerning fraud risk, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written management representation letter.

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with the preparation of the Organization's financial statements and related notes. Management will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that management has reviewed and approved the financial statements and related notes prior to their issuance and has accepted responsibility for them. Management agrees to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, and/or experience to oversee any nonaudit services we provide; evaluate the adequacy and results of these or other nonattest services provided by our Firm; and understand and accept responsibility for the results of such services.

We are not hosts for any Organization information. Management is expected to retain all financial and non-financial information that management uploads to a portal (document sharing site), and management is responsible for downloading and retaining in a timely manner anything we upload. Portals are meant as a method only of transferring and sharing data, and are not intended for the storage of Organization information, which may be deleted at any time. Management is expected to maintain control over the Organization's accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of the Organization's data or records. Giving us access to the Organization's accounting system does not make us hosts of information contained within.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management functions or responsibilities.

Fees

Our fee for the audit services for the year ended June 30, 2024, will be charged at rates commensurate with the value of our professional services rendered and are not expected to exceed \$6,000.

Our invoices for these fees are due and payable as follows:

July 31, 2024	\$ 2,000
September 1, 2024	\$ 2,000
October 1, 2024	\$ 2,000

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June 3, 2024
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This fee is based on the assumption that unexpected circumstances will not be encountered during the audit. This fee is based on anticipated cooperation from the Organization's personnel, continued readiness and proactive assistance on their part in providing us with complete and accurate information (whether financial or nonfinancial in nature) considered necessary by us to form an appropriate opinion, and the assumption that unexpected circumstances will not be encountered during the audit. Such circumstances include, but are not necessarily limited to significant addition or deletion of funds, component units or related entities and first-time application of significant new professional accounting principles or auditing pronouncements. In addition, the fee above assumes management will analyze and maintain appropriate support for significant valuation assertions embodied in the financial statements including the valuation of investment securities, the actuarial methods and assumptions used to calculate the net pension and other postemployment benefits liabilities, impairment of capital assets including those held for sale, the valuation of inventories and land held for resale, allowances for uncollectible receivables, and the estimate for incurred-but-not-reported self insurance claims. If significant additional time is necessary, we will discuss the related circumstances with management and arrive at a new fee estimate, which may or may not occur before we incur the additional time. In these circumstances, we may also issue a change order form (an attached example is provided.)

Engagement Administration and Other

Management shall discuss any independence matters with Rehmann that, in management's judgment, could bear upon Rehmann's independence.

By applying a digital signature to this engagement letter or other document via DocuSign or a similar third-party digital signature service, management acknowledges the Organization's consent to receive and execute such documents via this method. Management further acknowledges that a digital signature applied via DocuSign or a similar third-party digital signature service has the same legal commitment as a traditional physical signature.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection. The audit documentation for this engagement is the property of Rehmann and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or grantor agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such audit documentation will be provided under the supervision of Rehmann personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through Organization. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Our audit engagement and responsibility as auditors ends on delivery of our audit report. Any follow-up services that might be required will be part of a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
Page 8

Government Auditing Standards require that we provide the Organization with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our 2023 peer review report accompanies this letter.

This engagement letter, including the attached Rehmann Audit Engagement Letter Terms and Conditions which are incorporated herein by reference as if set forth within the body of this engagement letter in their entirety, reflect the entire understanding between us relating to the audit services covered by this agreement. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreements of the Organization and Rehmann contained in this document shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included.

Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the board of directors of the Organization. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add emphasis-of-matter or other-matter paragraphs to our report, or if necessary, withdraw from this engagement. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with management in advance. If circumstances occur and come to our attention related to the condition of the Organization's records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, or we become aware that information provided by the Organization is incorrect, incomplete, inconsistent, misleading, contains material omissions, or is otherwise unsatisfactory which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We appreciate the opportunity to be of service to the Organization and believe the arrangements outlined above and in the attached Rehmann Audit Engagement Letter Terms and Conditions accurately summarize the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement, please sign the enclosed copy of this document and return it to us.



Joshua J. Sullivan, CPA
Principal
Executive responsible for supervising the
engagement and signing our report

Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
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ACKNOWLEDGED AND ACCEPTED:

This letter correctly sets forth the understanding of *Jackson College Foundation*.

Officer Signature

Printed Name

Title

Date

Governance Signature

Printed Name

Title

Date

Rehmann Audit Engagement Letter and Conditions

ADDITIONAL SERVICES - The Organization may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with management regarding the scope of the additional services and the estimated separate fees. We also may issue a change order form (an attached example is provided), or a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our attest services will continue to be governed by the terms of this engagement letter.

CODE OF CONDUCT - Management is responsible for identifying any violations by employees of the Organization's code of conduct.

CHANGES IN STANDARDS, LAWS AND REGULATIONS - We perform services for the Organization based on present professional standards, laws and regulations. While we may on occasion be able to communicate with management with respect to changes in professional standards, laws and regulations, as a general principle we cannot undertake with clients to advise them of every change that may occur. The Organization can always obtain reassurance in this regard by contacting us for an updated review of the Organization's situation.

MANAGEMENT'S REPRESENTATIONS - The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. Accordingly, false, misleading, incomplete, inconsistent, or omitted representations could cause us to expend unnecessary efforts or could cause material error or a fraud to go undetected by our procedures. In view of the foregoing, the Organization agrees that we shall not be responsible for any material misstatements in the Organization's financial statements that we may fail to detect as a result of false, inaccurate, incomplete, inconsistent, or misleading representations that are made to us by management. In addition, the Organization further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, that we may incur as a result of the services performed under this engagement in the event there are false or misleading representations made to us by any member of the Organization's management.

CLIENT ASSISTANCE - We understand that the Organization's employees will prepare all cash, accounts receivable, and other confirmations we request and will locate and refile any documents selected by us for testing. In addition, management will provide us with copies of all minutes and other documents that we believe may have a bearing on our evaluation of the Organization's financial affairs.

WORK SPACE - The Organization shall provide reasonable work space for Rehmann personnel at audit work sites, as well as occasional clerical support services.

TIMELY DECISIONS AND APPROVALS - The Organization understands that Rehmann's performance is dependent on the Organization's timely and effective satisfaction of its own activities and responsibilities in connection with this engagement, as well as timely decisions and approvals by Organization personnel.

ACCURACY AND COMPLETENESS OF INFORMATION - Management agrees to ensure that all information provided to us is accurate, complete, and consistent in all material respects, contains no material omissions and is updated on a prompt and continuous basis. In addition, management will also be responsible for obtaining all third-party consents, if any, required to enable Rehmann to access and use any third-party products necessary to our performance.

EMAIL - The Organization acknowledges that (a) Rehmann, the Organization and others, if any, participating in this engagement may correspond or convey documentation via Internet e-mail unless the Organization expressly requests otherwise, (b) no party has control over the performance, reliability, availability, or security of Internet e-mail, and (c) Rehmann shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond Rehmann's reasonable control.

OFFERS OF EMPLOYMENT - Professional standards require us to be independent with respect to the Organization in the performance of our services. Any discussions that management has with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that management inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Neither party shall, during the term of this engagement letter and for one (1) year after its termination, solicit for hire as an employee, consultant or otherwise any of the other party's personnel without such other party's express written consent. If the Organization desires to offer employment to a Rehmann associate and the associate is hired in any capacity by the Organization, a market-driven compensation placement fee may apply.

ADDITIONAL FEES AND BILLING POLICIES - It must be understood that the nature of our engagement requires us to exercise our independent professional judgment with respect to various auditing, accounting and related issues. In reaching our conclusions, we must retain the right to judge the nature and scope of the work required in order to conform to professional standards, as well as the work we deem necessary to enable us to reach the conclusions and form the opinions required of us. If our judgment as to the scope of the work required causes us to reassess our estimate of fees for this engagement, we will so advise the Organization. We reserve the right to refrain from performing additional work (and thereby incurring additional time charges) unless and until the Organization has confirmed its understanding of, and agreement to, any additional estimated charges.

Our fee estimate is based upon our discussions with management, in which management has disclosed no unusual problems or issues which would require us to conduct an audit of unusual scope or otherwise expend time and effort in excess of that normally anticipated in an engagement of this type. The estimate also assumes that we will have the full cooperation of Organization personnel, as required, and that there is a reasonable continuity of Organization personnel familiar with the matters to which our engagement relates. In addition, our fee is based on the experience level of our personnel, at their respective standard hourly rates, performing certain audit procedures at certain timeframes. If we are caused to vary from that planning formula, additional fees will need to be charged to allow for more experienced personnel performing the work, reallocation of our client priority, overtime, etc. Further, management will provide us with the schedules and records that we request (which ordinarily are detailed in a request list in advance of our fieldwork) and that all such schedules and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed upon. If the requested schedules and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will attempt to resume our work as soon as the schedules and records are provided to us and our professionals assigned to the engagement again become available.

As a result of well-publicized events, global economic convergence, and the continued evolution of the accounting profession, accounting and auditing standard setters and regulators are continually evaluating the need for changes that may affect the Organization. Such changes may result in changes in financial reporting and expanding the nature, timing and scope of activities we are required to perform to provide the services discussed in this letter. Proposed changes and shortened deadlines could result in a reduction of the level of assistance and preparedness the Organization is able to provide. We expect that our clients may continue to look to us to assist them with these changes. To the extent any changes require us to increase the time required to provide the services described in this letter or to complete new tasks required by such changes, we reserve the right to adjust our fees appropriately. We will endeavor to advise the Organization of anticipated changes to our fees on a timely basis.

In accordance with our Firm policies, work may be suspended if the Organization's account becomes 30 days or more overdue and will not be resumed until the account is paid in full or we have a definitive payment agreement approved by our Firm administrator in Saginaw, Michigan. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report.

Rehmann Audit Engagement Letter and Conditions

The Organization will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our terms and conditions impose a late charge of 1.5% per month, which is an annual percentage rate of 18%. Balances not paid within 30 days of the receipt of invoice are past due and a late charge of 1.5% will be applied to the entire past due amount.

Rehmann charges a 3% convenience fee on credit card payments.

CLAIMS - Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, the Organization agrees that, notwithstanding the statute of limitations of any particular State or U.S. Territory, any claim based on the audit engagement must be filed within 12 months after performance of our service, unless management has previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

TERMINATION OF SERVICES - We reserve the right to suspend or terminate services for reasonable cause such as failure to pay our invoices on a timely basis or failure to provide adequate information in response to our inquiries necessary for successful performance of our audit services. Our engagement will be deemed to be completed upon written notification of termination, even if we have not completed the audit and issued our signed auditors' report. The Organization is obligated to compensate us for the time expended to that point and to reimburse us for all out-of-pocket expenditures through the date of termination.

We acknowledge the Organization's right to terminate our services at any time, and the Organization acknowledges our right to withdraw at any time, including, but not limited to, for example, instances where, in our judgment, (a) the conditions in the Audit Scope and Objectives section of this letter exist, (b) our independence has been impaired, (c) we can no longer rely on the integrity of management, (d) management (or the Audit Committee, if applicable) fails to reasonably support our efforts to perform the engagement in accordance with what we believe is necessary to comply with professional standards, or (e) a lack of professionalism exhibited by management appears to demonstrate a lack of respect for our personnel such as that evidenced in inappropriate or threatening language/emails, subject in either case to our right to payment for charges incurred to the date of termination or our resignation.

In the event that we determine to resign, and the Organization seeks damages allegedly resulting from such resignation, our maximum liability to the Organization in the event we are held liable because of such resignation shall be limited to the fees actually paid to us for current year audit work performed up to the date of resignation.

INITIAL ISSUANCE OF OUR AUDIT REPORT ON FINANCIAL STATEMENTS - If the Organization intends to publish or otherwise reproduce our audit report on the financial statements and/or make reference to our Firm name, such as for inclusion in an annual report (such as, for example, in a Comprehensive Annual Financial Report), prospectus, official statement, or similar disclosure document, including incorporation by reference thereto, the Organization agrees to provide us with a copy of the final reproduced document for our review and approval before it is distributed, circulated or submitted. Additional fees for issuance or inclusion of our audit report and/or any other reference to our Firm in such other document, will be based on our standard hourly rates.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on the Organization's Internet Web site, the Organization understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

SUBSEQUENT REPRODUCTION OF OUR AUDIT REPORT ON FINANCIAL STATEMENTS - If the Organization decides to include, publish or otherwise reproduce our audit report on the financial statements at a date subsequent to our original report issuance, such as for inclusion in a Preliminary or Official Statement, an exempt offering in

connection with a sale of bonds or notes, or other securities, or in a similar exempt offering or other disclosure document such as a prospectus, official statement, etc. (hereinafter referred to as the "document"), our Firm is presumed not to be associated with such document, and we have no obligation to perform any procedures with respect to such document. In these circumstances, the Organization agrees to include in such document a statement that Rehmann has not been engaged to perform and has not performed, since the date of our audit report being reproduced, any procedures on the financial statements contained in such document or on any unaudited financial or other information contained in the document, or on the document itself. If, however, management or the Organization's agent (such as an underwriter, bond counsel, placement agent, financial advisor, broker-dealer, etc.) requests our involvement, thereby causing us to be engaged to or otherwise prepare a written acknowledgement (sometimes referred to as a "consent" or "agree to include") letter prior to including our audit report in such a document, or requests or engages us to assist in preparing or reviewing financial or other information contained in such document, or participate in related oral due diligence meetings or offering discussions, our Firm then becomes associated with the document. In this event, in accordance with professional standards, we will be required to perform certain subsequent events-based or other limited procedures with respect to this or other unaudited information contained in the document shortly before the initial and any subsequent distribution, circulation, or submission. Fees for reissuance or inclusion of our audit report in such a document will be based on our standard hourly rates. If the Organization wishes to make reference in such a document to our Firm's role in connection with the purpose and dissemination of the document, the caption "Independent Auditors" may be used to title or label that section of the document. In accordance with professional standards, the caption "Experts" should not be used, nor should our Firm be referred to as "Experts" anywhere in the document.

INFORMAL ADVICE - As part of our engagement we may provide advice on operating, internal control over financial reporting and other matters that come to our attention. Informal advice is not considered to be a consulting service unless we have entered into a separate engagement.

THIRD PARTY PROCEEDINGS - As a result of our prior or future services to the Organization, we might be requested or subpoenaed to provide information or documents to management, a court, a trier of fact, or a third party in a legal, investigative, regulatory, administrative, mediation, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be billable to the Organization as a separate engagement. We shall be entitled to compensation for our time at our standard or special hourly rates and reasonable reimbursement for our expenses (including our legal fees) in complying with this request. For all such requests, we will observe the confidentiality requirements of our profession and will notify management promptly of the request. This paragraph will survive the termination of this agreement for any reason, and will be binding upon successors to the Organization.

PEER REVIEW - Our Firm, as well as other major accounting firms, participates in a "peer review" program covering our audit and accounting practices. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the peer reviewer will review a sample of our work. It is possible that the work we perform for the Organization may be selected by the peer reviewer for their inspection. If it is, the peer reviewer is bound by professional standards to keep all information confidential. If management objects to having the work we perform for the Organization reviewed by our peer reviewer, please notify us in writing.

PROMOTIONAL MATERIALS - The Organization consents to Rehmann's use of your Organization name and a factual description of the services to be performed by Rehmann under this agreement in Rehmann's advertising and promotional materials and other proposal opportunities.

MEDIATION - If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting

Rehmann Audit Engagement Letter and Conditions

to binding arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties.

GOVERNING LAW - This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to the principles of conflicts of law thereof.



EXAMPLE CHANGE ORDER

Client: **Jackson College Foundation** (the "Organization")

Date:

Project Description (and estimated completion date, if appropriate):

Estimated Additional Fees: \$ _____

We believe it is our responsibility to exceed the Organization's expectations. This Change Order is being prepared because performance by us of the above project and/or additional service efforts was not anticipated in our original Agreement dated June 3, 2024. The estimated fees for the above project have been mutually agreed upon by the Organization and Rehmann. It is our goal to ensure that the Organization is never surprised by the price for any Rehmann service and, therefore, we have adopted the Change Order Policy. The estimated additional amount above is due and payable upon completion of the project described.

If management agrees with the above project description and the estimated fee amount, please authorize and date the Change Order below. A copy is enclosed for the Organization's records. Thank you for letting us serve the Organization.

Agreed to and accepted:

Officer Signature

Printed Name

Title

Date



Report on Firm's System of Quality Control

August 30, 2023

To the Principals of Rehmann Robson LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, an audit performed under FDICIA, and an examination of a service organization (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rehmann Robson LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rehmann Robson LLC has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP

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June 3, 2024

Mr. John Globoker
Chief Financial Officer
Jackson College
2111 Emmons Road
Jackson, MI 49201

Enclosed is the engagement letter for **Jackson College** for the year ended June 30, 2024. *Government Auditing Standards* (as amended) require that we communicate, during the planning stage of an audit, certain information to the Audit Committee. This information includes the auditors' responsibilities in a financial statement audit, including our responsibilities for testing and reporting on compliance with laws and regulations and internal control over financial reporting. The engagement letter includes the items which must be communicated to the Audit Committee.

Therefore, please make copies of the attached engagement letter and forward the copies to the Audit Committee.

Please sign and return the enclosed copy of the attached engagement letter to us at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive style.

Enclosures





June 3, 2024

Mr. John Globoker
Chief Financial Officer
Jackson College
2111 Emmons Road
Jackson, MI 49201

We are pleased to confirm our understanding of the services we are to provide to **Jackson College** (the "College") for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities and the discretely presented component unit, including the disclosures, which collectively comprise the basic financial statements of the College as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the College's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the College's RSI in accordance with auditing standards generally accepted in the United States of America ("GAAS"). These limited procedures will consist 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 will not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedules Required by GASB 68 - Pension Plan
3. Schedules Required by GASB 75 - OPEB Plan

We have also been engaged to report on supplementary information other than RSI, that accompanies the College's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 and will provide an opinion on it in relation to the financial statements as a whole.

1. Schedule of expenditures of federal awards



Mr. John Globoker
Chief Financial Officer
Jackson College
June 3, 2024
Page 2

The following other information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

1. Combining Statements of Net Position
2. Combining Statements of Revenues, Expenses, Transfers and Changes in Net Position

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions as to whether the College's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. 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 will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on -

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and with the Uniform Guidance in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose. Noncompliance with the compliance requirements applicable to a major program 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 applicable to each major program taken as a whole.

The concept of materiality is inherent in the work of an independent auditor. An independent auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote.

Mr. John Globoker
Chief Financial Officer
Jackson College
June 3, 2024
Page 3

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the College or to acts by management or employees acting on behalf of the College. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We have advised the College of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets) notwithstanding our obligations per the Single Audit Amendments of 1996 and the Uniform Guidance. We can, as a separate engagement, perform extended procedures specifically designed to potentially detect defalcations. Management acknowledges that the College has not engaged us to do so and does not wish us to do so at this time.

Internal Control Over Financial Reporting and Compliance

We will obtain an understanding of the College and its business environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may

Mr. John Globoker
Chief Financial Officer
Jackson College
June 3, 2024
Page 4

be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control, or to identify significant deficiencies or material weaknesses in internal control, or to express an opinion on the effectiveness of internal control over financial reporting. Accordingly, we will express no such opinion. However, during the audit, we will communicate to the appropriate level of management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards* and the Uniform Guidance. These matters refer to significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of those charged with governance in overseeing the College's financial reporting process. When applicable, we are responsible for communicating certain matters required by laws or regulations, or by additional requirements that may be applicable to this engagement. Auditing standards generally accepted in the United States of America do not require the independent auditor to design or perform procedures for the purpose of identifying other matters to communicate with those charged with governance. Management is responsible for assessing the implications of and correcting any internal control-related matters brought to the College's attention by us.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories (if applicable), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the College's attorneys as part of the engagement, and they may bill the College for responding to this inquiry.

We may from time to time, and depending on the circumstances, use third-party service providers in serving the College's account. We may share confidential information about the College with these service providers, but remain committed to maintaining the confidentiality and security of the College's information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of the College's personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of the College's information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of the College's confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, management will be asked to provide consent prior to the sharing of the College's confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the College's financial statements does not relieve management or those charged with governance of their responsibilities.

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Chief Financial Officer
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Compliance with Laws and Regulations and the Provisions of Grant Agreements

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the College's compliance with provisions of applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the College's major programs. The purpose of those procedures will be to express an opinion on the College's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

Assistance provided by our Firm in the preparation of a reasonably adjusted trial balance is considered an additional billable service.

Responsibilities of Management for the Financial Statements and Compliance

Our audit will be conducted on the basis that you acknowledge and understand your sole and complete responsibility for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and internal control over compliance, and for ongoing monitoring activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with an acceptable financial reporting framework, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is responsible for determining, and has determined, that the applicable and appropriate financial reporting framework to be used in the preparation of the College's financial statements is accounting principles generally accepted in the United States of America (GAAP).

Management is also solely and completely responsible for making drafts of financial statements, all financial records and related information available to us, including a reasonably adjusted trial balance, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (2) additional information that we may request from management for the purpose of the audit, and (3) unrestricted access to persons within the College from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

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For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.

Management's responsibilities also include identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We will advise management and the Audit Committee, as necessary about appropriate accounting principles and their application and may assist in the preparation of the College's financial statements, but the ultimate responsibility for the financial statements remains with management with oversight by those charged with governance. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to the College's financial statements. Management is responsible for reviewing the entries, understanding the nature of any proposed entries and the impact they have on the financial statements, and the implications of such entries on the College's internal control over financial reporting. Further, the College is responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these nonattest services.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud, suspected fraud or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the College complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review at the conclusion of fieldwork.

Management is responsible for designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the College is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards, and for identifying and ensuring that the College complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs.

Management is responsible for preparation of the schedule of expenditures of federal awards in conformity with the Uniform Guidance. Management agrees to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we reported on the schedule of expenditures of federal awards. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon.

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Management's responsibilities include acknowledging to us in the representation letter that (a) management is responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (b) that management believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is also responsible for the preparation of the other supplementary information, which we have been engaged to report on, that is presented fairly in relation to the basic financial statements. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (a) management is responsible for presentation of the supplementary information in accordance with GAAP; (b) that management believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

The College is required to disclose the date through which subsequent events have been evaluated, which ordinarily is the date the financial statements were available to be issued. The College will not date the subsequent event note earlier than the date of management's written representation letter and the date of our independent auditors' report.

During the course of our engagement, we will request information and explanations from management regarding the College's operations, internal control over financial reporting, various matters concerning fraud risk, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written management representation letter.

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance. As part of the audit, we will assist with preparation of the College's financial statements, schedule of expenditures of federal awards, and related

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notes, as well as the data collection form. Management will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and the data collection form, and that management has reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Management agrees to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of these or other nonattest services performed by our Firm; and understand and accept responsibility for the results of such services.

We are not hosts for any College information. Management is expected to retain all financial and non-financial information that management uploads to a portal (document sharing site), and management is responsible for downloading and retaining in a timely manner anything we upload. Portals are meant as a method only of transferring and sharing data, and are not intended for the storage of College information, which may be deleted at any time. Management is expected to maintain control over the College's accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of the College's data or records. Giving us access to the College's accounting system does not make us hosts of information contained within.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management functions or responsibilities.

Fees

The not-to-exceed fee for the audit of the financial statements will be charged at rates commensurate with the value of our professional services rendered and are not expected to exceed \$48,000. If the College has more than two major programs tested in the single audit, a fee of no more than \$4,000 - \$8,000 will be charged for each additional program. Additional fees will be charged for additional hours spent related to significant changes in the compliance supplement.

Our invoices for these fees are due and payable as follows:

July 31, 2024	\$ 20,000
August 31, 2024	\$ 20,000
October 15, 2024	\$ 8,000

This fee is based on the assumption that unexpected circumstances will not be encountered during the audit. This fee is based on anticipated cooperation from the College's personnel, continued readiness and proactive assistance on their part in providing us with complete and accurate information (whether financial or nonfinancial in nature) considered necessary by us to form an appropriate opinion, and the assumption that unexpected circumstances will not be encountered during the audit. Such circumstances include, but are not necessarily limited to significant addition or deletion of funds, component units or related entities and first-time application of significant new professional accounting principles or auditing pronouncements. In addition, the fee above assumes management will analyze and maintain appropriate support for significant valuation assertions embodied in the financial statements including the valuation of investment securities, the actuarial methods and assumptions used to calculate the net pension and other postemployment benefits liabilities, impairment of capital assets including those held for sale, the valuation of inventories and land held for resale, allowances for uncollectible receivables, and the estimate for incurred-but-not-reported self

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insurance claims. If significant additional time is necessary, we will discuss the related circumstances with management and arrive at a new fee estimate, which may or may not occur before we incur the additional time. In these circumstances, we may also issue a change order form (an attached example is provided.)

Engagement Administration and Other

Management shall discuss any independence matters with Rehmann that, in management's judgment, could bear upon Rehmann's independence.

By applying a digital signature to this engagement letter or other document via DocuSign or a similar third-party digital signature service, management acknowledges the College's consent to receive and execute such documents via this method. Management further acknowledges that a digital signature applied via DocuSign or a similar third-party digital signature service has the same legal commitment as a traditional physical signature.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with management the electronic submission and certification. If applicable, we will provide copies of our reports for the College to include with the reporting package the College will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Rehmann and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or grantor agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such audit documentation will be provided under the supervision of Rehmann personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through College. If we are aware that a federal awarding agency, pass-through College, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Our audit engagement and our responsibility as auditors ends on delivery of our audit report to the Board of Trustees at the Regular or Special Board meeting. Any follow-up services that might be required will be part of a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we provide the College with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our 2023 peer review report accompanies this letter.

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This engagement letter, including the attached Rehmann Audit Engagement Letter Terms and Conditions which are incorporated herein by reference as if set forth within the body of this engagement letter in their entirety, reflect the entire understanding between us relating to the audit services covered by this agreement. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreements of the College and Rehmann contained in this document shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included.

Reporting

We will issue a written report upon completion of our audit of the College's financial statements. Our audit will also include performing procedures on the financial information of Jackson College Foundation to enable us to express an opinion on the College's financial statements. Our report will be addressed to the Board of Trustees of the College. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add emphasis-of-matter or other-matter paragraphs to our audit report, or if necessary, withdraw from this engagement. If our opinions on the financial statements or the Single Audit compliance opinion are other than unmodified, we will discuss the reasons with management in advance. If circumstances occur and come to our attention related to the condition of the College's records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, or we become aware that information provided by the College is incorrect, incomplete, inconsistent, misleading, contains material omissions, or is otherwise unsatisfactory which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We appreciate the opportunity to be of service to the College and believe the arrangements outlined above and in the attached Rehmann Audit Engagement Letter Terms and Conditions accurately summarize the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement, please sign the enclosed copy of this document and return it to us.



Joshua J. Sullivan, CPA
Principal
Executive responsible for supervising the
engagement and signing our report

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Chief Financial Officer
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ACKNOWLEDGED AND ACCEPTED:

This letter correctly sets forth the understanding of *Jackson College*.

Officer Signature

Printed Name

Title

Date

Governance Signature

Printed Name

Title

Date

Rehmann Audit Engagement Letter Terms and Conditions

ADDITIONAL SERVICES - The College may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with management regarding the scope of the additional services and the estimated separate fees. We also may issue a change order form (an attached example is provided), or a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our attest services will continue to be governed by the terms of this engagement letter.

CODE OF CONDUCT - Management is responsible for identifying any violations by employees of the College's code of conduct.

CHANGES IN STANDARDS, LAWS AND REGULATIONS - We perform services for the College based on present professional standards, laws and regulations. While we may on occasion be able to communicate with management with respect to changes in professional standards, laws and regulations, as a general principle we cannot undertake with clients to advise them of every change that may occur. The College can always obtain reassurance in this regard by contacting us for an updated review of the College's situation.

MANAGEMENT'S REPRESENTATIONS - The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. Accordingly, false, misleading, incomplete, inconsistent, or omitted representations could cause us to expend unnecessary efforts or could cause material error or a fraud to go undetected by our procedures. In view of the foregoing, the College agrees that we shall not be responsible for any material misstatements in the College's financial statements that we may fail to detect as a result of false, inaccurate, incomplete, inconsistent, or misleading representations that are made to us by management. In addition, the College further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, that we may incur as a result of the services performed under this engagement in the event there are false or misleading representations made to us by any member of the College's management.

CLIENT ASSISTANCE - We understand that the College's employees will prepare all cash, accounts receivable, and other confirmations we request and will locate and refile any documents selected by us for testing. In addition, management will provide us with copies of all minutes and other documents that we believe may have a bearing on our evaluation of the College's financial affairs.

WORK SPACE - The College shall provide reasonable work space for Rehmann personnel at audit work sites, as well as occasional clerical support services.

TIMELY DECISIONS AND APPROVALS - The College understands that Rehmann's performance is dependent on the College's timely and effective satisfaction of its own activities and responsibilities in connection with this engagement, as well as timely decisions and approvals by College personnel.

ACCURACY AND COMPLETENESS OF INFORMATION - Management agrees to ensure that all information provided to us is accurate, complete, and consistent in all material respects, contains no material omissions and is updated on a prompt and continuous basis. In addition, management will also be responsible for obtaining all third-party consents, if any, required to enable Rehmann to access and use any third-party products necessary to our performance.

EMAIL - The College acknowledges that (a) Rehmann, the College and others, if any, participating in this engagement may correspond or convey documentation via Internet e-mail unless the College expressly requests otherwise, (b) no party has control over the performance, reliability, availability, or security of Internet e-mail, and (c) Rehmann shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond Rehmann's reasonable control.

OFFERS OF EMPLOYMENT - Professional standards require us to be independent with respect to the College in the performance of our services. Any discussions that management has with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that management inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Neither party shall, during the term of this engagement letter and for one (1) year after its termination, solicit for hire as an employee, consultant or otherwise any of the other party's personnel without such other party's express written consent. If the College desires to offer employment to a Rehmann associate and the associate is hired in any capacity by the College, a market-driven compensation placement fee may apply.

ADDITIONAL FEES AND BILLING POLICIES - It must be understood that the nature of our engagement requires us to exercise our independent professional judgment with respect to various auditing, accounting and related issues. In reaching our conclusions, we must retain the right to judge the nature and scope of the work required in order to conform to professional standards, as well as the work we deem necessary to enable us to reach the conclusions and form the opinions required of us. If our judgment as to the scope of the work required causes us to reassess our estimate of fees for this engagement, we will so advise the College. We reserve the right to refrain from performing additional work (and thereby incurring additional time charges) unless and until the College has confirmed its understanding of, and agreement to, any additional estimated charges.

Our fee estimate is based upon our discussions with management, in which management has disclosed no unusual problems or issues which would require us to conduct an audit of unusual scope or otherwise expend time and effort in excess of that normally anticipated in an engagement of this type. The estimate also assumes that we will have the full cooperation of College personnel, as required, and that there is a reasonable continuity of College personnel familiar with the matters to which our engagement relates. In addition, our fee is based on the experience level of our personnel, at their respective standard hourly rates, performing certain audit procedures at certain timeframes. If we are caused to vary from that planning formula, additional fees will need to be charged to allow for more experienced personnel performing the work, reallocation of our client priority, overtime, etc. Further, management will provide us with the schedules and records that we request (which ordinarily are detailed in a request list in advance of our fieldwork) and that all such schedules and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed upon. If the requested schedules and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will attempt to resume our work as soon as the schedules and records are provided to us and our professionals assigned to the engagement again become available.

As a result of well-publicized events, global economic convergence, and the continued evolution of the accounting profession, accounting and auditing standard setters and regulators are continually evaluating the need for changes that may affect the College. Such changes may result in changes in financial reporting and expanding the nature, timing and scope of activities we are required to perform to provide the services discussed in this letter. Proposed changes and shortened deadlines could result in a reduction of the level of assistance and preparedness the College is able to provide. We expect that our clients may continue to look to us to assist them with these changes. To the extent any changes require us to increase the time required to provide the services described in this letter or to complete new tasks required by such changes, we reserve the right to adjust our fees appropriately. We will endeavor to advise the College of anticipated changes to our fees on a timely basis.

In accordance with our Firm policies, work may be suspended if the College's account becomes 30 days or more overdue and will not be resumed until the account is paid in full or we have a definitive payment agreement approved by our Firm administrator in Saginaw, Michigan. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. The College will be obligated to compensate us for all time expended and

Rehmann Audit Engagement Letter Terms and Conditions

to reimburse us for all out-of-pocket expenditures through the date of termination.

Our terms and conditions impose a late charge of 1.5% per month, which is an annual percentage rate of 18%. Balances not paid within 30 days of the receipt of invoice are past due and a late charge of 1.5% will be applied to the entire past due amount.

Rehmann charges a 3% convenience fee on credit card payments.

CLAIMS - Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, the College agrees that, notwithstanding the statute of limitations of any particular State or U.S. Territory, any claim based on the audit engagement must be filed within 12 months after performance of our service, unless management has previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

TERMINATION OF SERVICES - We reserve the right to suspend or terminate services for reasonable cause such as failure to pay our invoices on a timely basis or failure to provide adequate information in response to our inquiries necessary for successful performance of our audit services. Our engagement will be deemed to be completed upon written notification of termination, even if we have not completed the audit and issued our signed auditors' report. The College is obligated to compensate us for the time expended to that point and to reimburse us for all out-of-pocket expenditures through the date of termination.

We acknowledge the College's right to terminate our services at any time, and the College acknowledges our right to withdraw at any time, including, but not limited to, for example, instances where, in our judgment, (a) the conditions in the Audit Scope and Objectives section of this letter exist, (b) our independence has been impaired, (c) we can no longer rely on the integrity of management, (d) management (or the Audit Committee, if applicable) fails to reasonably support our efforts to perform the engagement in accordance with what we believe is necessary to comply with professional standards, or (e) a lack of professionalism exhibited by management appears to demonstrate a lack of respect for our personnel such as that evidenced in inappropriate or threatening language/emails, subject in either case to our right to payment for charges incurred to the date of termination or our resignation.

In the event that we determine to resign, and the College seeks damages allegedly resulting from such resignation, our maximum liability to the College in the event we are held liable because of such resignation shall be limited to the fees actually paid to us for current year audit work performed up to the date of resignation.

INITIAL ISSUANCE OF OUR AUDIT REPORT ON FINANCIAL STATEMENTS - If the College intends to publish or otherwise reproduce our audit report on the financial statements and/or make reference to our Firm name, such as for inclusion in an annual report (such as, for example, in a Comprehensive Annual Financial Report), prospectus, official statement, or similar disclosure document, including incorporation by reference thereto, the College agrees to provide us with a copy of the final reproduced document for our review and approval before it is distributed, circulated or submitted. Additional fees for issuance or inclusion of our audit report and/or any other reference to our Firm in such other document, will be based on our standard hourly rates.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on the College's Internet Web site, the College understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

SUBSEQUENT REPRODUCTION OF OUR AUDIT REPORT ON FINANCIAL STATEMENTS - If the College decides to include, publish or otherwise reproduce our audit report on the financial statements at a date subsequent to our original report issuance, such as for inclusion in a Preliminary or Official Statement, an exempt offering in connection with a sale of bonds or notes, or other securities, or in a similar exempt offering

or other disclosure document such as a prospectus, official statement, etc. (hereinafter referred to as the "document"), our Firm is presumed not to be associated with such document, and we have no obligation to perform any procedures with respect to such document. In these circumstances, the College agrees to include in such document a statement that Rehmann has not been engaged to perform and has not performed, since the date of our audit report being reproduced, any procedures on the financial statements contained in such document or on any unaudited financial or other information contained in the document, or on the document itself. If, however, management or the College's agent (such as an underwriter, bond counsel, placement agent, financial advisor, broker-dealer, etc.) requests our involvement, thereby causing us to be engaged to or otherwise prepare a written acknowledgement (sometimes referred to as a "consent" or "agree to include") letter prior to including our audit report in such a document, or requests or engages us to assist in preparing or reviewing financial or other information contained in such document, or participate in related oral due diligence meetings or offering discussions, our Firm then becomes associated with the document. In this event, in accordance with professional standards, we will be required to perform certain subsequent events-based or other limited procedures with respect to this or other unaudited information contained in the document shortly before the initial and any subsequent distribution, circulation, or submission. Fees for reissuance or inclusion of our audit report in such a document will be based on our standard hourly rates. If the College wishes to make reference in such a document to our Firm's role in connection with the purpose and dissemination of the document, the caption "Independent Auditors" may be used to title or label that section of the document. In accordance with professional standards, the caption "Experts" should not be used, nor should our Firm be referred to as "Experts" anywhere in the document.

INFORMAL ADVICE - As part of our engagement we may provide advice on operating, internal control over financial reporting and other matters that come to our attention. Informal advice is not considered to be a consulting service unless we have entered into a separate engagement.

THIRD PARTY PROCEEDINGS - As a result of our prior or future services to the College, we might be requested or subpoenaed to provide information or documents to management, a court, a trier of fact, or a third party in a legal, investigative, regulatory, administrative, mediation, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be billable to the College as a separate engagement. We shall be entitled to compensation for our time at our standard or special hourly rates and reasonable reimbursement for our expenses (including our legal fees) in complying with this request. For all such requests, we will observe the confidentiality requirements of our profession and will notify management promptly of the request. This paragraph will survive the termination of this agreement for any reason, and will be binding upon successors to the College.

PEER REVIEW - Our Firm, as well as other major accounting firms, participates in a "peer review" program covering our audit and accounting practices. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the peer reviewer will review a sample of our work. It is possible that the work we perform for the College may be selected by the peer reviewer for their inspection. If it is, the peer reviewer is bound by professional standards to keep all information confidential. If management objects to having the work we perform for the College reviewed by our peer reviewer, please notify us in writing.

PROMOTIONAL MATERIALS - The College consents to Rehmann's use of your College name and a factual description of the services to be performed by Rehmann under this agreement in Rehmann's advertising and promotional materials and other proposal opportunities.

MEDIATION - If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to binding arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Rehmann Audit Engagement Letter Terms and Conditions

GOVERNING LAW - This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to the principles of conflicts of law thereof.



EXAMPLE CHANGE ORDER

Client: **Jackson College** (the "College")

Date:

Project Description (and estimated completion date, if appropriate):

Estimated Additional Fees: \$ _____

We believe it is our responsibility to exceed the College's expectations. This Change Order is being prepared because performance by us of the above project and/or additional service efforts was not anticipated in our original Agreement dated June 3, 2024. The estimated fees for the above project have been mutually agreed upon by the College and Rehmann. It is our goal to ensure that the College is never surprised by the price for any Rehmann service and, therefore, we have adopted the Change Order Policy. The estimated additional amount above is due and payable upon completion of the project described.

If management agrees with the above project description and the estimated fee amount, please authorize and date the Change Order below. A copy is enclosed for the College's records. Thank you for letting us serve the College.

Agreed to and accepted:

Officer Signature

Printed Name

Title

Date



Report on Firm's System of Quality Control

August 30, 2023

To the Principals of Rehmann Robson LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, an audit performed under FDICIA, and an examination of a service organization (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rehmann Robson LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rehmann Robson LLC has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP

Jackson College
40765



E-Billing Enrollment/Confirmation

Timely and easy-to-access invoices and statements will now be emailed to you. Please provide your contact information below to start taking advantage of electronic invoicing and statements.

Primary Billing Contact: _____

Billing Phone Number: _____

Email Address: _____

Comments:

If you are already taking advantage of e-Billing, we will confirm this information in our systems. Additionally, the billing contact will receive information on e-Payment options to simplify your accounts payable process.





INVOICE

Page: 1
 Date: 7/31/24
 Client: 40765
 Job: 1475204
 Inv#: RR890684

Jackson College
 Attn: John Globoker, CFO
 2111 Emmons Rd
 Jackson, MI 49201-8399

Rehmann Robson
 Jackson Office
 517.787.6503

Progress billing #1 for the Audit for the year ended June 30, 2024 20,000.00

Payment schedule:		
Payment #1	Due July 31, 2024	\$ 20,000
Payment #2	Due August 31, 2024	20,000
Payment #3	Due October 15, 2024	8,000

Current Total \$ 20,000.00

Please detach and return with payment

*Please make all checks payable to "Rehmann"
 To pay by eCheck or Credit Card visit www.rehmann.com and
 select Pay Bill.*

Amount Due: \$ 20,000.00

Date: 7/31/24 *For Wire Transfers call 989-797-8443*
 Inv#: RR890684 *Rehmann now charges a 3% convenience fee on credit card payments*
 Client: 40765 *(For account questions email: accounts.receivable@rehmann.com)*
 Job: 1475204

Amount Paid: _____

Jackson College
 Attn: John Globoker, CFO
 2111 Emmons Rd
 Jackson, MI 49201-8399

Rehmann Robson
 Saginaw Office
 5800 Gratiot Rd., Suite 201
 P.O. Box 2025
 Saginaw, MI 48605-2025

Credit terms: Unpaid invoices 30 days after the invoice date are subject to a finance charge of 1 1/2% per month (18% per annum).



INVOICE

Page: 1
 Date: 8/31/24
 Client: 40765
 Job: 1475204
 Inv#: RR890685

Jackson College
 Attn: John Globoker, CFO
 2111 Emmons Rd
 Jackson, MI 49201-8399

Rehmann Robson
 Jackson Office
 517.787.6503

Progress billing #2 for the Audit for the year ended June 30, 2024 20,000.00

Payment schedule:		
Payment #1	Due July 31, 2024	\$ 20,000
Payment #2	Due August 31, 2024	20,000
Payment #3	Due October 15, 2024	8,000

Current Total \$ 20,000.00

Please detach and return with payment

*Please make all checks payable to "Rehmann"
 To pay by eCheck or Credit Card visit www.rehmann.com and
 select Pay Bill.*

Amount Due: \$ 20,000.00

Date: 8/31/24 *For Wire Transfers call 989-797-8443*
 Inv#: RR890685 *Rehmann now charges a 3% convenience fee on credit card payments*
 Client: 40765 *(For account questions email: accounts.receivable@rehmann.com)*
 Job: 1475204

Amount Paid: _____

Jackson College
 Attn: John Globoker, CFO
 2111 Emmons Rd
 Jackson, MI 49201-8399

Rehmann Robson
 Saginaw Office
 5800 Gratiot Rd., Suite 201
 P.O. Box 2025
 Saginaw, MI 48605-2025

Credit terms: Unpaid invoices 30 days after the invoice date are subject to a finance charge of 1 1/2% per month (18% per annum).



INVOICE

Page: 1
 Date: 10/15/24
 Client: 40765
 Job: 1475204
 Inv#: RR890686

Jackson College
 Attn: John Globoker, CFO
 2111 Emmons Rd
 Jackson, MI 49201-8399

Rehmann Robson
 Jackson Office
 517.787.6503

Final billing for the Audit for the year ended June 30, 2024 8,000.00

Payment schedule:			
Payment #1	Due July 31, 2024		\$ 20,000
Payment #2	Due August 31, 2024		20,000
Payment #3	Due October 15, 2024		8,000

Current Total \$ 8,000.00

Please detach and return with payment

*Please make all checks payable to "Rehmann"
 To pay by eCheck or Credit Card visit www.rehmann.com and
 select Pay Bill.*

Amount Due: \$ 8,000.00

Date: 10/15/24 *For Wire Transfers call 989-797-8443*

Amount Paid: _____

Inv#: RR890686 *Rehmann now charges a 3% convenience fee on credit card payments*

Client: 40765 *(For account questions email: accounts.receivable@rehmann.com)*

Job: 1475204

Jackson College
 Attn: John Globoker, CFO
 2111 Emmons Rd
 Jackson, MI 49201-8399

Rehmann Robson
 Saginaw Office
 5800 Gratiot Rd., Suite 201
 P.O. Box 2025
 Saginaw, MI 48605-2025

Credit terms: Unpaid invoices 30 days after the invoice date are subject to a finance charge of 1 1/2% per month (18% per annum).



June 3, 2024

Julie Hand, Chief Advancement Officer
Jackson College Foundation
2111 Emmons Road
Jackson, MI 49201

Enclosed is the engagement letter for the **Jackson College Foundation** for the year ended June 30, 2024. *Government Auditing Standards* (as amended) require that we communicate, during the planning stage of an audit, certain information to the Audit Committee. This information includes the auditors' responsibilities in a financial statement audit, including our responsibilities for testing and reporting on compliance with laws and regulations and internal control over financial reporting. The engagement letter includes the items which must be communicated to the Audit Committee.

Therefore, please make copies of the attached engagement letter and forward the copies to Audit Committee.

Please sign and return the enclosed copy of the attached engagement letter to us at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads "Rehmann Lobson LLC".

Enclosures





June 3, 2024

Julie Hand, Chief Advancement Officer
Jackson College Foundation
2111 Emmons Road
Jackson, MI 49201

We are pleased to confirm our understanding of the services we are to provide **Jackson College Foundation** (the "Organization") for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the Organization, including the disclosures, which collectively comprise the basic financial statements of the Organization as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI) such as management's discussion and analysis (MD&A), to supplement the Organization's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Organization's RSI in accordance with auditing standards generally accepted in the United States of America ("GAAS"). These limited procedures will consist 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 will not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions as to whether the Organization's basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. 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 will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.



Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
Page 2

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Organization is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

The concept of materiality is inherent in the work of an independent auditor. An independent auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Organization and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
Page 3

We have advised the Organization of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We can, as a separate engagement, perform extended procedures specifically designed to potentially detect defalcations. Management acknowledges that the Organization has not engaged us to do so and does not wish to do so at this time.

Internal Control Over Financial Reporting

We will obtain an understanding of the Organization and its business environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control, or to identify significant deficiencies or material weaknesses in internal control, or to express an opinion on the effectiveness of internal control over financial reporting. Accordingly, we will express no such opinion. However, during the audit, we will communicate to the appropriate level of management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*. These matters refer to significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of those charged with governance in overseeing the Organization's financial reporting process. When applicable, we are responsible for communicating certain matters required by laws or regulations, or by additional requirements that may be applicable to this engagement. Auditing standards generally accepted in the United States of America do not require the independent auditor to design or perform procedures for the purpose of identifying other matters to communicate with those charged with governance. Management is responsible for assessing the implications of and correcting any internal control-related matters brought to the Organization's attention by us.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories (if applicable), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the Organization's attorneys as part of the engagement, and they may bill the Organization for responding to this inquiry.

We may from time to time, and depending on the circumstances, use third-party service providers in serving the Organization's account. We may share confidential information about the Organization with these service providers, but remain committed to maintaining the confidentiality and security of the Organization's information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of the Organization's personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of the Organization's information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of the Organization's confidential information to others. In the event that we are

Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
Page 4

unable to secure an appropriate confidentiality agreement, management will be asked to provide consent prior to the sharing of the Organization's confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the Organization's financial statements does not relieve management or those charged with governance of their responsibilities.

Compliance with Laws and Regulations and the Provisions of Grant Agreements

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with the provisions of applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

Assistance provided by our Firm in the preparation of a reasonably adjusted trial balance is considered an additional billable service.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your sole and complete responsibility for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including ongoing monitoring activities; to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with an acceptable financial reporting framework. Management is responsible for determining, and has determined, that the applicable and appropriate financial reporting framework to be used in the preparation of the Organization's financial statements is accounting principles generally accepted in the United States of America.

Management is also solely and completely responsible for making drafts of financial statements, all financial records, and related information available to us, including a reasonably adjusted trial balance, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (2) additional information that we may request from management for the purpose of the audit, and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.

Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
Page 5

Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We will advise management (and the Board of Directors, as necessary) about appropriate accounting principles and their application and may assist in the preparation of the Organization's financial statements, but the ultimate responsibility for the financial statements remains with management with oversight by those charged with governance. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to the Organization's financial statements. Management is responsible for reviewing the entries, understanding the nature of any proposed entries and the impact they have on the financial statements, and the implications of such entries on the Organization's internal control over financial reporting. Further, the Organization is responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these nonattest services.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud, suspected fraud, or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for the preparation of the supplementary information that is presented fairly in relation to the basic financial statements. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (1) management is responsible for presentation of the supplementary information in accordance with GAAP; (2) that management believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions for the report, and for the timing and format for providing that information.

Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
Page 6

The Organization is required to disclose the date through which subsequent events have been evaluated, which ordinarily is the date the financial statements were available to be issued. The Organization will not date the subsequent event note earlier than the date of management's written representation letter and the date of our independent auditors' report.

During the course of our engagement, we will request information and explanations from management regarding the Organization's operations, internal control over financial reporting, various matters concerning fraud risk, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written management representation letter.

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with the preparation of the Organization's financial statements and related notes. Management will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that management has reviewed and approved the financial statements and related notes prior to their issuance and has accepted responsibility for them. Management agrees to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, and/or experience to oversee any nonaudit services we provide; evaluate the adequacy and results of these or other nonattest services provided by our Firm; and understand and accept responsibility for the results of such services.

We are not hosts for any Organization information. Management is expected to retain all financial and non-financial information that management uploads to a portal (document sharing site), and management is responsible for downloading and retaining in a timely manner anything we upload. Portals are meant as a method only of transferring and sharing data, and are not intended for the storage of Organization information, which may be deleted at any time. Management is expected to maintain control over the Organization's accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of the Organization's data or records. Giving us access to the Organization's accounting system does not make us hosts of information contained within.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management functions or responsibilities.

Fees

Our fee for the audit services for the year ended June 30, 2024, will be charged at rates commensurate with the value of our professional services rendered and are not expected to exceed \$6,000.

Our invoices for these fees are due and payable as follows:

July 31, 2024	\$ 2,000
September 1, 2024	\$ 2,000
October 1, 2024	\$ 2,000

Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
Page 7

This fee is based on the assumption that unexpected circumstances will not be encountered during the audit. This fee is based on anticipated cooperation from the Organization's personnel, continued readiness and proactive assistance on their part in providing us with complete and accurate information (whether financial or nonfinancial in nature) considered necessary by us to form an appropriate opinion, and the assumption that unexpected circumstances will not be encountered during the audit. Such circumstances include, but are not necessarily limited to significant addition or deletion of funds, component units or related entities and first-time application of significant new professional accounting principles or auditing pronouncements. In addition, the fee above assumes management will analyze and maintain appropriate support for significant valuation assertions embodied in the financial statements including the valuation of investment securities, the actuarial methods and assumptions used to calculate the net pension and other postemployment benefits liabilities, impairment of capital assets including those held for sale, the valuation of inventories and land held for resale, allowances for uncollectible receivables, and the estimate for incurred-but-not-reported self insurance claims. If significant additional time is necessary, we will discuss the related circumstances with management and arrive at a new fee estimate, which may or may not occur before we incur the additional time. In these circumstances, we may also issue a change order form (an attached example is provided.)

Engagement Administration and Other

Management shall discuss any independence matters with Rehmann that, in management's judgment, could bear upon Rehmann's independence.

By applying a digital signature to this engagement letter or other document via DocuSign or a similar third-party digital signature service, management acknowledges the Organization's consent to receive and execute such documents via this method. Management further acknowledges that a digital signature applied via DocuSign or a similar third-party digital signature service has the same legal commitment as a traditional physical signature.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection. The audit documentation for this engagement is the property of Rehmann and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or grantor agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such audit documentation will be provided under the supervision of Rehmann personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through Organization. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Our audit engagement and responsibility as auditors ends on delivery of our audit report. Any follow-up services that might be required will be part of a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
Page 8

Government Auditing Standards require that we provide the Organization with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our 2023 peer review report accompanies this letter.

This engagement letter, including the attached Rehmann Audit Engagement Letter Terms and Conditions which are incorporated herein by reference as if set forth within the body of this engagement letter in their entirety, reflect the entire understanding between us relating to the audit services covered by this agreement. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. The agreements of the Organization and Rehmann contained in this document shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included.

Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the board of directors of the Organization. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add emphasis-of-matter or other-matter paragraphs to our report, or if necessary, withdraw from this engagement. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with management in advance. If circumstances occur and come to our attention related to the condition of the Organization's records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, or we become aware that information provided by the Organization is incorrect, incomplete, inconsistent, misleading, contains material omissions, or is otherwise unsatisfactory which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We appreciate the opportunity to be of service to the Organization and believe the arrangements outlined above and in the attached Rehmann Audit Engagement Letter Terms and Conditions accurately summarize the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement, please sign the enclosed copy of this document and return it to us.



Joshua J. Sullivan, CPA
Principal
Executive responsible for supervising the
engagement and signing our report

Julie Hand, Chief Advancement Officer
Jackson College Foundation
June 3, 2024
Page 9

ACKNOWLEDGED AND ACCEPTED:

This letter correctly sets forth the understanding of *Jackson College Foundation*.

Officer Signature

Printed Name

Title

Date

Governance Signature

Printed Name

Title

Date

Rehmann Audit Engagement Letter and Conditions

ADDITIONAL SERVICES - The Organization may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with management regarding the scope of the additional services and the estimated separate fees. We also may issue a change order form (an attached example is provided), or a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our attest services will continue to be governed by the terms of this engagement letter.

CODE OF CONDUCT - Management is responsible for identifying any violations by employees of the Organization's code of conduct.

CHANGES IN STANDARDS, LAWS AND REGULATIONS - We perform services for the Organization based on present professional standards, laws and regulations. While we may on occasion be able to communicate with management with respect to changes in professional standards, laws and regulations, as a general principle we cannot undertake with clients to advise them of every change that may occur. The Organization can always obtain reassurance in this regard by contacting us for an updated review of the Organization's situation.

MANAGEMENT'S REPRESENTATIONS - The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. Accordingly, false, misleading, incomplete, inconsistent, or omitted representations could cause us to expend unnecessary efforts or could cause material error or a fraud to go undetected by our procedures. In view of the foregoing, the Organization agrees that we shall not be responsible for any material misstatements in the Organization's financial statements that we may fail to detect as a result of false, inaccurate, incomplete, inconsistent, or misleading representations that are made to us by management. In addition, the Organization further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, that we may incur as a result of the services performed under this engagement in the event there are false or misleading representations made to us by any member of the Organization's management.

CLIENT ASSISTANCE - We understand that the Organization's employees will prepare all cash, accounts receivable, and other confirmations we request and will locate and refile any documents selected by us for testing. In addition, management will provide us with copies of all minutes and other documents that we believe may have a bearing on our evaluation of the Organization's financial affairs.

WORK SPACE - The Organization shall provide reasonable work space for Rehmann personnel at audit work sites, as well as occasional clerical support services.

TIMELY DECISIONS AND APPROVALS - The Organization understands that Rehmann's performance is dependent on the Organization's timely and effective satisfaction of its own activities and responsibilities in connection with this engagement, as well as timely decisions and approvals by Organization personnel.

ACCURACY AND COMPLETENESS OF INFORMATION - Management agrees to ensure that all information provided to us is accurate, complete, and consistent in all material respects, contains no material omissions and is updated on a prompt and continuous basis. In addition, management will also be responsible for obtaining all third-party consents, if any, required to enable Rehmann to access and use any third-party products necessary to our performance.

EMAIL - The Organization acknowledges that (a) Rehmann, the Organization and others, if any, participating in this engagement may correspond or convey documentation via Internet e-mail unless the Organization expressly requests otherwise, (b) no party has control over the performance, reliability, availability, or security of Internet e-mail, and (c) Rehmann shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond Rehmann's reasonable control.

OFFERS OF EMPLOYMENT - Professional standards require us to be independent with respect to the Organization in the performance of our services. Any discussions that management has with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that management inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Neither party shall, during the term of this engagement letter and for one (1) year after its termination, solicit for hire as an employee, consultant or otherwise any of the other party's personnel without such other party's express written consent. If the Organization desires to offer employment to a Rehmann associate and the associate is hired in any capacity by the Organization, a market-driven compensation placement fee may apply.

ADDITIONAL FEES AND BILLING POLICIES - It must be understood that the nature of our engagement requires us to exercise our independent professional judgment with respect to various auditing, accounting and related issues. In reaching our conclusions, we must retain the right to judge the nature and scope of the work required in order to conform to professional standards, as well as the work we deem necessary to enable us to reach the conclusions and form the opinions required of us. If our judgment as to the scope of the work required causes us to reassess our estimate of fees for this engagement, we will so advise the Organization. We reserve the right to refrain from performing additional work (and thereby incurring additional time charges) unless and until the Organization has confirmed its understanding of, and agreement to, any additional estimated charges.

Our fee estimate is based upon our discussions with management, in which management has disclosed no unusual problems or issues which would require us to conduct an audit of unusual scope or otherwise expend time and effort in excess of that normally anticipated in an engagement of this type. The estimate also assumes that we will have the full cooperation of Organization personnel, as required, and that there is a reasonable continuity of Organization personnel familiar with the matters to which our engagement relates. In addition, our fee is based on the experience level of our personnel, at their respective standard hourly rates, performing certain audit procedures at certain timeframes. If we are caused to vary from that planning formula, additional fees will need to be charged to allow for more experienced personnel performing the work, reallocation of our client priority, overtime, etc. Further, management will provide us with the schedules and records that we request (which ordinarily are detailed in a request list in advance of our fieldwork) and that all such schedules and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed upon. If the requested schedules and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will attempt to resume our work as soon as the schedules and records are provided to us and our professionals assigned to the engagement again become available.

As a result of well-publicized events, global economic convergence, and the continued evolution of the accounting profession, accounting and auditing standard setters and regulators are continually evaluating the need for changes that may affect the Organization. Such changes may result in changes in financial reporting and expanding the nature, timing and scope of activities we are required to perform to provide the services discussed in this letter. Proposed changes and shortened deadlines could result in a reduction of the level of assistance and preparedness the Organization is able to provide. We expect that our clients may continue to look to us to assist them with these changes. To the extent any changes require us to increase the time required to provide the services described in this letter or to complete new tasks required by such changes, we reserve the right to adjust our fees appropriately. We will endeavor to advise the Organization of anticipated changes to our fees on a timely basis.

In accordance with our Firm policies, work may be suspended if the Organization's account becomes 30 days or more overdue and will not be resumed until the account is paid in full or we have a definitive payment agreement approved by our Firm administrator in Saginaw, Michigan. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report.

Rehmann Audit Engagement Letter and Conditions

The Organization will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our terms and conditions impose a late charge of 1.5% per month, which is an annual percentage rate of 18%. Balances not paid within 30 days of the receipt of invoice are past due and a late charge of 1.5% will be applied to the entire past due amount.

Rehmann charges a 3% convenience fee on credit card payments.

CLAIMS - Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, the Organization agrees that, notwithstanding the statute of limitations of any particular State or U.S. Territory, any claim based on the audit engagement must be filed within 12 months after performance of our service, unless management has previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

TERMINATION OF SERVICES - We reserve the right to suspend or terminate services for reasonable cause such as failure to pay our invoices on a timely basis or failure to provide adequate information in response to our inquiries necessary for successful performance of our audit services. Our engagement will be deemed to be completed upon written notification of termination, even if we have not completed the audit and issued our signed auditors' report. The Organization is obligated to compensate us for the time expended to that point and to reimburse us for all out-of-pocket expenditures through the date of termination.

We acknowledge the Organization's right to terminate our services at any time, and the Organization acknowledges our right to withdraw at any time, including, but not limited to, for example, instances where, in our judgment, (a) the conditions in the Audit Scope and Objectives section of this letter exist, (b) our independence has been impaired, (c) we can no longer rely on the integrity of management, (d) management (or the Audit Committee, if applicable) fails to reasonably support our efforts to perform the engagement in accordance with what we believe is necessary to comply with professional standards, or (e) a lack of professionalism exhibited by management appears to demonstrate a lack of respect for our personnel such as that evidenced in inappropriate or threatening language/emails, subject in either case to our right to payment for charges incurred to the date of termination or our resignation.

In the event that we determine to resign, and the Organization seeks damages allegedly resulting from such resignation, our maximum liability to the Organization in the event we are held liable because of such resignation shall be limited to the fees actually paid to us for current year audit work performed up to the date of resignation.

INITIAL ISSUANCE OF OUR AUDIT REPORT ON FINANCIAL STATEMENTS - If the Organization intends to publish or otherwise reproduce our audit report on the financial statements and/or make reference to our Firm name, such as for inclusion in an annual report (such as, for example, in a Comprehensive Annual Financial Report), prospectus, official statement, or similar disclosure document, including incorporation by reference thereto, the Organization agrees to provide us with a copy of the final reproduced document for our review and approval before it is distributed, circulated or submitted. Additional fees for issuance or inclusion of our audit report and/or any other reference to our Firm in such other document, will be based on our standard hourly rates.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on the Organization's Internet Web site, the Organization understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

SUBSEQUENT REPRODUCTION OF OUR AUDIT REPORT ON FINANCIAL STATEMENTS - If the Organization decides to include, publish or otherwise reproduce our audit report on the financial statements at a date subsequent to our original report issuance, such as for inclusion in a Preliminary or Official Statement, an exempt offering in

connection with a sale of bonds or notes, or other securities, or in a similar exempt offering or other disclosure document such as a prospectus, official statement, etc. (hereinafter referred to as the "document"), our Firm is presumed not to be associated with such document, and we have no obligation to perform any procedures with respect to such document. In these circumstances, the Organization agrees to include in such document a statement that Rehmann has not been engaged to perform and has not performed, since the date of our audit report being reproduced, any procedures on the financial statements contained in such document or on any unaudited financial or other information contained in the document, or on the document itself. If, however, management or the Organization's agent (such as an underwriter, bond counsel, placement agent, financial advisor, broker-dealer, etc.) requests our involvement, thereby causing us to be engaged to or otherwise prepare a written acknowledgement (sometimes referred to as a "consent" or "agree to include") letter prior to including our audit report in such a document, or requests or engages us to assist in preparing or reviewing financial or other information contained in such document, or participate in related oral due diligence meetings or offering discussions, our Firm then becomes associated with the document. In this event, in accordance with professional standards, we will be required to perform certain subsequent events-based or other limited procedures with respect to this or other unaudited information contained in the document shortly before the initial and any subsequent distribution, circulation, or submission. Fees for reissuance or inclusion of our audit report in such a document will be based on our standard hourly rates. If the Organization wishes to make reference in such a document to our Firm's role in connection with the purpose and dissemination of the document, the caption "Independent Auditors" may be used to title or label that section of the document. In accordance with professional standards, the caption "Experts" should not be used, nor should our Firm be referred to as "Experts" anywhere in the document.

INFORMAL ADVICE - As part of our engagement we may provide advice on operating, internal control over financial reporting and other matters that come to our attention. Informal advice is not considered to be a consulting service unless we have entered into a separate engagement.

THIRD PARTY PROCEEDINGS - As a result of our prior or future services to the Organization, we might be requested or subpoenaed to provide information or documents to management, a court, a trier of fact, or a third party in a legal, investigative, regulatory, administrative, mediation, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be billable to the Organization as a separate engagement. We shall be entitled to compensation for our time at our standard or special hourly rates and reasonable reimbursement for our expenses (including our legal fees) in complying with this request. For all such requests, we will observe the confidentiality requirements of our profession and will notify management promptly of the request. This paragraph will survive the termination of this agreement for any reason, and will be binding upon successors to the Organization.

PEER REVIEW - Our Firm, as well as other major accounting firms, participates in a "peer review" program covering our audit and accounting practices. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the peer reviewer will review a sample of our work. It is possible that the work we perform for the Organization may be selected by the peer reviewer for their inspection. If it is, the peer reviewer is bound by professional standards to keep all information confidential. If management objects to having the work we perform for the Organization reviewed by our peer reviewer, please notify us in writing.

PROMOTIONAL MATERIALS - The Organization consents to Rehmann's use of your Organization name and a factual description of the services to be performed by Rehmann under this agreement in Rehmann's advertising and promotional materials and other proposal opportunities.

MEDIATION - If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting

Rehmann Audit Engagement Letter and Conditions

to binding arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties.

GOVERNING LAW - This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to the principles of conflicts of law thereof.



EXAMPLE CHANGE ORDER

Client: **Jackson College Foundation** (the "Organization")

Date:

Project Description (and estimated completion date, if appropriate):

Estimated Additional Fees: \$ _____

We believe it is our responsibility to exceed the Organization's expectations. This Change Order is being prepared because performance by us of the above project and/or additional service efforts was not anticipated in our original Agreement dated June 3, 2024. The estimated fees for the above project have been mutually agreed upon by the Organization and Rehmann. It is our goal to ensure that the Organization is never surprised by the price for any Rehmann service and, therefore, we have adopted the Change Order Policy. The estimated additional amount above is due and payable upon completion of the project described.

If management agrees with the above project description and the estimated fee amount, please authorize and date the Change Order below. A copy is enclosed for the Organization's records. Thank you for letting us serve the Organization.

Agreed to and accepted:

Officer Signature

Printed Name

Title

Date



Report on Firm's System of Quality Control

August 30, 2023

To the Principals of Rehmann Robson LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, an audit performed under FDICIA, and an examination of a service organization (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rehmann Robson LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rehmann Robson LLC has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP

Jackson College Foundation
40767



E-Billing Enrollment/Confirmation

Timely and easy-to-access invoices and statements will now be emailed to you. Please provide your contact information below to start taking advantage of electronic invoicing and statements.

Primary Billing Contact: _____

Billing Phone Number: _____

Email Address: _____

Comments:

If you are already taking advantage of e-Billing, we will confirm this information in our systems. Additionally, the billing contact will receive information on e-Payment options to simplify your accounts payable process.



INVOICE

Page: 1
 Date: 7/31/24
 Client: 40767
 Job: 1475797
 Inv#: RR890687

Jackson College Foundation
 Attn Julie Hand
 2111 Emmons Road
 Jackson, MI 49201

Rehmann Robson
 Jackson Office
 517.787.6503

Progress billing #1 for the Audit for the year ended June 30, 2024 2,000.00

Payment schedule:			
Payment #1	Due July 31, 2024		\$ 2,000
Payment #2	Due September 1, 2024		2,000
Payment #3	Due October 1, 2024		2,000

Current Total \$ 2,000.00

Please detach and return with payment

*Please make all checks payable to "Rehmann"
 To pay by eCheck or Credit Card visit www.rehmann.com and
 select Pay Bill.*

Amount Due: \$ 2,000.00

Date: 7/31/24 *For Wire Transfers call 989-797-8443*
 Inv#: RR890687 *Rehmann now charges a 3% convenience fee on credit card payments*
 Client: 40767 *(For account questions email: accounts.receivable@rehmann.com)*
 Job: 1475797

Amount Paid: _____

Jackson College Foundation
 Attn Julie Hand
 2111 Emmons Road
 Jackson, MI 49201

Rehmann Robson
 Saginaw Office
 5800 Gratiot Rd., Suite 201
 P.O. Box 2025
 Saginaw, MI 48605-2025

Credit terms: Unpaid invoices 30 days after the invoice date are subject to a finance charge of 1 1/2% per month (18% per annum).



INVOICE

Page: 1
 Date: 9/01/24
 Client: 40767
 Job: 1475797
 Inv#: RR890688

Jackson College Foundation
 Attn Julie Hand
 2111 Emmons Road
 Jackson, MI 49201

Rehmann Robson
 Jackson Office
 517.787.6503

Progress billing #2 for the Audit for the year ended June 30, 2024 2,000.00

Payment schedule:			
Payment #1	Due July 31, 2024		\$ 2,000
Payment #2	Due September 1, 2024		2,000
Payment #3	Due October 1, 2024		2,000

Current Total \$ 2,000.00

Please detach and return with payment

Please make all checks payable to "Rehmann"
To pay by eCheck or Credit Card visit www.rehmann.com and
select Pay Bill.

Amount Due: \$ 2,000.00

Date: 9/01/24 *For Wire Transfers call 989-797-8443*
 Inv#: RR890688 *Rehmann now charges a 3% convenience fee on credit card payments*
 Client: 40767 *(For account questions email: accounts.receivable@rehmann.com)*
 Job: 1475797

Amount Paid: _____

Jackson College Foundation
 Attn Julie Hand
 2111 Emmons Road
 Jackson, MI 49201

Rehmann Robson
 Saginaw Office
 5800 Gratiot Rd., Suite 201
 P.O. Box 2025
 Saginaw, MI 48605-2025

Credit terms: Unpaid invoices 30 days after the invoice date are subject to a finance charge of 1 1/2% per month (18% per annum).



INVOICE

Page: 1
 Date: 10/01/24
 Client: 40767
 Job: 1475797
 Inv#: RR890689

Jackson College Foundation
 Attn Julie Hand
 2111 Emmons Road
 Jackson, MI 49201

Rehmann Robson
 Jackson Office
 517.787.6503

Final billing for the Audit for the year ended June 30, 2024 2,000.00

Payment schedule:			
Payment #1	Due July 31, 2024		\$ 2,000
Payment #2	Due September 1, 2024		2,000
Payment #3	Due October 1, 2024		2,000

Current Total \$ 2,000.00

Please detach and return with payment

*Please make all checks payable to "Rehmann"
 To pay by eCheck or Credit Card visit www.rehmann.com and
 select Pay Bill.*

Amount Due: \$ 2,000.00

Date: 10/01/24 *For Wire Transfers call 989-797-8443*
 Inv#: RR890689 *Rehmann now charges a 3% convenience fee on credit card payments*
 Client: 40767 *(For account questions email: accounts.receivable@rehmann.com)*
 Job: 1475797

Amount Paid: _____

Jackson College Foundation
 Attn Julie Hand
 2111 Emmons Road
 Jackson, MI 49201

Rehmann Robson
 Saginaw Office
 5800 Gratiot Rd., Suite 201
 P.O. Box 2025
 Saginaw, MI 48605-2025

Credit terms: Unpaid invoices 30 days after the invoice date are subject to a finance charge of 1 1/2% per month (18% per annum).



BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: June 10, 2024

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

<p>Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANE?</i></p>
<p>8.0 Monitoring CEO Performance 8.1 EL-03 Planning – Evidence Review*</p> <p><u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL-03 Planning</p>
<p>Description:</p>
<p>Enclosed for your review is the evidence (i.e., Monitoring Report) for EL-03 Planning. You will note that my report indicates <u>Full Compliance</u> according to previously established and approved interpretations.</p> <p>I will respond to any questions you have about the report.</p>
<p>Resource Impact:</p>
<p>None</p>
<p>Requested Board Action:</p>
<p>Board assessment of the report for Policy EL-03 for evidence of full compliance with a reasonable interpretation of the policy.</p>
<p>Action Taken:</p>
<p> </p>



Jackson College Board of Trustees

Monitoring Report: EL – 03 Planning

[FULL COMPLIANCE]

Note: Board Policy is indicated in bold typeface throughout the report.

I present this monitoring report to the Jackson College Board of Trustees which addresses the Board's Executive Limitations Policy: Planning – EL-03. I certify that the information contained herein is true and represents compliance, within a reasonable interpretation of the established policy.

Please note that all of my interpretations of the policy remain unchanged from the previous report, unless otherwise noted.

A handwritten signature in black ink, appearing to read "Daniel J. Phelan".

06.10.24

Daniel J. Phelan, Ph.D.
President and CEO

Date

POLICY STATEMENT:

The CEO shall not permit planning that allocates resources in a way that risks fiscal jeopardy or that is not aligned with achievement of the Board's ENDS. Further, without limiting the scope of the above statement by the following list, the CEO shall not:

- 1. Permit budget planning or College operations without a documented, multi-year strategy that can be expected to achieve a reasonable interpretation of the ENDS.**

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the proposed new budget aligns with the current budget year, both appearing in the three-year pro-forma financial plan consisting of revenues and expenses presented each year to the Board.

I have further interpreted that compliance with this policy statement will be demonstrated when the CEO's Strategic Agenda, an evergreen planning document,

consisting of 18 months of goals, strategies, and tactics, demonstrates a clear alignment from the ENDS policies, through to operational priorities assigned to the Leadership Council, which, in sum, is responsible for the bulk operational activity of the College.

This interpretation is reasonable because the use of a strategic planning document and three-year proforma budget data are traditional tools used in the achievement of Board policy directives in the higher education industry.

EVIDENCE:

The CFO confirmed on 05.19.24 that the Strategic Agenda is listed on the College's Intranet. Additionally, the CFO confirmed that a 3-year pro-forma is included in the FY '25 budget book.

1.1 Permit financial planning without a projected multi-year (no less than five years) facilities master plan.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the College's five-year facilities master plan is included in the Budget preparation documents used as a basis for determining priorities in a current year, with the understanding of the potential for changing economic conditions, as well as available funding.

This interpretation is reasonable because the five-year master plan is folded into the Board approved budget and is codified in distributed form for Board inspection.

EVIDENCE:

CFO confirmed on 05.19.24 that the five-year master plan was presented at the Board of Trustees meeting on 05.13.24, by the Chief Facilities and Logistics Officer.

2. Permit financial planning that omits credible projection of revenues and expenses, separation of capital expenditures and operational expenses, cash flow projections, prior year comparisons, and disclosure of planning assumptions.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when, as noted in 2.1 (separation of capital expenditures), as well as the following:

- a) Projected revenues from tuition and fees are based on a regression analysis of historical enrollment, adjusted against current events, and the CEO's initiatives.

- b) Housing revenues are derived from prior year application analysis, adjusted following consideration of actual and/or potential impactful, societal events.
- c) Property tax revenue is derived from property valuations, less the Headlee rollback effects on our millage rate.
- d) State Appropriations revenue assumptions are derived from information provided by my analysis following a review of state projections and consideration of a likely state budget outcome, given that our College budget needs to be approved by the Board fully three months before the State budget is required to be completed.
- e) Contract training revenue, performing arts activity, miscellaneous revenue, and Transfers Revenues are derived from historical activity.
- f) Hospitality Services revenue is derived from housing occupancy assumptions, based on the sale of a student residence mandatory meal plan, and catering services.
- g) Wages, Retirement and Benefit expense are derived from the current staffing roster, adjusted for labor agreement requirements, changes in State and Federal requirements, as well as the addition of new staff to the budget.
- h) Services – Staffing Agency, Services, Materials, Rent, Utilities, Insurance and Other operating costs are derived from historical trends, adjusted for current revenue assumptions.
- i) Transfers-Debt Services is derived from our debt repayment schedule for the required payments on outstanding obligations that year.
- j) Capital Equipment & Transfers are derived by the residual income over expenses after all other expenses are planned.
- k) The budget book includes five-year facilities plan for capital expenditures.
- l) Cashflow projections are prepared and reviewed with the Leadership Council, while ensuring the satisfaction of the Board requirements of two-month's operating on hand.
- m) The budget book includes major planning assumptions.

This interpretation is reasonable because all budget items are derived in a manner which is comparable to budget planning processes used in other community colleges of comparable size.

EVIDENCE:

The CFO confirmed on 05.19.24 that all aspects described in 2a) through 2m) were factored into and represented in the FY '25 budget proposal presented to the Board for consideration, as evidenced in the Regular Board Meeting budget documents of 05.13.24, as well as on the College's transparency webpage. The five-year facilities master plan was presented separately from the budget book by the Chief Facilities and Logistics Officer.

2.1 Omit in the annual operating budget adequate provision for plant and facilities maintenance, electronic and institutional equipment and program and course development, staff development and institutional research.

2.1.1 Unless otherwise approved by the Board, provide less than the amount required to address critical deferred maintenance.

2.1.1.1 Less than 4.5% of the total operating budget allocated for plant and facilities maintenance.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the total amount of plant transfers budgeted, debt, and/or transfers at year end, are at least 4.5% of the budgeted operating revenues.

This interpretation is reasonable because the Board of Trustees has opportunity to review and approve the budget at the beginning of the year, as well as any year-end budget adjustments, by the end of the fiscal year, for evidence of compliance with this numerical threshold.

EVIDENCE:

The CFO confirmed on 05.19.24 that 4.2% of the operating budget will support transfers to Plant, and another 6.37% of the operating budget will support Debt Service.

2.1.1.2 Less than 3.5% allocated for technology and institutional equipment.

INTERPETATION:

Technology and institutional equipment are part of the capital budget. Compliance will be demonstrated when the total for technology and institutional equipment is included in the 3.5% of the operating budget planned for capital equipment, year-end transfers, and debt.

This interpretation is reasonable because the Board of Trustees has opportunity to review and approve the budget at the beginning of the year, as well as any year-end budget adjustments, by the end of the fiscal year, for evidence of compliance with this numerical threshold.

EVIDENCE:

The CFO confirmed on 05.19.24 that initially, 0.98% of the operating budget will support capital equipment. The balance needed to achieve 3.5% occurs at the conclusion of the year through institutional transfers. It is important to note that the College receives Perkins grant funding which supports an additional \$300K of annual capital equipment purchases.

3. **Permit financial planning that does not provide the amount of operating funds determined annually by the Board for its direct use during the year to ensure Board advancement and competent governance of the College, such as costs of fiscal audit, Board development, Board and committee meetings, Board legal fees, and Ownership linkage.**

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the budget account for the Board's direct use is identified as a separate department within the overall College.

This interpretation is reasonable because the Board has opportunity to review and approve the adoption of the annual operating budget.

EVIDENCE:

The CFO confirmed on 05.19.24 that the Board of Trustees has a dedicated budget, within the overall College budget, to support such costs as professional development, meeting expense, audit, and legal fees.

4. **Allow an annual operating budget in which more funds are to be dispersed than are conservatively projected to be received.**

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the projected year-end income over (under) expenses is zero or greater.

This interpretation is reasonable because the Board of Trustees receives and regularly has opportunity to review monthly financial reports on the College's financial activity, as well as audited financial reports for evidence of compliance with this policy item.

EVIDENCE:

The CFO confirmed on 05.19.24 that a balanced budget is provided to the Board, as evidenced in the Regular Board meeting budget documents of 05.13.24, as well as on the College's transparency webpage.

5. Permit planning that endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve ENDS in future years.

INTERPRETATION:

I have interpreted that compliance with this policy statement will be demonstrated when budget plans for the board include future years projections that are fiscally viable, as well as the following.

- a) Labor contracts do not incur long-term future financial commitments that are not provided for in our three-year pro-forma; and
- b) Borrowing (i.e., debt service) does not exceed 10% of annual operating expenses.

This interpretation is reasonable because the Board receives annual budget planning documents which include elements of fiscal soundness, (which is consistent with the historical threshold previously used by the Board), debt services, and projected outcomes of negotiated contracts in those years when union contracts are expired.

EVIDENCE:

- a) CFO confirmed on 05.19.24 that a review of the current three-year pro-forma includes the cost increase associated with the current labor agreements.
- b) CFO confirmed on 05.19.24 that a review of the three-year pro-forma confirms the cost of debt service is 6.43% in FY '24, 6.34% in FY '25, 6.14% in FY '26, 4.29% in FY'27, and 4.15% in FY'28 of each year's projected expenses.

5.1 Operate without succession plans to facilitate smooth operations during key personnel transitions and ensure competent operation of the organization over the long-term.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when

- a) Each Leadership Council Member has identified, to the College CEO, an interim successor.
- b) Each Council Member Successor is provided current operational information and has the opportunity to fill the responsibilities of the position from time to time.
- c) Each Council Member Successor is aware of their responsibility to the

operations of the College and the Leadership council.

This interpretation is reasonable because it monitors succession planning at the appropriate levels of the organization and is a consistent practice among other community colleges.

EVIDENCE:

The CFO confirmed that during the FY '23 Q3 Strategic Session on 03.02.23 succession plans were shared by each Leadership Council member. This work is evergreen and will continue as the Leadership Council updates its progress on the Strategic Agenda each quarter, with the next review by the Leadership Council on 05.22.24.

5.2 Permit the College to be without sufficient organizational capacity and current information about CEO and Board issues and processes for the competent operation of the organization to continue in the event of sudden loss of CEO services.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when, (partially as noted in 5.2.1) as well as the following:

- a) Minutes of the Leadership Council confirm that it regularly discusses current operations of the organization.
- b) The Leadership Council understands how the organization is evaluated under Policy Governance and is involved in the development of Board Monitoring Reports.
- c) Performance Management Interviews (PMIs) between the Leadership Council member and their direct reports reveal discussions of larger operations in the area under supervision, as well as discussion of leadership growth and a pathway for doing so.

The interpretation is reasonable because it covers the two areas critical to continuity of the CEO's role; Operations of the College and support of the Board's assessment of organization performance. Further, PMI meetings, with direct reports, are a requirement of all Leadership Council Members which assess competence and promotes continuous professional development.

EVIDENCE:

- a) The CFO confirmed on 05.19.24 that the Leadership Council discusses operations of the organization especially during Strategic Planning and Agenda sessions.
- b) The CFO confirmed on 05.19.24 that Leadership Council members

are providing evidence in support of the monitoring reports.

c) CFO confirmed on 05.19.24 that PMIs continue to be an important and critical practice in the success of each employee, their supervisor, and the institution. The PMIs are required to be conducted quarterly for all College employees.

5.2.1 Prepare no fewer than two College executive staff to assume operation of the organization for a Board determined interim period.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when (assuming that “*the assumption of the operation of the organization*” language includes the same authority and responsibility as the CEO):

- There is a documented succession plan with two named Leadership Council members that delineate the respected authorities and responsibilities of the CEO, for which each person is accountable during a temporary absence of the CEO of less than 6 months.
- When the two named successors, as determined by the CEO, are shared, in order, with the Board of Trustees.
- When the two named successors confirm their knowledge of their role as successor, and their responsibilities and accountabilities in the event of an absence.
- When the two named successors are required to attend monthly Board Meetings, Planning Sessions, and receive appropriate Board communications.

The interpretation is reasonable because it supports the Board’s ability to apply policy BMD-5 President & CEO Succession.

EVIDENCE:

The CFO confirmed that during the FY ‘23 Q3 Strategic Session on 03.02.23 succession plans were shared by each Leadership Council member. This work is evergreen and will continue as the Leadership Council updates its progress on the Strategic Agenda. The Leadership Council is reviewing succession planning on 05.22.24.



BOARD OF TRUSTEES MEETING
Action & Information Report
Board Meeting Date: June 10, 2024

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President

Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANE?</i>
8.0 Monitoring CEO Performance 8.2 CEO Monitoring Compliance Schedule & Summary <u>BOARD POLICY:</u> BOARD-CEO DELEGATION: BCD-04 Monitoring CEO Performance
Description:
Enclosed is the report that provides the monitoring compliance schedule, as well as an updated summary of my monitoring compliance reports, presented to the Board over the preceding 12 months with the compliance status noted. If the separation of ENDS policy EN-01 Board's ENDS into 3 policies is approved, the monitoring schedule for the ENDS policies may be spread out over 3 months rather than 1, if the Board so chooses. When 'partial compliance' is indicated, the expected date of full compliance is noted. Oftentimes, this is due to factors beyond my control (i.e., timing of data or other documentation).
Requested Board Action:
Discussion surrounding the CEO's compliance review.
Action Taken:



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EN – 01 Board ENDS	8.14.23	Yes	8.14.23: Future monitoring of this report will reflect what <i>increase</i> there has been in the number of learners that complete degrees and obtain industry recognized credentials of value in the workplace.	n/a	n/a	n/a	Compliant 8.14.23
EL – 00 General Executive Constraint	8.14.23	Yes	n/a	n/a	n/a	n/a	Compliant 8.14.23
EL – 01 Treatment of Students	2.12.24	Yes	n/a	n/a	n/a	n/a	Compliant 2.12.24 Policy Review, Interpretation s Review & Monitoring postponed per the Board as of 9.11.23



President/CEO Monitoring Report Compliance Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EL – 02 Treatment of Staff	2.12.24	Yes	n/a	n/a	n/a	n/a	Compliant 2.12.24 Policy Review, Interpretations Review & Monitoring postponed per the Board as of 9.11.23
EL – 03 Planning	6.10.24	Yes		n/a	n/a	n/a	Compliant 6.12.23
EL – 04 Financial Conditions & Activities	11.13.23	Yes	n/a	n/a	n/a	n/a	Compliant 11.13.23
EL – 05 Asset Protection	5.13.24	Yes	n/a	n/a	n/a	n/a	Compliant 5.13.24
EL – 06 Investments	5.13.24	Yes	n/a	n/a	n/a	n/a	Compliant 5.13.24



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EL – 07 Compensation and Benefits	1.8.24	Yes	n/a	n/a	n/a	n/a	Compliant 1.8.24
EL – 08 Communication & Support to the Board	11.13.23	Partial	1.5 Allow the Board to be unaware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior which is detrimental to the work relationship between the Board and the President.	Within actions during 11.13.23 Board meeting and going forward.	n/a	n/a	Partially Compliant 11.13.23
EL – 09 Organization Culture	1.8.24	Yes	n/a	n/a	n/a	n/a	Compliant 1.8.24
EL – 10 Access to Education	2.12.24	Yes	n/a	n/a	n/a	n/a	Compliant 2.12.24
EL – 11 Entrepreneurial Activity	3.11.24	Yes	n/a	n/a	n/a	n/a	Compliant 3.11.24



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EL – 12 Land Use	4.15.24	Yes	n/a	n/a	n/a	n/a	Compliant 4.15.24

2024 BOARD POLICY REVIEWING & MONTORING SCHEDULE		
2024 Board Meeting Date	Policy Reviews Due	Monitoring Reports Due
January 8, 2024	<p>Review EL-01 Treatment of Learners Review EL-02 Treatment of Staff Review EL-10 Access to Education Review GP-14 Handling Operational Complaints POSTPONED TO APRIL 2024 – Review GP-11 Linkage with Ownership Review GP-15 Handling Alleged Policy Violations</p>	<p>Monitor EL-09 Organization Culture (CINDY) Monitor EL-07 Compensation & Benefits (CINDY) Monitor GP-13 Special Rules of Order Monitor BCD-02 Accountability of the CEO</p>
February 12, 2024	<p>Review EL-11 Entrepreneurial Activity Review GP-01 Governing Style Review BCD-06 CEO Compensation Review GP-00 Governance Commitment</p>	<p>Monitor EL-01 Treatment of Learners (CINDY/TBD) Monitor EL-02 Treatment of Staff (CINDY) Monitor EL-10 Access to Education (TBD) Monitor GP-14 Handling Operational Complaints POSTPONED TO APRIL 2024 - Monitor GP-11 Linkage with Ownership Monitor GP-15 Handling Alleged Policy Violations</p>
March 11, 2024	<p>Review EL-12 Land Use Review GP-02 Board Job Contributions Review GP-04 Role of Board Chair Review GP-10 Investment in Governance Review BCD-00 Global Board Management Delegation</p>	<p>Monitor EL-11 Entrepreneurial Activity (CINDY/JOHN) Monitor GP-01 Governing Style Monitor BCD-06 CEO Compensation POSTPONED TO APRIL 2024 - Monitor GP-00 Governance Commitment</p>
April 15, 2024	<p>Review EL-05 Asset Protection Review EL-06 Investments Review BCD-05 CEO Succession Review GP-03 Board Planning Cycle & Agenda Control Review GP-12 Board Linkage with External Organizations POSTPONED FROM JAN. 2024 - Review GP-11 Linkage with Ownership POSTPONED FROM FEB. 2024 - Review GP-00 Governance Commitment</p>	<p>Monitor EL-12 Land Use (JASON) Monitor GP-02 Board Job Contributions Monitor GP-04 Role of Board Chair Monitor GP-10 Investment in Governance Monitor BCD-00 Global Board Management Delegation POSTPONED FROM FEB 2024 - Monitor GP-11 Linkage with Ownership POSTPONED FROM MAR 2024 - Monitor GP-00 Governance Commitment</p>

Jackson College Board of Trustees Meeting - Monitoring CEO Performance

May 13, 2024	<p>Review EL-03 Planning Review GP-09 Board Code of Conduct</p>	<p>Monitor EL-05 Asset Protection (JOHN) Monitor EL-06 Investments (JOHN) Monitor BCD-05 CEO Succession Monitor GP-03 Board Planning Cycle & Agenda Control Monitor GP-12 Board Linkage with External Organizations</p>
June 10, 2024	<p>Review EL-00 General Executive Constraint Review EN-01 ENDS (TBD)</p>	<p>Monitor EL-03 Planning (JOHN) Monitor GP-09 Board Code of Conduct</p>
August 12, 2024	<p>Review Bylaws Review BCD-03 Delegation to CEO Review BCD-04 Monitoring CEO Performance</p>	<p>Monitor EL-00 General Executive Constraint (PHELAN) Monitor EN-01 ENDS (TBD)</p>
September 9, 2024	<p>Review EL-01 Treatment of Learners Review EL-02 Treatment of Staff Review BCD-01 Unity of Control Review GP-05 Role of Vice Chair Review GP-08 Board & Committee Expenses</p>	<p>Monitor BCD-03 Delegation to CEO Monitor BCD-04 Monitoring CEO Performance</p>
October 14, 2024	<p>Review EL-04 Financial Conditions & Activities Review EL-08 Communication & Support to the Board</p>	<p>Monitor EL-01 Treatment of Learners (CINDY/TBD) Monitor EL-02 Treatment of Staff (CINDY) Monitor BCD-01 Unity of Control Monitor GP-05 Role of Vice Chair Monitor GP-08 Board & Committee Expenses</p>
November 11, 2024	<p>Review EL-09 Organization Culture Review EL-07 Compensation & Benefits Review GP-13 Special Rules of Order Review BCD-02 Accountability of the CEO</p>	<p>Monitor EL-04 Financial Conditions & Activities (JOHN) Monitor EL-08 Communication & Support to the Board (PHELAN)</p>



BOARD OF TRUSTEES PROCESS

Process Type: Board Governance

Process Title: Policy Review

Date Adopted:

Version: 1.0

Date Last Reviewed:

Reviewing Committee: Board of Trustees

To assist the full Board of Trustees in their work of annual policy reviews, Trustees will be assigned specific policies to which they will lend their enthusiasm, experience, and/or expertise toward a pre-review.

Via this pre-review, Trustees will offer recommendations for amendments (or lack thereof) to their assigned policies at the respective Board meeting at which the policy is up for review, for the consideration of the full Board.

Procedural Steps:

1. Annually at the Board's Summer Retreat, Trustees will discuss the specific policies they will pre-review for the upcoming fiscal year via the attached schedule.
2. At least two (2) Board members may be assigned to the pre-review for any given policy.
3. Trustees will offer their recommendations for amendments (or lack thereof) to the full Board via the Board packet 1 week prior to the Board meeting at which the policy is up for review.
4. The Chief Assistant to the President & CEO will assist in coordinating pre-review meetings as requested. The recommendation is to conduct the initial review of assigned policies one month in advance of the Board meeting at which recommendations are scheduled to be presented to the full Board. This initial review could take place at 5:00pm prior to a Board meeting dinner.
5. Pre-review meetings will include the participation of the CGO, CEO, and/or other Policy Governance consultant.

2024 Board Meeting Date	Policy Reviews Due	Trustees Responsible for Recommendations
January 8, 2024	<u>EL-01</u> Treatment of Learners	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>EL-02</u> Treatment of Staff	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>EL-10</u> Access to Education	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-14</u> Handling Operational Complaints	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-11</u> Linkage with Ownership	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-15</u> Handling Alleged Policy Violations	Trustee Phil Hoffman Vice-Chair Sheila Patterson
February 12, 2024	<u>EL-11</u> Entrepreneurial Activity	Trustee Teshna Thomas Trustee Matt Heins
	<u>GP-01</u> Governing Style	Trustee Teshna Thomas Trustee Matt Heins
	<u>BCD-06</u> CEO Compensation	Trustee Teshna Thomas Trustee Matt Heins
	<u>GP-00</u> Governance Commitment	Trustee Teshna Thomas Trustee Matt Heins
March 11, 2024	<u>EL-12</u> Land Use	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-02</u> Board Job Contributions	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-04</u> Role of Board Chair	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-10</u> Investment in Governance	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>BCD-00</u> Global Board Management Delegation	Trustee Phil Hoffman Vice-Chair Sheila Patterson
April 15, 2024	<u>EL-05</u> Asset Protection	Trustee Teshna Thomas Trustee Matt Heins
	<u>EL-06</u> Investments	Trustee Teshna Thomas Trustee Matt Heins

	<u>BCD-05</u> CEO Succession	Trustee Teshna Thomas Trustee Matt Heins
	<u>GP-03</u> Board Planning Cycle & Agenda Control	Trustee Teshna Thomas Trustee Matt Heins
	<u>GP-12</u> Board Linkage with External Organizations	Trustee Teshna Thomas Trustee Matt Heins
May 13, 2024	<u>EL-03</u> Planning	Trustee Donna Lake Trustee Chris Simpson
	<u>GP-09</u> Board Code of Conduct	Trustee Donna Lake Trustee Chris Simpson
June 10, 2024	<u>EL-00</u> General Executive Constraint	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>EN-01</u> ENDS	Trustee Phil Hoffman Vice-Chair Sheila Patterson
August 14, 2024	<u>Bylaws</u>	Trustee Donna Lake Trustee Chris Simpson
	<u>BCD-03</u> Delegation to CEO	Trustee Donna Lake Trustee Chris Simpson
	<u>BCD-04</u> Monitoring CEO Performance	Trustee Donna Lake Trustee Chris Simpson
September 11, 2024	<u>EL-01</u> Treatment of Learners	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>EL-02</u> Treatment of Staff	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>BCD-01</u> Unity of Control	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-05</u> Role of Vice Chair	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-08</u> Board & Committee Expenses	Trustee Phil Hoffman Vice-Chair Sheila Patterson
October 16, 2024	<u>EL-04</u> Financial Conditions & Activities	Trustee Teshna Thomas Trustee Matt Heins
	<u>EL-08</u> Communication & Support to the Board	Trustee Teshna Thomas Trustee Matt Heins

<p>November 13, 2024</p>	<p><u>EL-09</u> Organization Culture</p>	<p>Trustee Donna Lake Trustee Chris Simpson</p>
	<p><u>EL-07</u> Compensation & Benefits</p>	<p>Trustee Donna Lake Trustee Chris Simpson</p>
	<p><u>GP-13</u> Special Rules of Order</p>	<p>Trustee Donna Lake Trustee Chris Simpson</p>
	<p><u>BCD-02</u> Accountability of the CEO</p>	<p>Trustee Donna Lake Trustee Chris Simpson</p>



BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: June 10, 2024

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President

<p>Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANE?</i></p>
<p>9.0 Monitoring Board Performance 9.1 GP-09 Board Code of Conduct – Board Survey Review</p> <p><u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-09 Board Code of Conduct</p>
<p>Description:</p>
<p>As part of Policy Governance practice, the Board completes a Self-Evaluation Survey of Governance Process and Board CEO Delegation policies following the month the respective policy is reviewed.</p> <p>The intention is effort to assist Members in assessing the Board’s compliance with Governance Process and Board CEO Delegation policies. The Board Chair will lead discussion at the meeting to consider aggregate responses from members and insights obtained from the compilation, relative to amending the policy in question, as well as points for consideration in future policy development and review.</p> <p>Enclosed are the results to help guide the board’s discussion.</p>
<p>Resource Impact:</p>
<p>None</p>
<p>Requested Board Action:</p>
<p>Review of the results to determine compliance with policy statements and any changes that might be needed.</p>
<p>Action Taken:</p>



Jackson College Board of Trustees

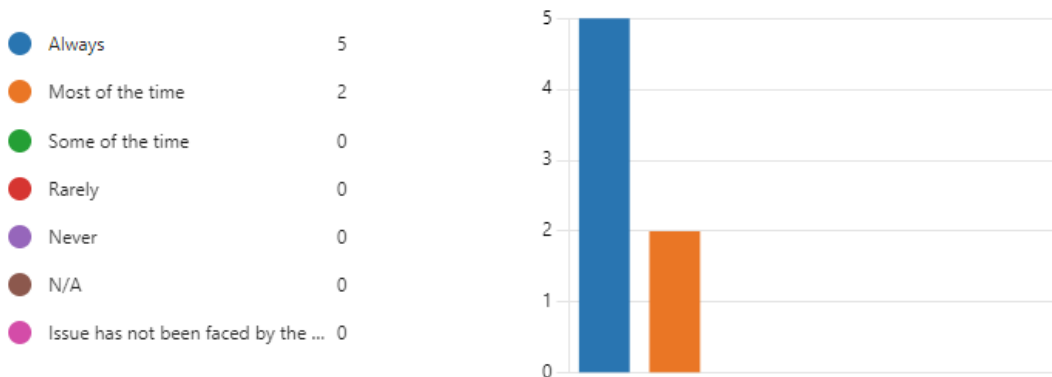
**BOARD SELF-MONITORING SURVEY RESULTS:
GP-09
Board Code of Conduct
DATE: 06.03.2024**

1. **Number of Response: 7**

2. **Policy opening statement:**

The Jackson College Board of Trustees expects of itself and its members ethical, business-like and lawful conduct. This includes proper use of authority and appropriate decorum when acting as Trustees. It further expects Trustees, as first ambassadors of the College, to treat one another, the CEO, College employees, citizens of Jackson County and surrounding areas, students, and parents with respect, co-operation, and a willingness to deal openly on all matters.

Have we acted consistently with this item of policy?

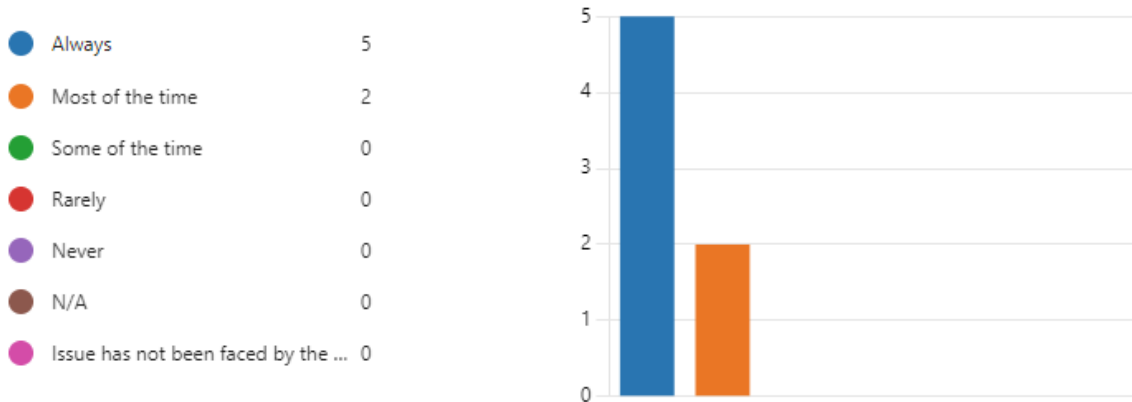


3. Provide specific representative examples to support your above response when applicable.

- N/A

4. **1.0: Trustees must have loyalty to the Ownership that supersedes any loyalties to the CEO, College employees, other organizations, or any personal interest as a consumer.**

Have we acted consistently with this item of policy?

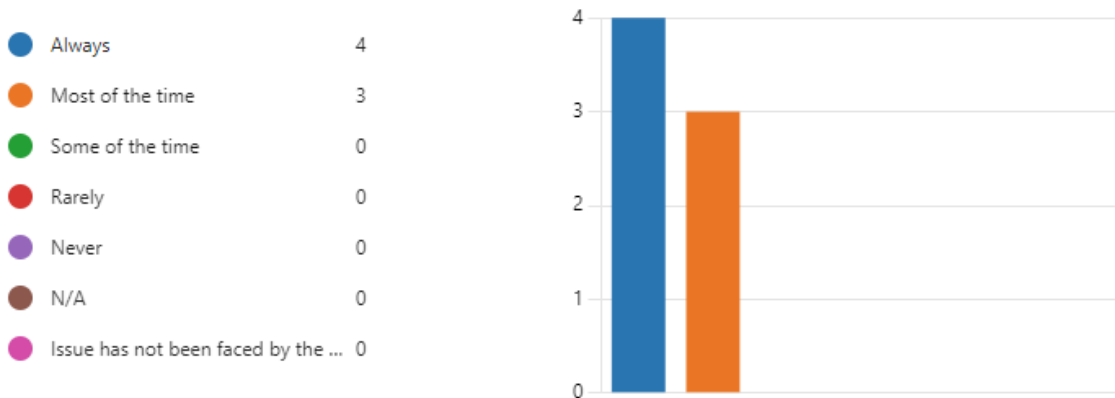


5. Provide specific representative examples to support your above response when applicable.

- N/A

6. **2.0: Trustees are accountable to exercise the powers and discharge the duties of their office honestly and in good faith. Trustees shall exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.**

Have we acted consistently with this item of policy?

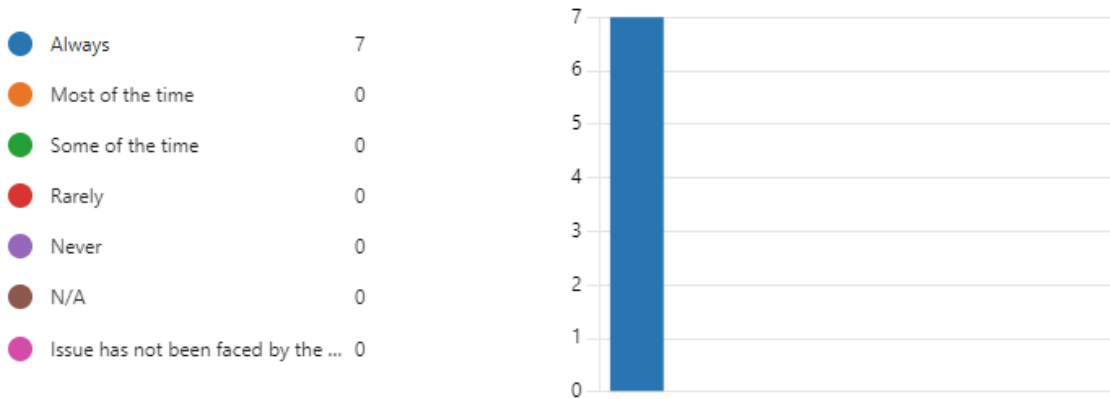


7. Provide specific representative examples to support your above response when applicable.

- N/A

8. **3.0: Trustees must avoid a conflict of interest with respect to their fiduciary responsibility.**

Have we acted consistently with this item of policy?

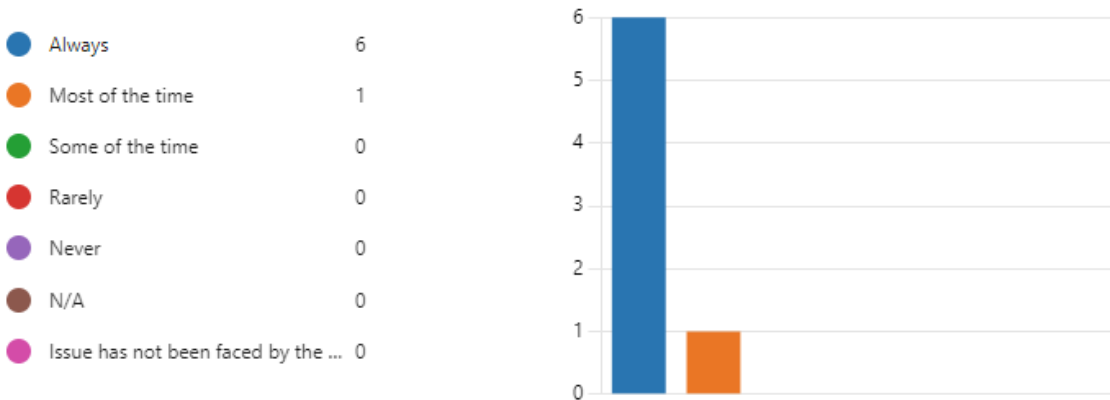


9. Provide specific representative examples to support your above response when applicable.

- N/A

10. **3.1: There must be no self-dealing or any conduct of private business or personal services between any Trustee and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to otherwise “inside” information. Trustees will disclose at the regular monthly meetings any new involvements with other organizations, vendors, or any associations that might be or might reasonably be seen as being a conflict.**

Have we acted consistently with this item of policy?

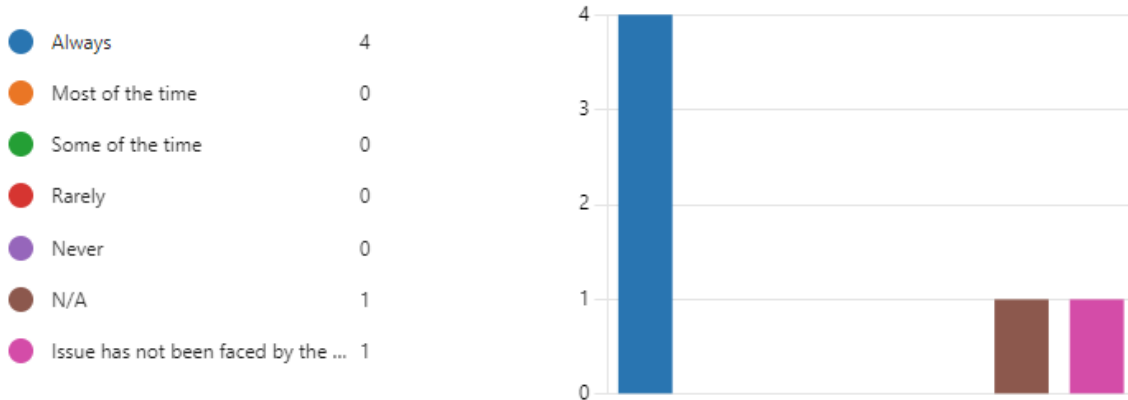


11. Provide specific representative examples to support your above response when applicable.

- N/A

12. **3.2: When the Board is to decide upon an issue, about which a Trustee has an unavoidable conflict of interest, that Trustee shall recuse themselves without comment, from not only the vote, but also from the deliberation. This absence shall be recorded in the minutes.**

Have we acted consistently with this item of policy?

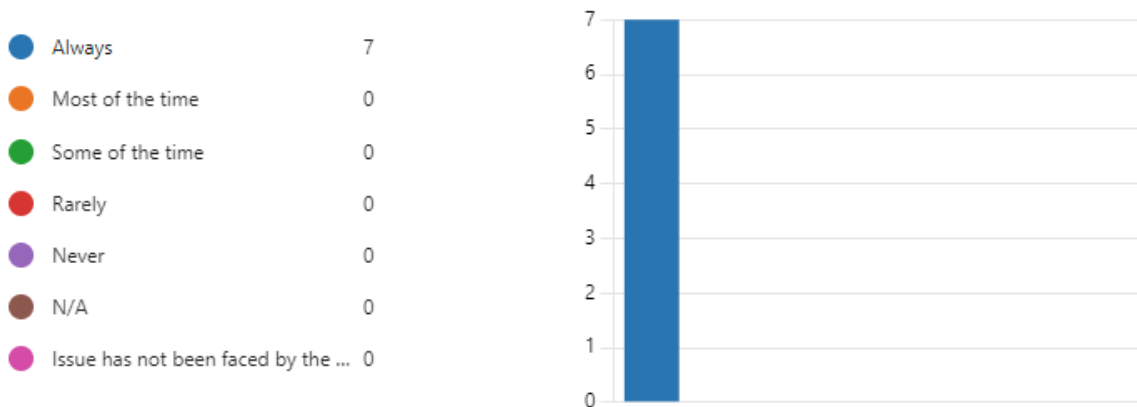


13. Provide specific representative examples to support your above response when applicable.

- *“I’m not sure what this statement is trying to say, a little confusing.”*

14. **3.3: Trustees will not use their Board position to obtain employment with, furnish services or goods from the College for themselves, family members, associates, or organizations upon which a Trustee serves as a Board member.**

Have we acted consistently with this item of policy?

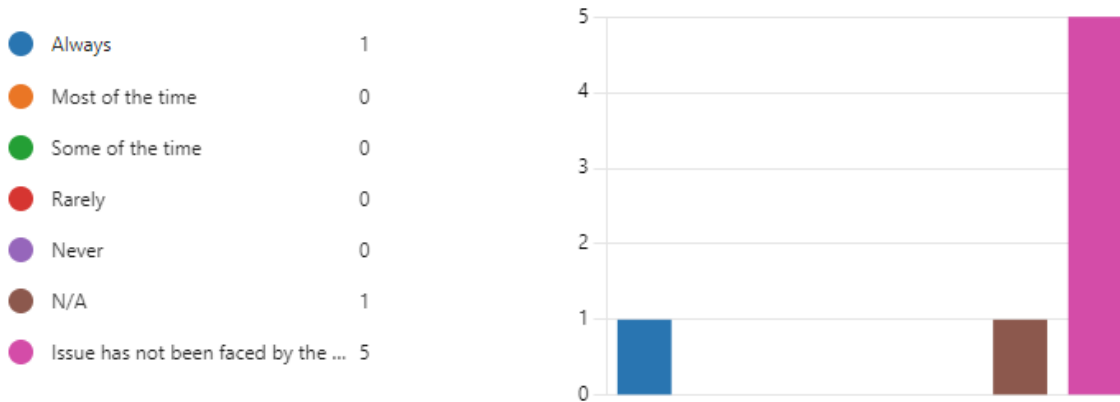


15. Provide specific representative examples to support your above response when applicable.

- N/A

16. **3.4: Should a Trustee become employed by the College, they must resign from the Board before the first day of said employment.**

Have we acted consistently with this item of policy?

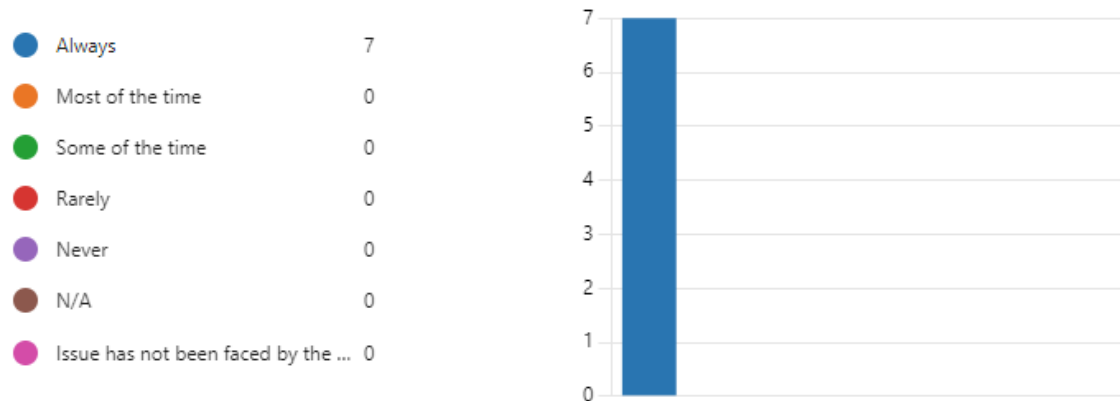


17. Provide specific representative examples to support your above response when applicable.

- *“Since my tenure on the board, this has not happened.”*

18. **3.4: Should a Trustee become employed by the College, they must resign from the Board before the first day of said employment.**

Have we acted consistently with this item of policy?

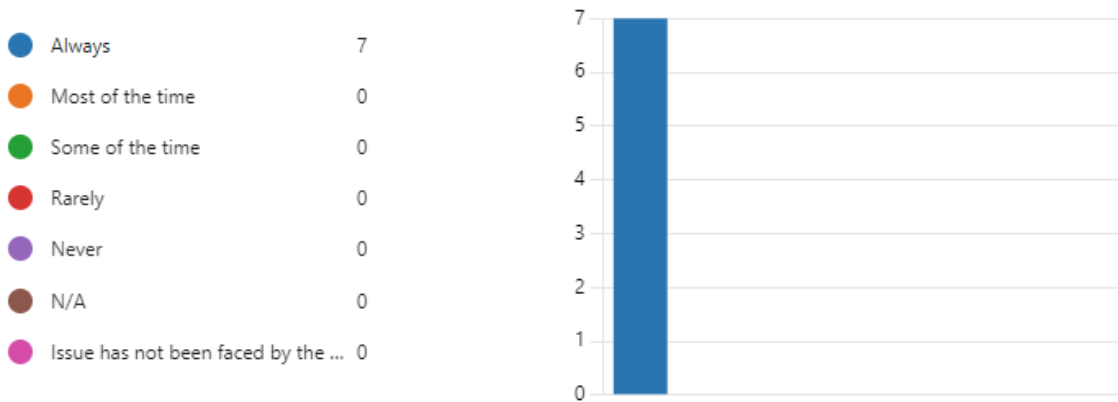


19. Provide specific representative examples to support your above response when applicable.

- N/A

20. **5.0: Trustees shall not attempt to exercise individual authority over the organization or the CEO.**

Have we acted consistently with this item of policy?

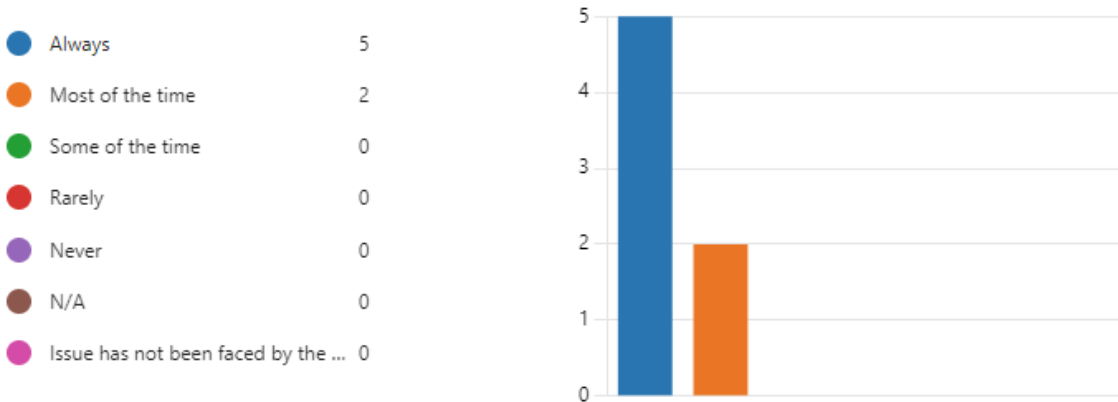


21. Provide specific representative examples to support your above response when applicable.

- N/A

22. **5.1: When interacting with College employees, Trustees must recognize that individual Trustees have no authority to instruct or evaluate employees, and no authority to insert themselves into employee operations.**

Have we acted consistently with this item of policy?

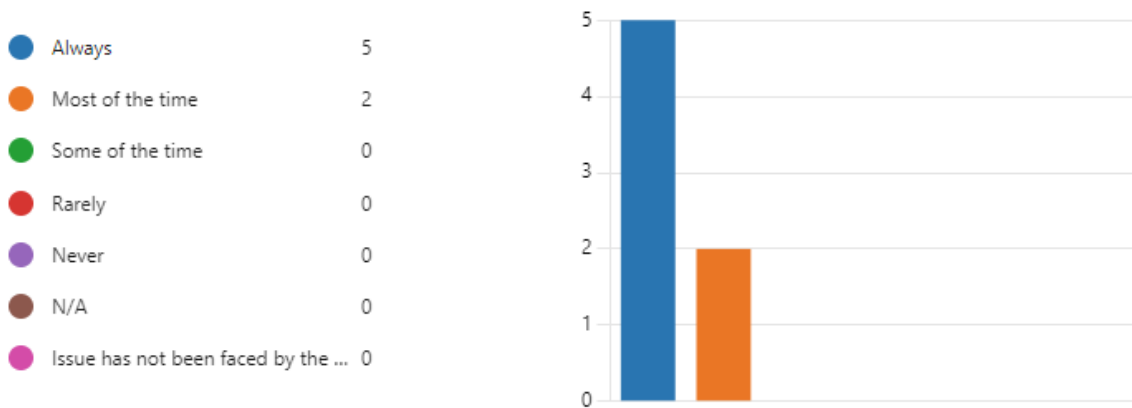


23. Provide specific representative examples to support your above response when applicable.

- N/A

24. **5.2: The Board Chair or designee is the only person authorized to speak to the public, the media, or other entities on behalf of the Board. Trustees shall not presume to speak for the Board when interacting with the press or the public. Media inquiries should be directed to the Board Chair.**

Have we acted consistently with this item of policy?

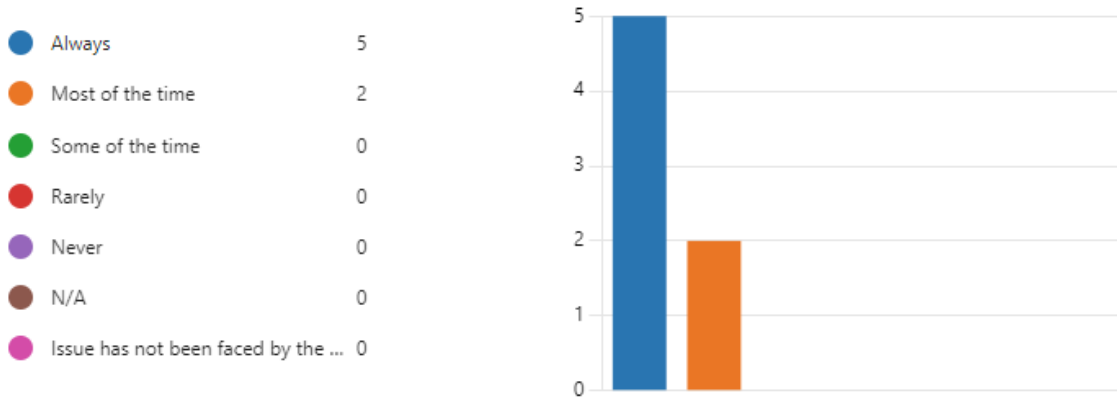


25. Provide specific representative examples to support your above response when applicable.

- N/A

26. **6.0: Trustees shall be familiar with the incorporating documents, relevant legislation and regulations, by-laws, governing policies of the organization, issues pertaining to higher education, as well as the rules of procedure and proper conduct of a meeting so that any decision of the Board may be made in an efficient, knowledgeable, and expeditious fashion.**

Have we acted consistently with this item of policy?

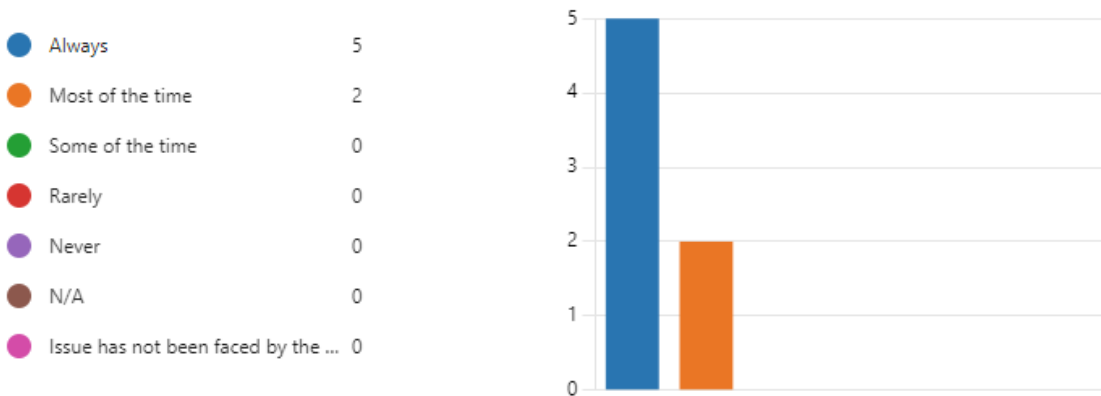


27. Provide specific representative examples to support your above response when applicable.

- *“Dr. Phelan keeps us well informed of these things which helps us make informed decisions on various items.”*

28. **7.0: Trustees will be properly prepared for Board deliberation through the preparation review of all Board meeting materials in advance of Board meetings.**

Have we acted consistently with this item of policy?

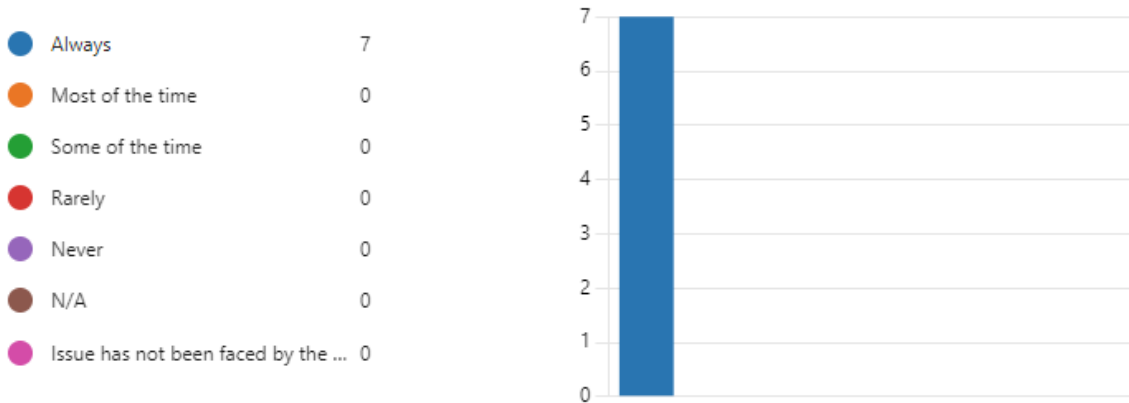


29. Provide specific representative examples to support your above response when applicable.

- *N/A*

30. **8.0: Trustees will collaborate with other Trustees and share information on matters of substance related to their governance role so that no one Trustee possesses information that all other Trustees should have. Such collaboration must adhere to legal requirements of board assemblage.**

Have we acted consistently with this item of policy?

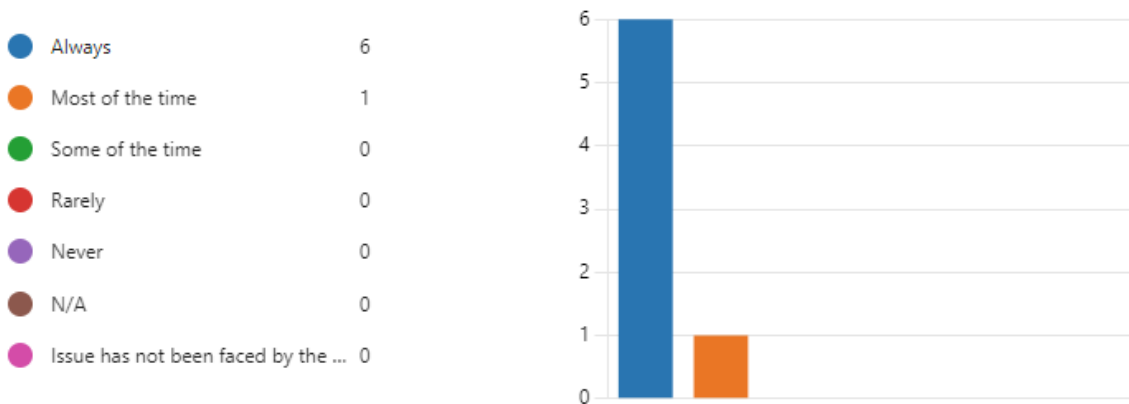


31. Provide specific representative examples to support your above response when applicable.

- N/A

32. **9.0: Trustees will support the legitimacy and authority of Board decisions, regardless of the member’s personal position on the issue.**

Have we acted consistently with this item of policy?



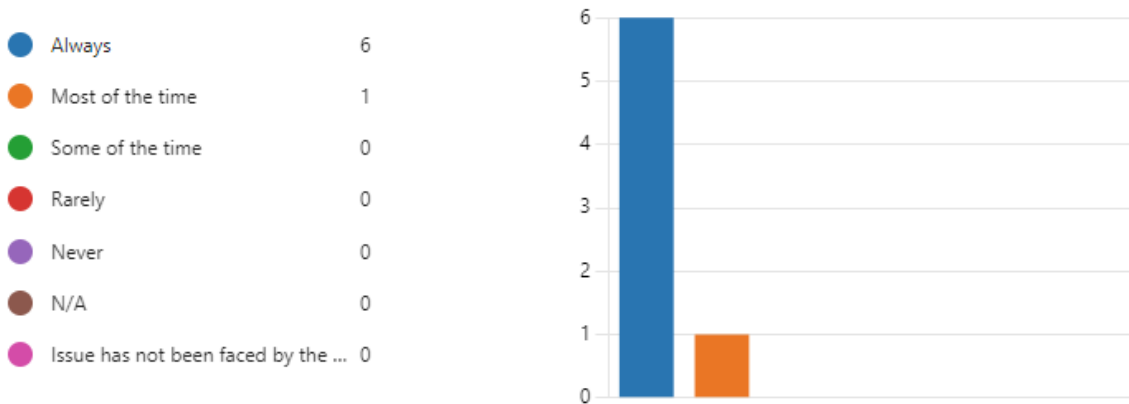
33. Provide specific representative examples to support your above response when applicable.

- N/A

34. **10.0: Trustees shall review community college publications and regularly take part in educational activities including state, regional, and national meetings**

and events that will assist them in their ability to serve effectively as a member of the College's governing Board.

Have we acted consistently with this item of policy?

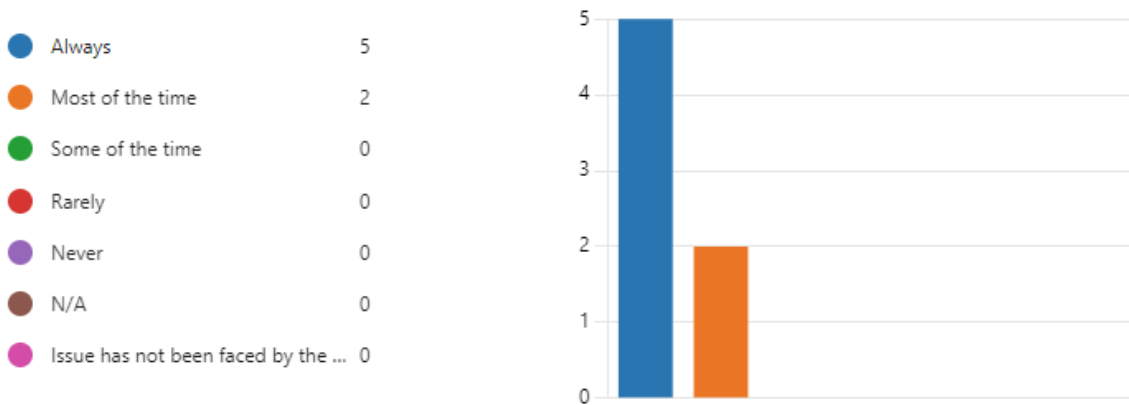


35. Provide specific representative examples to support your above response when applicable.

- N/A

36. **11.0: Trustees shall hold themselves and other Trustees accountable for complying with this Code of Conduct.**

Have we acted consistently with this item of policy?

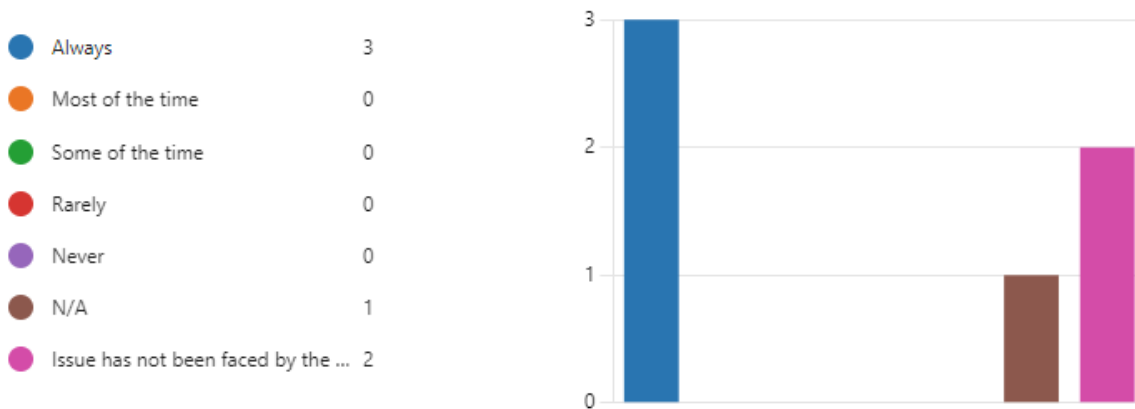


37. Provide specific representative examples to support your above response when applicable.

- N/A

38. **12.0: Trustees who are found to have violated the Board's Code of Conduct are subject to a Board review of their actions and a possible Board rebuke in the form of a direct criticism noted in the Board minutes.**

Have we acted consistently with this item of policy?



39. Provide specific representative examples to support your above response when applicable.

- *“Not sure how to answer this question. We can not vote a trustee out or fire them.”*

40. Other Board Comments:

- N/A



BOARD OF TRUSTEES MEETING
Action & Information Report
Board Meeting Date: June 10, 2024

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANE?</i>
10.0 Information Requested by the Board 10.1 College Feature: Residence Life (Director of Residence Life, Norma Espinoza-Aguilar) <u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL-08 Communication & Support to the Board
Description: You'll recall from last month's Board meeting, I have added a component to the agenda which will appear each month entitled "College Feature" wherein I will bring forward some aspect of the College for presentation. As this month's "College Feature", Norma Espinoza-Aguilar, Jackson College's Director of Residence Life, will present an overview of student residences operations, programming, as well as focus upon improvements to the culture of and services provided to our resident students.
Requested Board Action: Review as information and ask Norma any questions the Board may have.
Action Taken:



BOARD OF TRUSTEES MEETING
Action & Information Report
Board Meeting Date: June 10, 2024

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANE?</i>
10.0 Information Requested by the Board 10.2 Miller Johnson Audit Report Status <u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL-08 Communication & Support to the Board
Description:
Brenden Beer, from the Board’s contracted law firm, Abbott, Thomson, Mauldin, Parker, Beer & Rick, P.L.C., will provide the status of the Miller Johnson Audit Report.
Resource Impact:
None
Requested Board Action:
Receive the status of the Miller Johnson Audit Report.
Action Taken:



BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: June 10, 2024

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

<p>Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANE?</i></p>
<p>10.0 Information Requested by the Board 10.3 Next Regular Board Meeting Topics – August 12, 2024</p> <p style="text-align: right;"><u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-03 Board Planning Cycle and Agenda</p>
<p>Description:</p>
<p>This time has been set aside to help the Board anticipate topics for the next regular Board meeting (August 12, 2024). Below are currently anticipated topics. Please feel free to offer other agenda items at this point on the agenda.</p> <ul style="list-style-type: none"> • Excellence Minute • Policy Review: Bylaws • Policy Review: BCD-03 Delegation to CEO • Policy Review: BCD-04 Monitoring CEO Performance • Evidence Review: EL-00 General Executive Restraint • Evidence Review: EN-01 Board's ENDS (#1-3) • CEO Monitoring Compliance Schedule & Summary • FY'24 Q4 Financial Report • Consideration of the Administrative Manual • Decision on Millage Request • Miller Johnson Audit Report • College Feature: TBD
<p>Requested Board Action:</p>
<p>Review of currently anticipated topics.</p>
<p>Action Taken:</p>

<p>BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: June 10, 2024</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

<p>Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANE?</i></p>
<p>11.0 Self-Evaluation of Governance Process & Board Performance at this Meeting 11.1 Principles of Policy Governance</p> <p><u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-01 Governing Style</p>
<p>Description:</p>
<p>This time has been set aside for the Board, as part of our continuous improvement work in order, to assess the Board’s work and commitment towards the Ten Policy Governance principles, as well as its governance practice.</p> <p>The URL link below will provide an overview of the Policy Governance principles that you can use for determining the effectiveness and efficacy of the Board’s work both in terms of this meeting and in general governance practice.</p> <p>https://governforimpact.org/resources/principles-of-policy-governance.html</p>
<p>Resource Impact:</p>
<p>None</p>
<p>Requested Board Action:</p>
<p>Define particular areas for improvement in the governance process.</p>
<p>Action Taken:</p>
<p> </p>



BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: June 10, 2024

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANES?</i>
12.0 Meeting Content Review <p style="text-align: center;"><u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-01 Governing Style</p>
Description:
This item on the agenda provides the Board the opportunity to give the Board Chairman and the President feedback on the quality of the content provided during this Board Meeting. We would appreciate receiving suggestions wherein you would like to see changes made to future Board Meetings.
Resource Impact:
None
Requested Board Action:
Consideration of areas for meeting content improvement
Action Taken:

<p>BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: June 10, 2024</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference: <i>ARE WE STAYING IN OUR POLICY GOVERNANCE LANES?</i>
13.0 Adjourn* <u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-13 Special Rules of Order
Description:
Board action is required to adjourn the meeting.
Resource Impact:
None
Requested Board Action:
Meeting Adjournment
Action Taken: