
Kellogg Community College

Federal Awards Supplemental Information
June 30, 2025

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

Independent Auditor's Report

To the Board of Trustees
Kellogg Community College

We have audited the financial statements of the business-type activities and discretely presented component unit of Kellogg Community College (the "College") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 10, 2025, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 10, 2025.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

March 4, 2026

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Trustees
Kellogg Community College

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Kellogg Community College (the "College") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 10, 2025. The financial statements of Kellogg Community College Foundation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Trustees
Kellogg Community College

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

November 10, 2025

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Trustees
Kellogg Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kellogg Community College's (the "College") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2025. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

To the Board of Trustees
Kellogg Community College

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the OMB Uniform Guidance, which is described in the accompanying schedule of findings and questioned costs as Finding 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2025-001 to be a material weakness.

To the Board of Trustees
Kellogg Community College

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2025-002 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the College's responses to the internal control over compliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on them.

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

Plante & Moran, PLLC

March 4, 2026

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Award Amount	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters:					
Student Financial Assistance Cluster - U.S. Department of Education - Direct Program:					
Federal Supplemental Education Opportunity Grant (Note 3) - 2024-25	84.007	P007A242025	216,133	\$ -	\$ 216,133
Federal Work-Study Program (Note 3) - 2024-25	84.033	P033A242025	100,000	-	98,523
Federal Pell Grant Program:					
2023-24	84.063	P063P230230	6,656,254	-	26,979
2024-25	84.063	P063P240230	8,800,000	-	8,761,821
William D. Ford Direct Loan Program:					
2023-24	84.268	P268K230230	4,092,275	-	25,369
2024-25	84.268	P268K250230	4,092,275	-	<u>3,604,066</u>
Total Student Financial Assistance Cluster				-	12,732,891
TRIO Cluster - U.S. Department of Education - Direct Program:					
TRIO - Upward Bound Program:					
2024-25	84.047A	P047A221535	433,750	-	366,432
2025-26		P047A221535	433,750	-	<u>33,286</u>
Total Upward Bound Program				-	399,718
TRIO - Student Support Services:					
2023-24	84.042A	P042A201084	436,805	-	40,102
2024-25		P042A201084	436,805	-	<u>288,280</u>
Total Student Support Services				-	<u>328,382</u>
Total TRIO Cluster				-	728,100
Research and Development Cluster:					
Direct Program: Teaching for Prowess					
Passed through American Mathematical Association of Two-Year Colleges - Teaching for Prowess - Education and Human Resources	47.076	2413207	593,783	-	51,996
Teaching for Prowess - Education and Human Resources	47.076	2013493-005	149,995	-	<u>20,145</u>
Total National Science Foundation Fund				-	<u>72,141</u>
Total Research and Development Cluster				-	<u>72,141</u>
Total clusters				-	13,533,132
Other federal awards:					
U.S. Department of Education:					
Education Stabilization Fund - Direct Program - Passed through University of Toledo - COVID-19 - Great Start for Higher Education					
	84.425G	H325N180008-20	-	-	4,931
Passed through Kalamazoo Valley Community College - COVID-19 - Michigan Learning and Educational Advancement Program - Reimagine Workforce Preparation					
	84.425G	MILEAP PROGRAM KVCC 23	-	-	<u>2,334</u>
Total Education Stabilization Fund				-	7,265
Passed through the Michigan Department of Education Career and Technical Education - Basic Grants to States:					
Program improvement	84.048A	V048A240022	286,331	-	286,203
Special needs	84.048A	V048A240022	300,927	-	300,927
Local administration	84.048A	V048A240022	7,834	-	<u>7,834</u>
Total Vocational Education Basic Grants to States				-	594,964
U.S. Department of the Treasury:					
Passed through the Michigan Community College Association - COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Academic Catch Up					
	21.027	SLFRP0127	-	-	112,883
Passed through the Michigan Department of Education, Advancement, and Potential:					
COVID-19 ADN-to-BSN Completion Grant Program	21.027	SLFRP0127	2,170,588	-	944,673
COVID-19 Reconnect Expansion	21.027	SLFRP0127	524,477	-	11,088
COVID-19 Direct Barrier Removal Grant	21.027	SLFRP0127	66,567	-	65,656
COVID-19 Adult Student Success	21.027	SLFRP0127	-	-	1,312
Passed through the Michigan Economic Development Corporation - COVID-19 Curriculum Development: Advanced Manufacturing Industry 4.0					
	21.027	424306	2,385,390	-	<u>1,249,814</u>
Total U.S. Department of the Treasury				-	<u>2,385,426</u>
Total other federal awards				-	<u>2,987,655</u>
Total expenditures of federal awards				<u>\$ -</u>	<u>\$ 16,520,787</u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Kellogg Community College (the "College") under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The pass-through entity identifying numbers are presented where available.

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

Note 3 - Adjustments and Transfers

As allowable, and in accordance with the federal regulations issued by the U.S. Department of Education, the College carried forward \$9,921 of Federal Supplemental Education Opportunity Grant (SEOG) program (ALN 84.007) funds from the 2023-2024 award year to 2024-2025. The College is carrying forward \$20,000 of Federal Supplemental Education Opportunity Grant program (ALN 84.007) funds from the 2024-2025 award year to be spent in the 2025-2026 award year. The College is also carrying forward \$1,477 of Federal Work-Study (FWS) Program (ALN 84.033) funds from the 2024-2025 award year to be spent in the 2025-2026 award year.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings

Reference Number	Finding
2025-001	<p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Direct Student Loans Program (ALN 84.268), Federal Supplemental Educational Opportunity Grant Program (ALN 84.007), and Federal Pell Grant Program (ALN 84.063)</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - None</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - If a recipient of Title IV grant or loan funds withdraws from a school after beginning attendance, but before he or she has attended 60 percent of the scheduled length of the semester, the school must perform a return of Title IV funds (R2T4) calculation. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned. A school must return unearned funds for which it is responsible no later than 45 days from the determination of a student's withdrawal (30 days if never attended) (34 CFR 668.220)(1)).</p> <p>When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date.</p> <p>The institution must return, in the order specified in paragraph (i) of this section, the lesser of (i) the total amount of unearned Title IV assistance to be returned, as calculated under paragraph (e)(4) of this section, or (ii) an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that has not been earned by the student (34 CFR 668.220)(g)(1).</p> <p>Condition - Out of 40 students tested for return of Title IV aid, we identified 2 students whose calculations were performed outside of the required time frame.</p> <p>Questioned Costs - N/A</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - The College did not include institutional charges on returns during the fall 2024 semester, which resulted in calculations that were not accurate. Management identified 40 students with inaccurate returns and corrected those returns; however, 34 were completed outside of the allowable time frame for completing the returns.</p> <p>Cause and Effect - The College did not have appropriate controls in place to review the accuracy of the inputs used in performing the calculations. As a result, the College did not initially perform accurate calculations, which caused revisions that were not timely.</p> <p>Recommendation - The College should implement procedures and controls to review all inputs used in the Title IV calculations and confirm accuracy.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2025-001 (Continued)	Views of Responsible Officials and Corrective Action Plan - Once the report to identify students who have completely withdrawn from their classes is run, the calculations are made (currently by the dean). The completed report is given to the FA specialist to review and send the letters. The specialist then gives the report to the assistant director, who prints off a return of Title IV summary report showing the calculations and charges for final review. Had this last step been done previously, it would have been identified that the institutional charges were missing and corrections would not have been required.

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2025-002	<p>Assistance Listing Number, Federal Agency, and Program Name - Student Financial Assistance Cluster - Federal Pell Grant Program (ALN 84.063)</p> <p>Federal Award Identification Number and Year - Various</p> <p>Pass-through Entity - None</p> <p>Finding Type - Significant deficiency</p> <p>Repeat Finding - No</p> <p>Criteria - The institution shall recalculate a Federal Pell Grant award for the entire award year if the student's expected family contribution changes at any time during the award year. The change may result from (i) the correction of a clerical or arithmetic error under § 690.14 or submission of inaccurate information or (ii) a correction based on information required as a result of verification under 34 CFR Part 668, Subpart E (CFR 34 690.80).</p> <p>Condition - Out of 22 students tested for Pell eligibility, we identified 1 student whose student-aid index (formerly known as expected family contribution) was changed; however, the additional award was never disbursed to the student.</p> <p>Questioned Costs - \$892</p> <p>Identification of How Questioned Costs Were Computed - The \$892 of questioned costs were determined by calculating the total Pell required based on the final adjusted student-aid index compared to the aid disbursed to the student.</p> <p>Context - The College did not have appropriate controls in place to identify students who received new student-aid index information after the initial disbursement of Pell. Out of our sample of 22 students tested for eligibility, 1 student received a correction that increased the student's award; however, it was not disbursed.</p> <p>Cause and Effect - The College did not have appropriate controls in place to review the changes to the student-aid index. As a result, the College did not award and disburse the appropriate amount to the student.</p> <p>Recommendation - The College should implement procedures and controls to review all students who received revisions to the institutional student information record or the department of education's electronic data exchange through its central processor.</p> <p>Views of Responsible Officials and Planned Corrective Actions - System-generated ISIRs and corrections will be reviewed for changes and then given to the director for weekly review to ensure the updates and awards are accurate and complete.</p>