

Glen Oaks
Community
College



Year Ended
June 30, 2025

Single Audit Act
Compliance

Rehmann

GLEN OAKS COMMUNITY COLLEGE

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INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

March 30, 2026

Board of Trustees
Glen Oaks Community College
Centreville, Michigan

We have audited the financial statements of the business-type activities and the discretely presented component unit of **Glen Oaks 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 13, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on those financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rehmann Lobson LLC



GLEN OAKS COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Agriculture				
Community Facilities Loans and Grants Cluster:				
Community Facilities Loans and Grants (Series 2016)	10.766	Direct	N/A	\$ 5,364,000
Community Facilities Loans and Grants (Series 2024)	10.766	Direct	N/A	822,803
Total U.S. Department of Agriculture				6,186,803
U.S. Department of Treasury				
Coronavirus State and Local Fiscal Recovery Funds (Covid-19):				
Academic Catch-Up Program	21.027	LEO	SLFRP0127	65,394
Reconnect Age Expansion	21.027	MiLEAP	SLFRP0127	147,377
Reconnect Age Expansion - Financial Aid Compliance Funds	21.027	MiLEAP	SLFRP0127	24,089
Reconnect Age Expansion - Marketing	21.027	MiLEAP	SLFRP0127	25,000
Reconnect NOW	21.027	MiLEAP	SLFRP0127	228
ADN to BSN Completion Grant Program	21.027	LEO	SLFRP0127	551,729
MI Barrier Removal Grant	21.027	MiLEAP	E20240319	30,300
IIA Grant	21.027	MCACS	SLFRP0127	213,648
Total U.S. Department of Treasury				1,057,765
U.S. Department of Education				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants				
2024/2025 Grant Year	84.007	Direct	P007A242007	39,266
Federal Work-Study Program				
2024/2025 Program Year	84.033	Direct	P033A242007	28,115
Federal Pell Grant Program				
2024/2025 Grant Year	84.063	Direct	P063P241632	2,076,791
Federal Direct Student Loans				
2024/2025 Grant Year	84.268	Direct	P268K251632	626,281
Total Student Financial Assistance Cluster				2,770,453
TRIO Cluster:				
TRIO Student Support Services				
2024/2025 Services	84.042A	Direct	P042A150513	302,325
Career and Technical Education - Basic Grants to States:				
Regional Allocation	84.048A	MDE	N/A	79,362
Local Administration P/S	84.048A	MDE	N/A	9,200
				88,562
Fund for the Improvement of Postsecondary Education				
Earmark - Upton Grant	84.116Z	Direct	P116Z220209	106,468
Total U.S. Department of Education				3,267,808
Total Expenditures of Federal Awards				\$ 10,512,376

See notes to schedule of expenditures of federal awards.

GLENN OAKS COMMUNITY COLLEGE

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of *Glenn Oaks Community College* (the "College") under programs of the federal government for the year ended June 30, 2025. The information in this 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* (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.

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the College's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

2. DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the College has not elected to use the de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. PASS-THROUGH ENTITIES

The College receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Entity Abbreviation	Pass-through Entity Name
LEO	Michigan Department of Labor and Economic Opportunity
MCACS	Michigan Center for Adult College Success
MDE	Michigan Department of Education
MILEAP	Michigan Department of Lifelong Education, Advancement, and Potential

4. COMMUNITY FACILITIES LOANS

The outstanding balance on the Community Facilities Loans was \$12,743,000 (\$5,186,000 Series 2016 and \$7,557,000 Series 2024) at June 30, 2025.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDING WITH *GOVERNMENT AUDITING STANDARDS***

November 13, 2025

Board of Trustees
Glen Oaks Community College
Centreville, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of ***Glen Oaks 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 13, 2025.

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 entity'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*.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

March 30, 2026

Board of Trustees
Glen Oaks Community College
Centreville, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Independent Auditors' 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.

Independent Auditors' 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 Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the College's responses to the noncompliance findings identified in our compliance audit 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.

Report on Internal Control Over Compliance

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

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be significant deficiencies.

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 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.

Purpose of this Report

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.

Rehmann Lohman LLC

GLEN OAKS COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? X yes _____ none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

X yes _____ no

Identification of major programs and type of auditors' report issued on compliance for each major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
10.766	Community Facilities Loans and Grants	Unmodified
21.027	Coronavirus State and Local Fiscal Recovery Funds	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

GLEN OAKS COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

GLEN OAKS COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2025-001 – Improper Period Recognition of SEFA Expenses

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Allowable Costs/Cost Principles).

Program. Coronavirus State and Local Fiscal Recovery Funds; U.S. Department of Treasury; Assistance Listing Number 21.027; Award Number SLFRP0127: IIA Grant passed through Michigan Center for Adult College Success.

Criteria. Under the accrual basis of accounting, an expense is reported in the period in which it is incurred, regardless of when it is paid, as specified in 42 CFR 413.24(b)(2).

Condition. During our testing of compliance and related controls, we identified instances where expenses covering service periods extending beyond the fiscal year under audit were recorded in full rather than prorated for the portion incurred during the fiscal year. This resulted in an initial overstatement of expenses reported on the Schedule of Expenditures of Federal Awards (SEFA).

Cause. The College recorded expenses based on payment date rather than the period incurred.

Effect. Initial SEFA amounts were not accurately stated in accordance with accrual accounting requirements.

Questioned Costs. No questioned costs were identified as a result of this finding, inasmuch as our testing did not reveal any unallowed costs.

Recommendation. We recommend the College implement procedures to ensure expenses are recorded in the proper period in accordance with GAAP and Uniform Guidance requirements.

View of Responsible Officials. Management agrees with this finding and has prepared a Corrective Action Plan.

GLEN OAKS COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

2025-002 – Procurement Noncompliance

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Procurement, Suspension, and Debarment).

Program. Coronavirus State and Local Fiscal Recovery Funds; U.S. Department of Treasury; Assistance Listing Number 21.027; Award Number SLFRP0127: Reconnect Age Expansion - Financial Aid Compliance Funds passed through Michigan Department of Lifelong Education, Advancement, and Potential.

Criteria. Uniform Guidance at 2 CFR §200.320 requires non-Federal entities to use one of the approved procurement methods: micro-purchase, small purchase procedures, sealed bids, competitive proposals, or noncompetitive (sole source) procurement. Noncompetitive (sole source) procurement is allowable only under specific circumstances, including:

- (a) The item is available only from a single source;
- (b) A public exigency or emergency does not permit delay;
- (c) The Federal awarding agency or pass-through entity authorizes a sole source in writing; or
- (d) Competition is determined inadequate after soliciting multiple sources.

Entities must maintain documentation supporting the chosen procurement method and justification.

Condition. During our testing of four procurement transactions charged to the federal award, we noted that the College procured goods/services totaling \$18,750 from a single vendor using a sole source justification. The College did not obtain the required quotes for the purchase. Our review of the documentation determined that the rationale provided for sole source procurement did not meet the criteria outlined in Uniform Guidance. As a result, the College did not follow required competitive procurement procedures.

Cause. Internal controls over procurement documentation were not adequately followed to ensure compliance with Uniform Guidance requirements. The College did not obtain sufficient evidence to demonstrate that the vendor was the only available provider or that any other sole source condition was met.

Effect. Because competitive procurement procedures were not used, the College may not have obtained the best price or ensured full and open competition.

Questioned Costs. \$18,750.

Recommendation. We recommend that the College strengthen internal controls to ensure personnel verify and document that sole source criteria under 2 CFR §200.320 are fully met before awarding a procurement without competition.

View of Responsible Officials. Management agrees with this finding and has prepared a Corrective Action Plan.



GLEN OAKS COMMUNITY COLLEGE

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2025

2024-001 – Timeliness of Status Change Reporting

It was noted that six out of thirteen status change students had their status changes reported late. Three of these instances were winter term graduates whose status change was reported one day late. The other three of these instances were winter term graduates whose status changes had not been reported as of the date of audit fieldwork, due to a technical glitch in the College's reporting system. This matter has been corrected during the current year.

2024-002 – Return of Title IV Calculation

It was noted that a break of at least five consecutive days was not excluded from the reported enrollment period for the Winter 2024 semester, which resulted in the calculation being incorrect for all students who had returns in the Winter 2024 semester. This matter has been corrected during the current year.

