

---

# Kalamazoo Valley Community College

---

**Federal Awards Supplemental Information**  
**June 30, 2024**

### **Independent Auditor's Reports**

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	4-6

<b>Schedule of Expenditures of Federal Awards</b>	7
---	---

<b>Notes to Schedule of Expenditures of Federal Awards</b>	8
--	---

<b>Schedule of Findings and Questioned Costs</b>	9-14
--	------



**Plante & Moran, PLLC**

Suite 300  
750 Trade Centre Way  
Portage, MI 49002  
Tel: 269.567.4500  
Fax: 269.567.4501  
plantemoran.com

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

**Independent Auditor's Report**

To the Board of Trustees  
Kalamazoo Valley Community College

We have audited the financial statements of the business-type activities and discretely presented component unit of Kalamazoo Valley Community College (the "College") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated March 21, 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 March 21, 2025.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the 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 21, 2025

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  
Kalamazoo Valley 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 Kalamazoo Valley Community College (the "College") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated March 21, 2025. The financial statements of Kalamazoo Valley 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  
Kalamazoo Valley 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*

March 21, 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  
Kalamazoo Valley Community College

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Kalamazoo Valley Community College's (the "College") compliance 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 the College's major federal program for the year ended June 30, 2024. The College's major federal program is 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 the major federal program for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***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 Matters***

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance, which are described in the accompanying schedule of findings and questioned costs as Findings 2024-001 and 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

*Governmental Auditing Standards* requires the auditor to perform limited procedures on the College's responses to the noncompliance 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.

### ***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 material weaknesses and a significant deficiency.

To the Board of Trustees  
Kalamazoo Valley Community College

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2024-001 and 2024-002 to be material weaknesses.

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 2024-003 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 21, 2025



# Kalamazoo Valley Community College

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Student Financial Aid Assistance Cluster -				
U.S. Department of Education				
Federal Work-Study Program - 2023-2024	84.033	P033A232024	\$ -	\$ 42,798
Federal Supplemental Education Opportunity Grant:	84.007			
2022-2023		P007A222024	-	2,931
2023-2024		P007A232024	-	208,800
Federal Pell Grant Program:	84.063			
2022-2023		P063P222876	-	186,171
2023-2024		P063P232876	-	8,206,009
William D. Ford Direct Loan Program:	84.268			
2022-2023		P268K232876	-	98,253
2023-2024		P268K242876	-	7,428,359
Total Student Financial Aid Cluster			-	16,173,321
Other Federal Awards				
U.S. Department of Education, passed through the Michigan Department of Education - Career and Technical Education - Basic Grants to States	84.048A			
Local Annual:				
2022-2023		233510-2321	-	67,026
2023-2024		243510-2421	-	608,777
Local Leadership - 2023-2024		243250-2425-11	-	5,627
Total Carl D. Perkins Vocational Education Act			-	681,430
U.S. Department of Education, passed through Michigan Department of Labor and Economic Opportunity - COVID-19 - Education Stabilization Fund - Reimagining Workforce Preparation Grants				
		MiLEAP PROGRAM_		
Michigan Learning and Education Advancement Program	84.425G	KVCC023	208,447	418,817
Total Education Stabilization Fund			208,447	418,817
Total U.S. Department of Education			208,447	1,100,247
U.S. Department of Agriculture -				
Direct: Local Food Promotion Program 2023-2024	10.175	21LFPPMI1026-00	-	152,944
Passed through Michigan Department of Education:				
Pandemic Relief Activities: Local food Purchase Agreements with Local Governments 2023-2024	10.182	230986	-	734,995
Direct: Agriculture and Food Research Initiative 2023-2024	10.310	2021-67038-34209	-	121,139
Total U.S. Department of Agriculture			-	1,009,078
U.S. Department of Treasury-				
Passed through the Michigan Community College Association COVID-19 - Coronavirus State and Local Fiscal Recovery Funds Academic Catch-Up Program	21.027	SLFRP0127	-	6,804
U.S. Department of Justice - Direct:				
Bulletproof Vest Partnership 2023-2024	16.607	1121-0235	-	851
Total other federal awards			208,447	2,116,980
Total Federal awards			\$ 208,447	\$ 18,290,301

See notes to schedule of expenditures of federal awards.

## **Notes to Schedule of Expenditures of Federal Awards**

---

**Year Ended June 30, 2024**

### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Kalamazoo Valley Community College (the "College") under programs of the federal government for the year ended June 30, 2024. 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 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

### **Note 3 - Adjustments and Transfers**

As allowable, and in accordance with federal regulations issued by the U.S. Department of Education, Kalamazoo Valley Community College transferred \$29,832 of Federal Work-Study (FWS) funds (84.033) to the Federal Supplemental Education Opportunity Grant (SEOG) funds (84.007) during the year ended June 30, 2024. The College carried forward \$26,533 of SEOG funds and \$20,000 of FWS funds from the year ended June 30, 2024 to the year ended June 30, 2025. In addition, the College carried back \$26,533 of SEOG funds and \$20,000 of FWS funds from the year ended June 30, 2024 to the year ended June 30, 2023.

---

## Schedule of Findings and Questioned Costs

---

## Schedule of Findings and Questioned Costs

**Year Ended June 30, 2024**

### 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
84.033, 84.007, 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?

  X   Yes    \_\_\_\_\_ No

### Section II - Financial Statement Audit Findings

Reference Number	Finding
<b>Current Year</b>	None

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

### Section III - Federal Program Audit Findings

Reference Number	Finding
2024-001	<p><b>Assistance Listing Number, Federal Agency, and Program Name</b> - 84.268, U.S. Department of Education, Student Financial Assistance Program - Federal Direct Student Loan Program</p> <p><b>Federal Award Identification Number and Year</b> - P268K242876, 2023-2024</p> <p><b>Pass-through Entity</b> - None</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Before a direct disbursement loan disbursement, the institution must notify a student of the amount of funds that the student or their parent can expect to receive under each title IV, HEA program, and how and when those funds will be disbursed. If those funds include Direct Loan program funds, the notice must indicate which funds are from subsidized loans, which are from unsubsidized loans, and which are from PLUS loans. After the direct loan disbursement, the institution must provide timely notification to the student of the (1) date and amount of the disbursement, (2) student/parent's right to cancel, and (3) procedure and time by which the student or parent must notify the institution that he or she wishes to cancel (34 CFR 668.165).</p> <p><b>Condition</b> - The College did not provide notifications to certain students related to direct loan disbursements.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - N/A</p> <p><b>Context</b> - There were 7 students in a sample of 40 students receiving direct loans which did not receive a notification.</p> <p><b>Cause and Effect</b> - A control was lacking to ensure the notifications were sent to all students receiving direct loans.</p> <p><b>Recommendation</b> - We recommend a control be implemented to ensure notifications are sent to all students receiving direct loans.</p> <p><b>Views of Responsible Officials and Corrective Action Plan</b> - The director of financial aid will work with our information technology department to ensure the criteria used for triggering the notification emails is correct and capturing all the necessary students. Additionally, an exception report will be created to identify students who have not been sent the notification email for the financial aid department to review and then send the appropriate notification.</p>

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2024-002	<p><b>Assistance Listing Numbers, Federal Agency, and Program Name</b> - 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><b>Federal Award Identification Number and Year</b> - Various</p> <p><b>Pass-through Entity</b> - None</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - 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><b>Condition</b> - Out of 60 students tested for return to Title IV, we identified 24 students whose calculations were performed incorrectly.</p> <p><b>Questioned Costs</b> - \$13,459</p> <p><b>Identification of How Questioned Costs Were Computed</b> - The \$13,459 of questioned costs was determined by calculating the total aid required to be returned for the 24 students out of our total sample of 60 students, which had total aid disbursed of \$191,516.</p> <p><b>Context</b> - The College did not review students who unofficially withdrew from the College during the winter and summer semesters. Out of our sample of 60 students who withdrew from the College during the fiscal year, 20 students did not have a return of Title IV funds calculation performed. In addition to the students who did not have a calculation performed, the College did not properly calculate 4 students' return to Title IV calculations. In each instance, the calculation included the initial amount of the aid the student was entitled to and not the actual amount of aid disbursed.</p> <p><b>Cause and Effect</b> - The College experienced turnover in the financial aid department and throughout the transition, historical procedures and controls were not followed. As a result, the controls to properly identify, calculate, and return Title IV funds for withdrawals were not operating effectively.</p> <p><b>Recommendation</b> - The College should implement procedures and controls to review all the students who may need calculations completed and to verify that the information used in the Title IV calculations is accurate.</p>

**Schedule of Findings and Questioned Costs (Continued)**

---

**Year Ended June 30, 2024**

**Section III - Federal Program Audit Findings (Continued)**

Reference Number	Finding
2024-002 (Continued)	<b>Views of Responsible Officials and Planned Corrective Actions</b> - The College will work with its director of financial aid to ensure the semester end procedures include steps to identify those students who unofficially withdrew. Once the students are identified, individuals with the appropriate skills and knowledge will be able to determine if a return of Title IV calculation is necessary and appropriately return any funds, as necessary.

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2024-003	<p><b>Assistance Listing Numbers, Federal Agency, and Program Name</b> - Student Financial Assistance Cluster - Federal Direct Student Loans Program (ALN 84.268) and Federal Pell Grant Program (ALN 84.063)</p> <p><b>Federal Award Identification Number and Year</b> - Various</p> <p><b>Pass-through Entity</b> - None</p> <p><b>Finding Type</b> - Significant deficiency</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Institutions submit Direct Loan and Pell Grant origination records and disbursement records to the COD system. (34 CFR 690.83)</p> <p><b>Condition</b> - The College did not have controls in place to ensure appropriate reporting to COD.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - None</p> <p><b>Context</b> - The College was not performing reconciliations between Banner and COD to ensure appropriate reporting to COD for Pell Grants and Direct Loans.</p> <p><b>Cause and Effect</b> - The College experienced turnover in the financial aid department and, throughout the transition, historical procedures and controls were not followed. As a result, the control was not operating effectively to prepare and review reconciliations between Banner and COD.</p> <p><b>Recommendation</b> - The College should implement procedures and controls to review the amount of Pell Grants and Direct Loans reported to COD to ensure it agrees to what has been disbursed to students.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The College has begun training additional individuals on the reconciliation process and has updated its procedures to include what documentation needs to be retained on a monthly basis to ensure accuracy between the amount the College shows as disbursed and the amount the U.S. Department of Education shows has been disbursed.</p>