Year Ended
June 30, 2025

Single Audit Act Compliance

Rehmann

JACKSON COLLEGE

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

March 31, 2026

Board of Trustees
Jackson College
Jackson, Michigan

We have audited the financial statements of the business-type activities and the discretely presented component unit of ***Jackson 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 18, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 Lohan LLC

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675 Robinson Road, Jackson, MI 49203 517.787.6503

JACKSON 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 Education				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants				
2023/2024 Grant Year	84.007	Direct	P007A232021	$ 9,000
2024/2025 Grant Year	84.007	Direct	P007A242021	279,000
				288,000
Federal Work-Study Program				
2024/2025 Program Year	84.033	Direct	P033A242022	228,826
Federal Pell Grant Program				
2022/2023 Grant Year	84.063	Direct	P063P231638	(231)
2023/2024 Grant Year	84.063	Direct	P063P231638	75,822
2024/2025 Grant Year	84.063	Direct	P063P241638	15,132,473
				15,208,064
Federal Direct Student Loans				
2023/2024 Grant Year	84.268	Direct	P268K241638	483,674
2024/2025 Grant Year	84.268	Direct	P268K251638	5,124,517
				5,608,191
Total Student Financial Assistance Cluster				21,333,081
TRIO Cluster:				
TRIO - Student Support Services				
2024/2025 Services	84.042A	Direct	P042A200068 - 24	297,700
Career and Technical Education - Basic Grants to States:				
Regional Allocation	84.048A	MDE	253510-2521	638,319
Perkins Local Leadership	84.048A	MDE	253250-2525-10	9,200
				647,519
Fund for the Improvement of Postsecondary Education				
Astronomy & Astrophysics Program	84.116Z	Direct	P116Z230241-1	73,725
Total U.S. Department of Education				22,352,025
U.S. Department of Labor				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
Michigan Electric Vehicle Jobs Academy	17.258			
	17.259			
	17.278	MDL-AACC	MSC 221030-CV	31,919

JACKSON 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 Treasury				
COVID-19 State and Local Fiscal Recovery Funds:				
Barrier Removal - Direct to Students Grant	21.027	MiLEAP	E20250003	$ 22,680
Barrier Removal - Growing Institutional Capacity	21.027	MiLEAP	E20250035	1,438
Reconnect Community Action Grant	21.027	MiLEAP	E20250065	21,425
Innovation Investment Award	21.027	MCACS	IIA-2376321058	87,720
Reconnect Age Expansion	21.027	MiLEAP	SLFRP0127	1,382,913
ADN to BSN Completion	21.027	MiLEAP	ADN-BSN_Jackson FY23-1	982,334
				2,498,510
National Science Foundation				
Research and Development Cluster:				
Forging a Blockchain-ready Workforce	47.076	Direct	2349967	120,037
NSF 21-598 Advanced Technological Education - Jackson College Interdisciplinary Program in Manufacturing	47.076	Direct	2350504	128,052
				248,089
Total Expenditures of Federal Awards				$ 25,130,543

See notes to schedule of expenditures of federal awards.

JACKSON 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 ***Jackson 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 net 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. 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. 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
MDE	Michigan Department of Education
MiLEAP	Michigan Department of Lifelong Education, Advancement, and Potential
MDL-AACC	Michigan Department of Labor and Economic Opportunity - American Association of Community Colleges
MCACS	Talent First dba The Michigan Center for Adult College Success

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INDEPENDENT AUDITORS' 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*

November 18, 2025

Board of Trustees
Jackson College
Jackson, 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 ***Jackson 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 18, 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.

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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.

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

March 31, 2026

Board of Trustees
Jackson College
Jackson, Michigan

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the compliance of ***Jackson 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 the College's major federal program for the year ended June 30, 2025. The College's major federal program is 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 its major federal program for the year ended June 30, 2025.

Basis for Opinion on the 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 the major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

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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 the 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 an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on the 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 responses to the noncompliance finding identified in our compliance audit 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 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 a certain deficiency in internal control over compliance that we consider to be 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 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 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 require the auditor to perform limited procedures on the College's response to the internal control over compliance finding identified in our audit 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 the response.

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.

JACKSON 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 program:

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:

Assistance Listing Number	Name of Federal Program or Cluster	Type of Report
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: $ 753,916

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

JACKSON COLLEGE

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

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Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2025-001 - Untimely Reporting of Student Status Changes

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Special Tests and Provisions).

Program. Student Financial Assistance Cluster; U.S. Department of Education; Assistance Listing Number 84.063 and 84.268; Award Numbers P063P241638 and P268K251638.

Criteria. According to 34 CFR § 690.83(b)(2) and 34 CFR § 685.309, Institutions are required to report enrollment information under the Pell grant and the Direct loan programs via the National Student Loan Data System ("NSLDS"). For Title IV programs, the Department of Education mandates that enrollment status changes be submitted to the NSLDS no later than 60 days after the date of status change.

Condition. One student of the eight students selected for testing had an enrollment status change that was not reported to the NSLDS within the required timeframe.

Cause. Due to the lack of oversight over the submission process, **t**he College was not able to timely file the report with the NSLDS timely.

Effect. As a result of this condition, the College did not fully comply with the requirements to report status changes within 60 days of enrollment status change date.

Questioned Costs. No costs were required to be questioned as a result of this finding, in as much of our testing did not reveal any unallowed costs.

Recommendation. We recommend that the College implement policies and procedures, including designating an individual to oversee this reporting requirement, to ensure information is submitted to the NSLDS in a timely manner.

View of Responsible Officials. Management is in agreement and has prepared a Corrective Action Plan.

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Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2025

2024-001 – Preparation of Schedule of Expenditures of Federal Awards (SEFA)

While management was able to provide us with a complete schedule of expenditures of federal awards during audit fieldwork, the expenditures for a certain state grant were improperly included as a result of the College being a subrecipient of a similar federal program passed through the state. This led to a misclassification of revenue in the financial statements. This finding has been corrected during the current year.

2024-002 - Untimely Reporting of Student Disbursements

One student of the forty students selected for testing received a disbursement that was not reported to the federal government within the required timeframe. This finding has been corrected during the current year.

2024-003 Michigan Reconnect Expansion Refund Calculation Error

We noted that two students out of a testing population of forty whose disbursement amounts were not calculated correctly. This finding has been corrected during the current year.