Northwestern Michigan College

Board of Trustees
End of Audit Presentation

October 26, 2020
Northwestern Michigan College
Presentation to Board of Trustees

• Summary of Presentation to Board of Trustees:
  ✓ Audited Financial Statements and Schedule of Expenditures of Federal Awards
    ▪ Audits required for accreditation by the Higher Learning Commission and to receive federal grants and aid for students
    ▪ Clean, unmodified opinion – highest level of assurance
    ▪ Emphasis-of-matter paragraph added related to the impact of the COVID-19 pandemic on College operations
    ▪ No significant deficiencies or material weaknesses in internal controls were identified in the financial statement audit
    ▪ Federal awards tested this year – Student Financial Aid Cluster and CARES Act funding
      ▪ Higher Education Emergency Relief Fund (HEERF) funding will be tested once addendum to compliance supplement is released
      ▪ Issuance of single audit report - TBD
Northwestern Michigan College
Presentation to Board of Trustees

- Other Required Communications
  - Our Responsibility Under Generally Accepted Auditing Standards
  - Qualitative Aspects of Accounting
    - Significant Estimates
      - Allowance for uncollectible accounts
      - Proportionate share of the Michigan Public School Employees Retirement System (MPSERS) net pension and net OPEB liabilities
  - No material adjustments required
  - Upcoming Accounting Standards by Government Auditing Standards Board:
    - GASB Statement No. 84, *Fiduciary Activities*
    - GASB Statement No. 87, *Leases*
Revenues were $62.4, $64.6, and $69.8 million for 2018, 2019, and 2020, respectively.
Expenditures were $60.3, $62.3, and $61.6 million for 2018, 2019, and 2020, respectively.
Northwestern Michigan College
Assets (All Funds)

Assets = $121,663,147
Deferred Outflow of Resources = $19,332,965
Northwestern Michigan College
Liabilities and Net Position (All Funds)

2020

Liabilities = $108,401,645
Deferred Inflows of Resources = $11,968,257
Net Position = $20,626,210
Thank you

We appreciate the opportunity to serve Northwestern Michigan College.

Katie Thornton, Partner
Becky Donovan, Manager