Northwestern Michigan College
Presentation to the Board of Trustees
June 30, 2023 Audit Results and Report

Summary of Presentation to Board of Trustees:

✓ Audited Financial Statements
  ▪ Audits required for accreditation by the Higher Learning Commission and to receive federal grants and aid for students
  ▪ Clean, unmodified opinion for the College – highest level of assurance
  ▪ Key Financial Highlights on following pages

✓ Required Communications

✓ Federal Programs (Single Audit Report)
Northwestern Michigan College
Revenues, Expenses and Changes in Net Position (all funds) (in millions)

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Revenues and Support (all funds)

Revenues were $59.4, $66.6, and $63.2 million for 2021, 2022, and 2023, respectively.
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Expenditures (all funds)

Expenditures were $58.4, $59.6, and $62.4 million for 2021, 2022, and 2023, respectively.

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Assets (All Funds)

2023

Assets = $118,276,187
Deferred Outflow of Resources = $20,436,130
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Liabilities and Net Position (All Funds)

2023

Liabilities = $93,008,345
Deferred Inflows of Resources = $16,128,588
Net Position = $29,575,384

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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
- No Material weaknesses or significant deficiencies
- Implemented Government Auditing Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*
- Upcoming Accounting Standards:
  - GASB 101 – Compensated absences
    - Required to be recorded under three criteria including recording an obligation for the portion of nonvesting leave that is more likely than not to be paid out.
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Federal Programs (Single Audit) Results

✓ Audit of the Federal Programs
  ▪ Total federal expenditures - $11.7 million
    • Federal awards tested this year –
      • Student Financial Assistance - $9.3 million
    • Testing is substantially completed with a few open
      items and levels of review to be completed
    • Issuance of single audit report to follow completion
      of reviews

Thank you!
We appreciate the opportunity to serve Northwestern Michigan College.
Vicki VanDenBerg – Partner
269.567.4618
vicki.vandenberg@plantemoran.com

Miranda Presley – Manager
269.567.4615
miranda.presley@plantemoran.com