

Audit Report for

Northwestern Michigan College

and Presentation to the Board of Trustees
For the Year Ended June 30, 2026



Agenda



AUDIT RESULTS



REQUIRED
COMMUNICATIONS



FINANCIAL
HIGHLIGHTS

Audit Results



Audit Results

Audited Financial Statements

Clean, unmodified opinion, highest level of assurance

Control Deficiencies

No significant deficiencies or material weaknesses reported

Audit Adjustments

Leases and SBITAs: Two immaterial misstatements mostly contained to assets and liabilities, for approximately \$173,000 each, and included a \$31,000 reduction to expenses.

Immaterial Uncorrected Misstatements

Repeat from the prior year: A \$200,000 subscription contract from FY24 was inadvertently excluded from an analysis, resulting in accumulated overstatement of FY25 net position of \$24,000.



Single Audit Status

2026 OMB Compliance Supplement Delay

Implications for Single Audit: Cannot finalize testing or issue final reports until the 2026 Compliance Supplement is issued

Programs to be tested:

Student Financial Aid Cluster

U.S. Department of Energy (funding for NMC's geothermal project)

Coronavirus State & Local Fiscal Recovery Funds

Audit and Accounting Standards

New Standards Adopted:

GASB 103 Financial Reporting Model Improvements

GASB 104 Disclosures of Certain Capital Assets

Future Standards:

GASB 105 Subsequent Events

Required Communications



Required Communications

with the Board of Trustees

Our responsibility under U.S. Generally Accepted Auditing Standards

All required disclosures in the affirmative

Most sensitive estimates:

- Fair market value of investments
- Allowance for uncollectible accounts
- Net pension and OPEB obligations
- Scholarship allowance

Most sensitive disclosures:

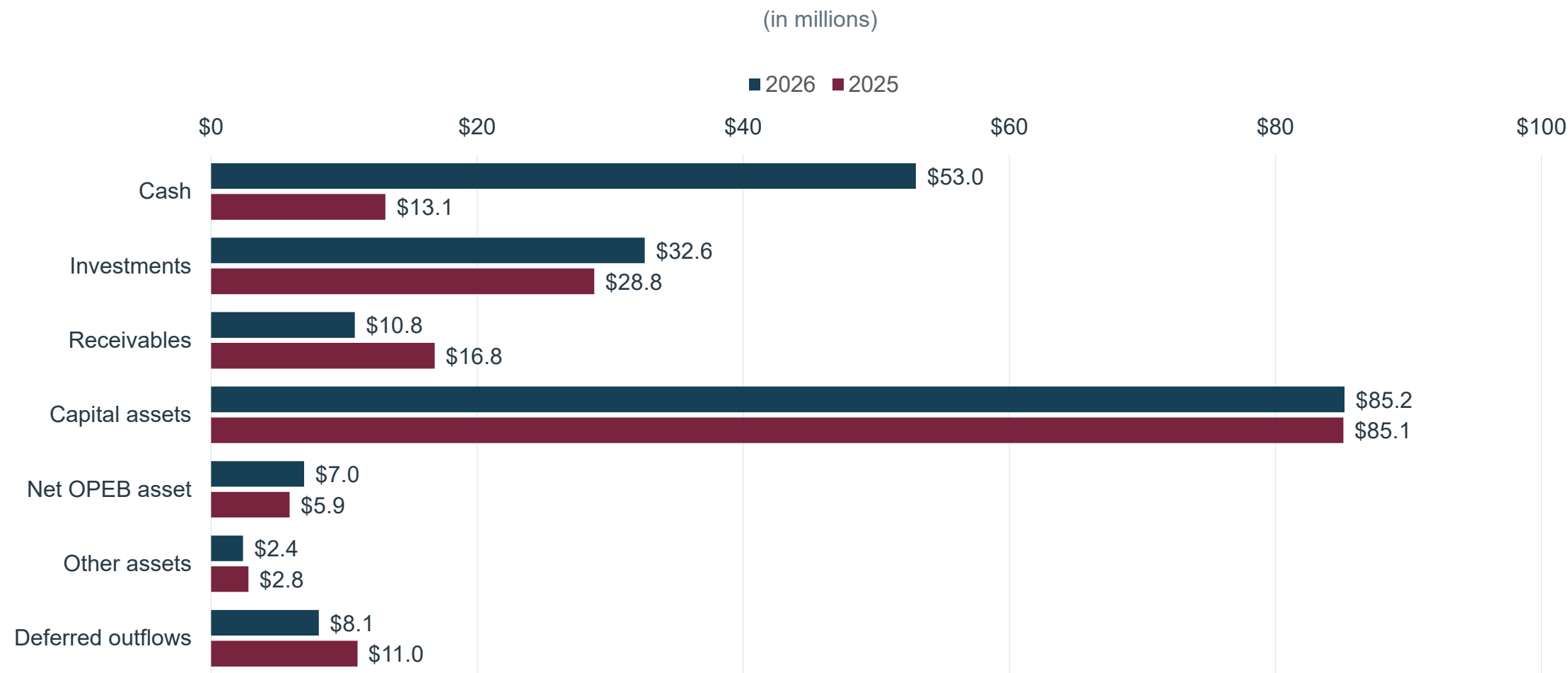
- Risks related to cash, cash equivalents, and investments
- Long-term obligations (new bond issuance)
- Postemployment benefits

Financial Highlights



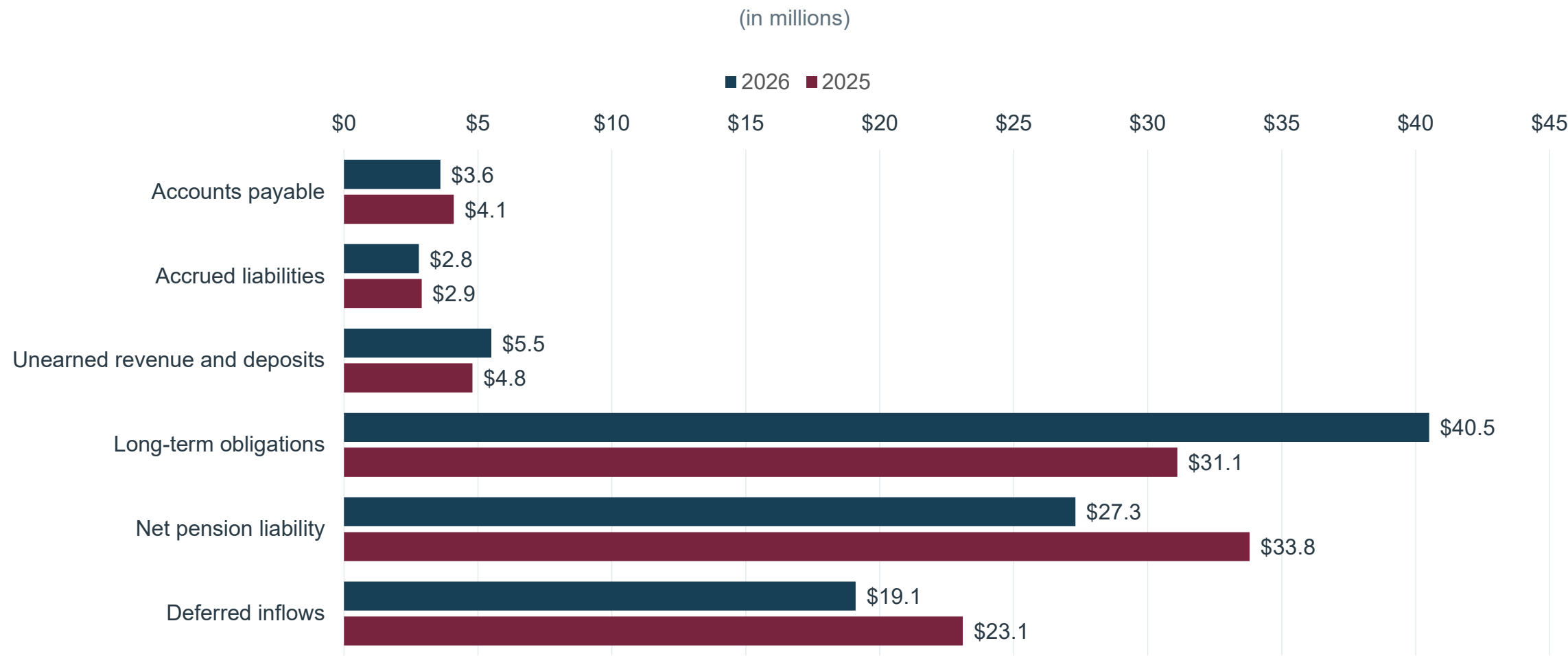
Assets and Deferred Outflows

Total assets were: 2026 - \$191.0 million, 2025 - \$152.5 million



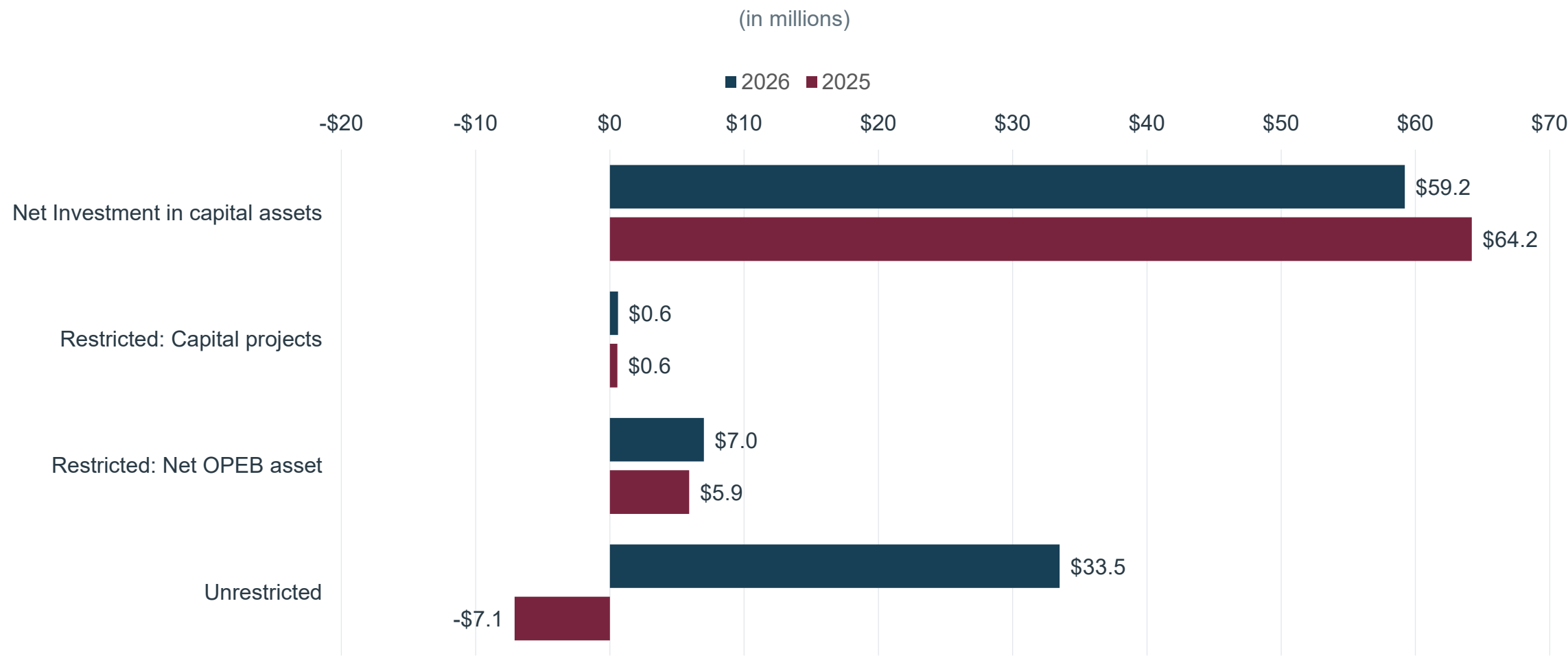
Liabilities and Deferred Inflows

Total liabilities were: 2026 - \$79.7 million, 2025 - \$76.7 million



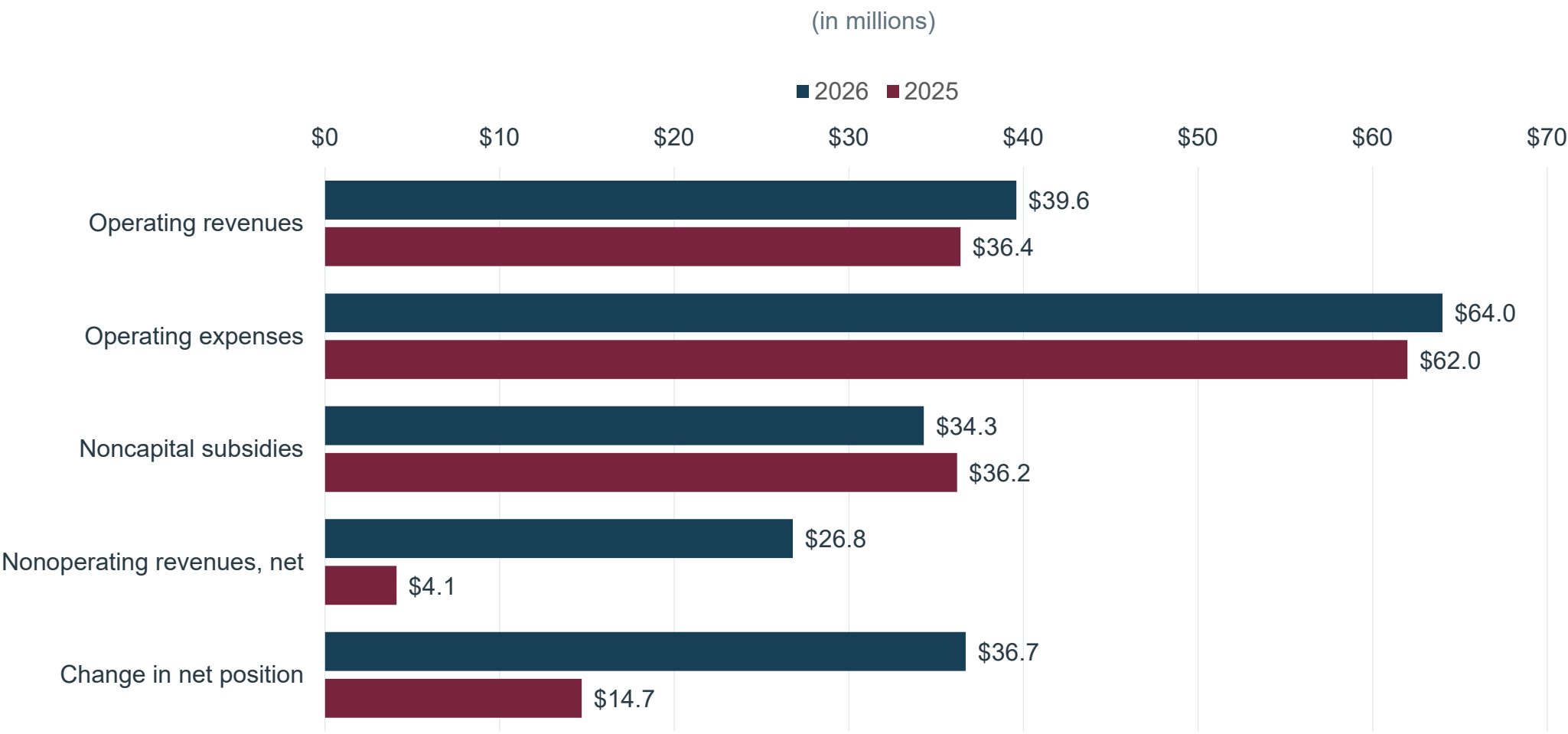
Net Position

Total net position was: 2026 - \$100.3 million, 2025 - \$63.6 million



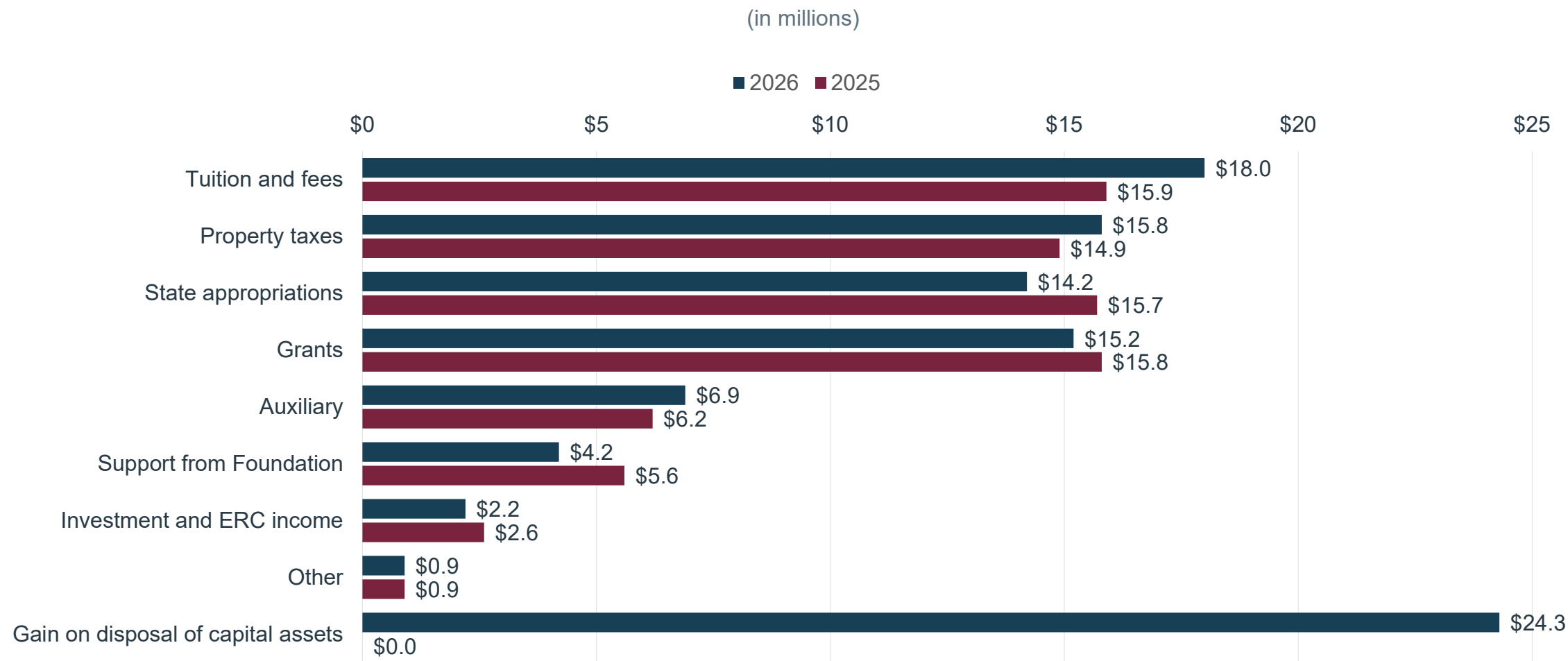
Revenues, Expenses, and Changes in Net Position

Total change in net position was: 2026 - \$36.7 million, 2025 - \$14.7 million



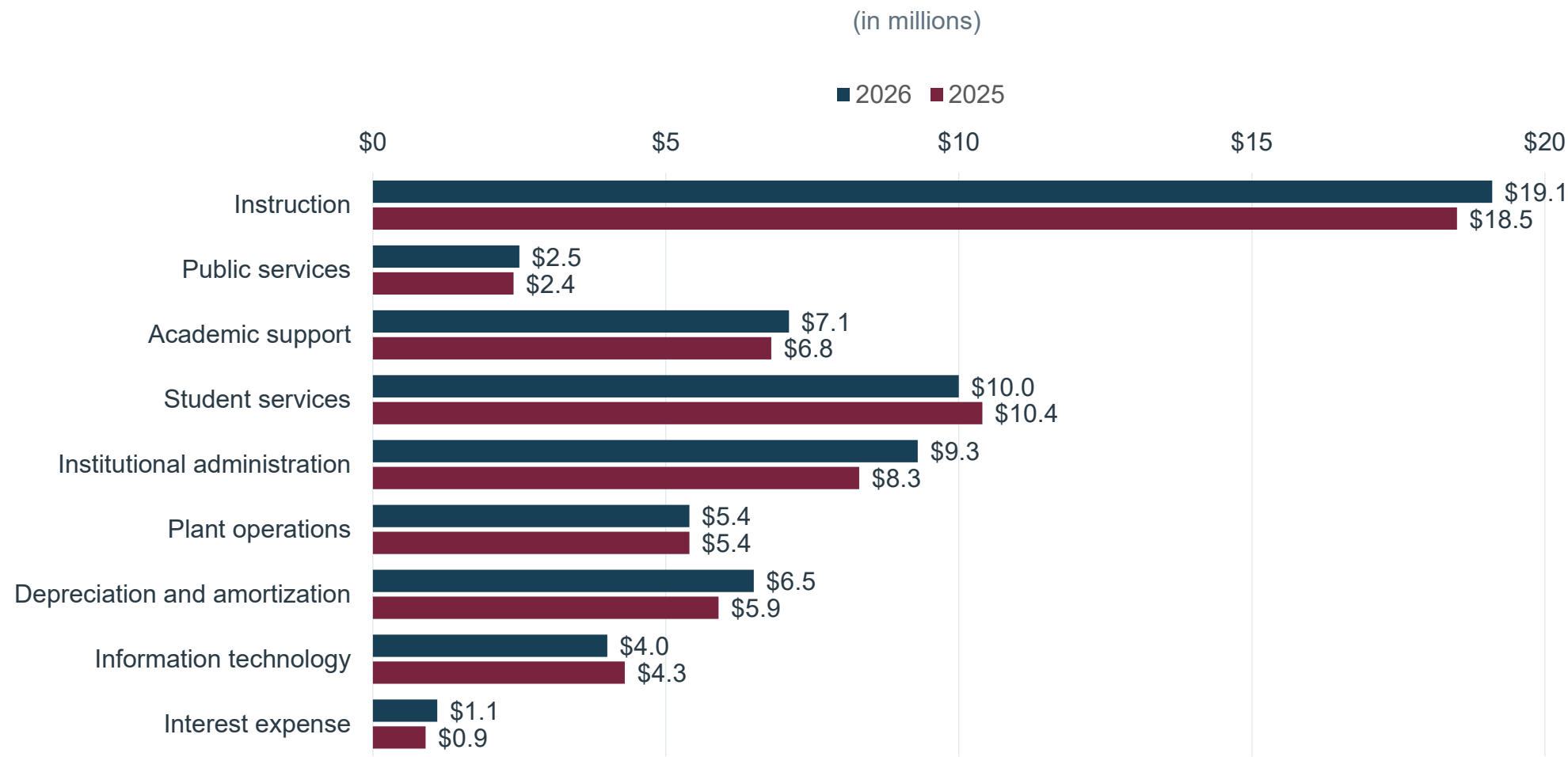
Revenues and Support

Total revenues were: 2026 - \$101.7 million, 2025 - \$77.6 million



Expenses

Total expenses were: 2026 - \$65.0 million, 2025 - \$62.9 million



Thank You!

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