



Delta College

**Delta College
University Center, Michigan**

**Entity Identification
No: 38-6034011**

**Office of Management & Budget
Uniform Guidance Reports for the
Year Ended June 30, 2023**

Delta College
Federal Awards
Supplemental Information

Year Ended June 30, 2023

Delta College
Federal Awards
Supplemental Information
Year Ended June 30, 2023

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Independent Auditor's 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*

Board of Trustees
Delta College
University Center, Michigan

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 Delta College (College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 24, 2023.

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 opinion 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 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 have not been 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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Andrews Hooper Paulik PLC

Saginaw, Michigan
October 24, 2023

Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Trustees
Delta College
University Center, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Delta College's (College) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2023. The College's major federal programs are 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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; 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 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 programs.

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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

Report on Internal Control Over Compliance

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 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.

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 that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

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

We have audited the financial statements of Delta College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 24, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 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 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.

Andrews Hoope Paulik PLC

Saginaw, Michigan
October 24, 2023

Delta College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Agency/Pass-Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Project/Grant Number	Award Amount	Federal Expenditures
<u>Major Programs</u>				
U.S. Department of Education:				
Student Financial Assistance Cluster - Direct Program:				
Federal Pell Grant Program	84.063	P063P221628	\$ 11,088,273	\$ 11,088,273
Federal Work-Study and America Reads Programs	84.033	P033A221993	175,000	83,847
Federal Family Education Loans (Note 2)	84.032	P268K231628	5,188,401	5,188,401
Federal Supplemental Educational Opportunity Grants Program	84.007	P007A221993	381,748	459,594
Total Student Financial Assistance Cluster			<u>16,833,422</u>	<u>16,820,115</u>
COVID-19 Higher Education Emergency Relief Funds - Direct Program:				
COVID-19 Higher Education Emergency Institutional Relief Funding	84.425F	P425F203939	19,816,576	5,526,146
COVID-19 Higher Education Emergency Strengthening Institutions Funding	84.425M	P425M200745	1,505,079	1,021,053
Total COVID-19 Higher Education Emergency Relief Funds			<u>21,321,655</u>	<u>6,547,199</u>
Total Major Programs			38,155,077	23,367,314
<u>Other Federal Awards</u>				
U.S. Department of Health & Human Services:				
(passed through the Michigan Department of Labor and Economic Opportunity, then through Great Lakes Bay Region Michigan Works! Administration, and then through the County of Saginaw)				
Temporary Assistance for Needy Families (TANF):				
TANF	93.558	27672420.95600	805,900	215,517
TANF	93.558	27672420.95600	670,900	392,624
Total U.S. Department of Health & Human Services:			<u>1,476,800</u>	<u>608,141</u>
U.S. Department of Education:				
Office of Postsecondary Education - Direct Program:				
TRIO-Educational Opportunity Centers	84.066A	P066A210093	545,506	280,098
Total Office of Postsecondary Education			<u>545,506</u>	<u>280,098</u>
(passed through the State of Michigan Workforce Development Agency/Work-Based Learning)				
Career and Technical Education - Basic Grants to States:				
Regional Allocation	84.048A	233510-2321	956,428	956,428
Local Leadership	84.048A	233250-2325-4	9,200	9,200
Total Career and Technical Education - Basic Grants to States			<u>965,628</u>	<u>965,628</u>
Total U.S. Department of Education			<u>1,511,134</u>	<u>1,245,726</u>

See Notes to Schedule of Expenditures of Federal Awards.

Delta College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Agency/Pass-Through Agency/Program Title	Assistance Listing Number	Pass-Through Entity Project/Grant Number	Award Amount	Federal Expenditures
<u>Other Federal Awards (continued)</u>				
U.S. Department of Labor:				
(passed through the Michigan Department of Labor and Economic Opportunity, then through Great Lakes Bay Region Michigan Works! Administration, and then through the County of Saginaw)				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA - Dislocated Worker Formula Grants	17.278	27672413.95600	\$ 270,086	\$ 27,739
WIOA - Dislocated Worker Formula Grants	17.278	27672413.95600	305,836	189,062
WIOA - Adult Program	17.258	27672411.95600	522,923	29,031
WIOA - Adult Program	17.258	27672411.95600	268,439	169,043
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			1,367,284	414,875
Trade Adjustment Assistance:				
Trade Adjustment Assistance	17.245	27672422.95600	727,493	66,393
Trade Adjustment Assistance	17.245	27672422.95600	368,936	133,119
Total Trade Adjustment Assistance			1,096,429	199,512
Unemployment Insurance:				
Unemployment Insurance RESEA	17.225	27672417.95600	159,837	9,921
Unemployment Insurance RESEA	17.225	27672417.95600	237,156	152,434
Total Unemployment Insurance			396,993	162,355
Employment Services:				
AY21 Wagner-Peyser 7(a) - Clean Slate	17.207	27672437.95600	70,000	63,819
Wagner-Peyser Employment Services - Tri-County	17.207	27672402.95600	528,534	137,278
Wagner-Peyser Employment Services - Tri-County	17.207	27672402.95600	340,622	246,159
Total Employment Services			939,156	447,256
Total U.S. Department of Labor			3,799,862	1,223,998
U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance:				
(passed through Justice & Security Strategies, Inc.)				
Supporting Small, Rural & Tribal Law Enforcements Agency Body-Worn Camera Policy & Implementation Program	16.835	28574063	7,645	7,597
Total U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance			7,645	7,597
Total Other Federal Awards			6,795,441	3,085,462
Total Expenditures of Federal Awards			\$ 44,950,518	\$ 26,452,776

See Notes to Schedule of Expenditures of Federal Awards.

Delta College

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1. Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (schedule) includes the federal grant activity of the College under programs of the federal government for the fiscal year ended June 30, 2023. Expenditures reported on the schedule are reported on the same basis of accounting as the financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of the Uniform Guidance. In addition, expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented, or used, in the preparation of the financial statements.

Because the schedule presents only a selected portion of the operations of Delta College, it is not intended to, and does not present the financial position, changes in net position, or cash flows, of Delta College.

The College's reporting entity is defined in Note 1 to the College's financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

Note 2. Federal Family Education Loans

The Federal Family Education Loans (Assistance Listing #84.032) reported on the schedule of expenditures of federal awards is comprised of the following at June 30, 2023:

<u>Federal Program</u>	<u>Amount</u>
Stafford subsidized	\$2,308,062
Stafford unsubsidized	2,751,355
Plus	128,984
	<u>\$5,188,401</u>

Note 3. Grant Auditor's Report

Management has utilized the Michigan Department of Education Grant Auditor's Report (GAR) in preparing the Schedule of Expenditures of Federal Awards for grants processed through the Department's Cash Management System (CMS). Unreconciled differences, if any, have been disclosed to the auditor.

Note 4. Indirect Cost Allocation

The College has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Delta College

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness identified?	_____ Yes	_____ X	_____ No	
Significant deficiency identified not considered to be material weakness?	_____ Yes	_____ X	_____ None reported	
Noncompliance material to financial statements noted?	_____ Yes	_____ X	_____ No	

Federal Awards

Internal control over major programs:				
Material weakness identified?	_____ Yes	_____ X	_____ No	
Significant deficiency identified not considered to be material weakness?	_____ Yes	_____ X	_____ None reported	
Type of auditor’s report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	_____ Yes	_____ X	_____ No	

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Cluster and Federal Programs</u>
	Student Financial Assistance Cluster:
84.063	Federal Pell Grant Program
84.033	Federal Work-Study and America Reads Programs
84.032	Federal Family Education Loans
84.007	Federal Supplemental Educational Opportunity Grants Program
	COVID-19 Higher Education Emergency Relief Funds:
84.425F	COVID-19 Higher Education Emergency Institutional Relief Funding
84.425M	COVID-19 Higher Education Emergency Strengthening Institutions Funding

Delta College

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Dollar threshold used to distinguish between
Type A and Type B programs:

\$793,583

Auditee qualified as low-risk auditee?

X Yes

 No

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Delta College

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2023

No matters were reported.