



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, 2021**

Delta College
Federal Awards
Supplemental Information

Year Ended June 30, 2021

Delta College
Federal Awards
Supplemental Information
Year Ended June 30, 2021

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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*

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, 2021, 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 18, 2021.

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) to determine the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of 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 determination of financial statement amounts. 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 Pavlik PLC

Saginaw, Michigan
October 18, 2021

Independent Auditors' 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

We have audited Delta College's (College) compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, Delta 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, 2021.

Report on Internal Control Over Compliance

Management of Delta College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 18, 2021, 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 Hooper Pavlik PLC

Saginaw, Michigan
January 25, 2022

Delta College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

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 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	276-67641-96724-20	\$ 747,536	\$ 274,848
TANF	93.558	276-67641-96724-21	897,711	662,979
Total Temporary Assistance for Needy Families (TANF)			<u>1,645,247</u>	<u>937,827</u>
U.S. Department of Education - Direct Programs:				
COVID-19 Higher Education Emergency Relief Funds:				
COVID-19 Higher Education Emergency Student Relief Funding	84.425E	P425E202826	14,637,406	5,605,824
COVID-19 Higher Education Emergency Institutional Relief Funding	84.425F	P425F203939	19,816,576	6,520,612
COVID-19 Higher Education Emergency Strengthening Institutions Program	84.425M	P425M200745	697,510	3,084
Total COVID-19 Higher Education Emergency Relief Funds			<u>35,151,492</u>	<u>12,129,520</u>
U.S. Department of Treasury:				
(passed through the State of Michigan)				
COVID-19 Coronavirus Relief Funds	21.019	N/A	1,699,100	1,699,100
Total Coronavirus Relief Funds			<u>1,699,100</u>	<u>1,699,100</u>
Total Major Programs			38,495,839	14,766,447
<u>Other Federal Awards</u>				
U.S. Department of Education:				
Office of Postsecondary Education - Direct Program:				
TRIO-Educational Opportunity Centers	84.066A	P066A160400	1,216,937	274,362
Total Office of Postsecondary Education			<u>1,216,937</u>	<u>274,362</u>
Student Financial Assistance Cluster - Direct Program:				
Federal Pell Grant Program	84.063	P063P201628	10,799,545	10,799,545
Federal Work-Study & America Reads Programs	84.033	P033A201993	236,606	36,447
Federal Family Education Loans (Note 2)	84.032	P268K201238	5,110,315	5,110,315
Federal Supplemental Educational Opportunity Grants Program	84.007	P007A201993	381,748	620,528
Total Student Financial Assistance Cluster			<u>16,528,214</u>	<u>16,566,835</u>
Career and Technical Education - Basic Grants to States:				
(passed through the State of Michigan Workforce Development Agency)				
Regional Allocation	84.048A	213510-2121	749,244	749,244
Local Leadership	84.048A	2125-4	9,200	9,200
Total Career and Technical Education - Basic Grants to States			<u>758,444</u>	<u>758,444</u>
Total U.S. Department of Education			<u>18,503,595</u>	<u>17,599,641</u>

See Notes to Schedule of Expenditures of Federal Awards.

Delta College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

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 American Association of Community Colleges)				
College Apprenticeship Program:				
AACC Expanding Community College Apprenticeships	17.285	N/A	\$ 140,000	\$ 8,986
Total College Apprenticeship Program			<u>140,000</u>	<u>8,986</u>
(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	276-67487-96724-20	191,522	9,079
WIOA - Dislocated Worker Formula Grants	17.278	276-67487-96724-21	107,287	61,664
WIOA - Adult Program	17.258	276-67485-96724-20	94,077	10,598
WIOA - Adult Program	17.258	276-67485-96724-21	222,886	130,946
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			<u>615,772</u>	<u>212,287</u>
Trade Adjustment Assistance:				
Trade Adjustment Assistance	17.245	276-67637/67657-96724-20	1,209,048	81,827
Trade Adjustment Assistance	17.245	276-67637/67657-96724-21	827,464	173,120
Total Trade Adjustment Assistance			<u>2,036,512</u>	<u>254,947</u>
Unemployment Insurance:				
Unemployment Insurance RESEA	17.225	276-67618-96724-20	83,980	21,744
Unemployment Insurance RESEA	17.225	276-67618-96724-21	139,099	53,229
Total Unemployment Insurance			<u>223,079</u>	<u>74,973</u>
Employment Services Cluster:				
Wagner-Peyser Employment Services - Tri-County	17.207	276-67428-96724-20	550,353	100,237
Wagner-Peyser Employment Services - Tri-County	17.207	276-67428-96724-21	405,130	259,517
Total Employment Services Cluster			<u>955,483</u>	<u>359,754</u>
Total U.S. Department of Labor			<u>3,970,846</u>	<u>910,947</u>
Total Other Federal Awards			<u>22,474,441</u>	<u>18,510,588</u>
Total Expenditures of Federal Awards			<u>\$ 60,970,280</u>	<u>\$ 33,277,035</u>

See Notes to Schedule of Expenditures of Federal Awards.

Delta College

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

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, 2021. 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, 2021:

<u>Federal Program</u>	<u>Amount</u>
Stafford subsidized	\$2,142,525
Stafford unsubsidized	2,890,377
Plus	77,413
	<u>\$5,110,315</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, 2021

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Cluster and Federal Programs</u>
93.558	Temporary Assistance for Needy Families (TANF): TANF
84.425E	COVID-19 Higher Education Emergency Relief Funds: COVID-19 Higher Education Emergency Student Relief Funding
84.425F	COVID-19 Higher Education Emergency Institutional Relief Funding
84.425M	COVID-19 Higher Education Emergency Strengthening Institutions Program
21.019	COVID-19 Coronavirus Relief Fund

Delta College

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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

\$994,991

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, 2021

No matters were reported.