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**Delta College
Board of Trustees Dinner Meeting
Delta College N7
Tuesday, November 11, 2025
5:30 pm**

Board Present: A. Baldwin, A. Clark, S. Gannon, B. Handley-Miller, D. Middleton, M. Rowley, A. Thomas, M. Wood

Board Absent: M. Nash

Others Present: R. Battinkoff, T. Brown, W. Burns, P. Clark, R. Curry, J. Delaney, J. Foco, M. Gavin, A. Goebel, L. Govitz, D. Hopkins, T. Johnroe, K. Kiste-Toner, P. Larkowski, E. Merkle, R. Morse, J. Mulders, S. Raube, K. Schuler, A. Ursuy, R. Young

Press Present: None

Board Chair, S. Gannon called the meeting to order at 6:00 pm. She turned the meeting over to Jon Foco, Vice President of Business and Finance to present the FY 2023 – 2024 Financial Statements and Audit. J. Foco thanked his staff especially, Jill Mulders, Controller and Amber Goebel, Assistant Controller. He then introduced Randy Morse from our auditing firm Andrews, Hooper and Pavlik, PLC. R. Morse then presented the results of the firm's audit for the fiscal year ending, June 30, 2024.

R. Morse also thanked the finance staff along with the entire College for their cooperation with the audit. He gave an overview of the services provided which included the audits of Delta College, the Foundation, WDCQ-TV, an WUCX-FM which all received an unmodified opinion.

Future audit and accounting standards that will affect Delta College include GASB 103, Financial Reporting Model, Fiscal Year 2026; and GASB 104, Disclosure of Certain Capital Assets, Fiscal Year 2026.

R. Morse gave an overview of the operating results for the Fiscal Year 2025 which included fluctuations between 2024 and 2025 as follows:

- an increase of 8% in operating revenue,
- an increase of 1% in operating expense,
- state operating appropriations remained relatively flat,
- an increase of 7% in property tax levy,
- an increase of 38% in Pell federal grant revenue, and
- a reported \$6.5 million in income compared to a \$6.1 million in the prior year.

The overview of net position for Fiscal Year 2025 (all funds) included:

- a \$4.1 million increase in cash and investments,
- a \$8.0 million increase in capital assets, and
- a \$18.3 million decrease in pension and other postemployment benefit plan liabilities and related deferred inflow and outflow of resources.

The unrestricted net position is \$19.6 million at June 30, 2025 compared to the prior year of \$5.4 million. The total net position change is \$31.5 million.

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R. Morse noted that there were no difficulties encountered during the audit, no audit adjustments, no passed adjustments, no disagreements with management, and no management letter. Additional information included the operating funds – revenue sources; operating funds – expenses; and the Uniform Guidance Summary.

R. Morse provided graphs showing operating funds revenue sources and expenditures for the fiscal year 2025 and provided comparisons to all other Michigan community colleges. Delta College's revenue sources included: 38% - tuition and fees; 29% - state aid; 29% - property taxes; and 4% - all other. The expense side included: 50% - instruction; 12% - institutional administration; 12% - student services; 9% - plant operations; 9% - instructional support; 6% information technology; and 2% - public service.

R. Morse then discussed the Uniform Guidance Audit where a single audit is done on the federal money that the college receives, \$31.8 million. This is done in a separate statement. The major programs reviewed this year included the Student Financial Aid Assistance Cluster: Federal Pell Grant Program, Federal Work-Study and American Reads Program, Federal Family Education Loans, and the Federal Supplemental Education Opportunity Grants Program. There were no material weaknesses, and no significant deficiencies identified.

There being no further business, the dinner meeting was adjourned at 6:19 pm.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary