



**Delta College**

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**Audited Financial Statements  
and Other Financial Information**

**June 30, 2020**

**Delta College**

**Audited Financial Statements and Other Financial Information**

**June 30, 2020**

**Audited Financial Statements**

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**Management's Discussion and Analysis**  
**Delta College**  
**Year Ended June 30, 2020**

The discussion and analysis of the financial statements of Delta College (the College) provides an overview of the College's financial activities for the years ended June 30, 2020, 2019 and 2018. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

**Using This Report**

These financial statements are prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. The financial statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Capital expenditures are capitalized on the Balance Sheet instead of recording as an expense, and depreciation is recorded.

Activities are reported as either operating or nonoperating in accordance with the GASB Statement No. 35. Charges for services are recorded as operating revenues. Essentially all other types of revenue, including state appropriations, property tax levies and Pell federal grant revenue are nonoperating. A public community college's reliance on state funding, local property taxes and Pell federal grant assistance to students will result in reporting an operating deficit.

This annual financial report complies with these requirements and includes this management's discussion and analysis, the report of independent auditors, the financial statements, notes to financial statements, required supplementary information, and supplemental information similar to commercial enterprises and private-sector institutions.

Over time, increases or decreases in net position provides one indication of the financial health of an organization. To assess the overall health of the College, many other non-financial factors also need to be considered such as trends in enrollment, condition of facilities, attention to workforce needs, success of graduates, and the strength of the faculty and staff.

**COVID-19 and CARES-ACT**

The College suspended face-to-face instruction as of March 16, 2020 in response to the COVID-19 pandemic. Instruction was moved to online for the remainder of the 2020 winter semester, as well as for the spring and summer semester.

The Coronavirus Aid, Relief and Economic Security (CARES) Act was passed by Congress and signed into law to provide economic relief from COVID-19. The College was awarded \$5.4 million in CARES Act grants from the U.S. Department of Education. These grants specify certain compliance requirements with respect to how the funds are to be spent and recorded, as well as spending deadlines. As of June 30, 2020, the College had recorded the following revenue amounts related to these grants, which have been classified as nonoperating revenues in the Statement of Revenues, Expenses and Changes in Net Position:

- \$2.6 million was awarded under the Higher Education Emergency Relief Fund (HEERF). The purpose of this grant is to award emergency financial aid grants to students for expenses they incurred related to the disruption of campus operations due to Coronavirus. These grants must be paid directly to the student and may not be applied against the student's institutional charges. As of June 30, 2020, the College had awarded, \$942,000 of HEERF student assistance grants.
- \$2.6 million was awarded under the Institutional Relief Funding. Grant requirements state that at least 50% of the combined HEERF and Institutional Relief Funding must be used for emergency financial aid grants to students. As of June 30, 2020, the College had spent \$705,000 of its Institutional Relief Funding. The majority of this funding was used to refund online fees to students for spring courses, and the College also chose to reimburse itself for continuing to pay staff who were unable to continue their work remotely.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2020

#### COVID-19 and CARES-ACT – Continued

- \$252,000 was awarded to the College under Title III Strengthening Institutions Program (SIP) funding. The spending restrictions for this pool of funding was less stringent than the other awards. The College chose to use this funding to reimburse itself for lost revenues of its Fitness and Recreation Center (FRC) and food service operations due to having to completely shut down these operations due to the pandemic. The full amount of this award was recognized as revenue as of June 30, 2020.

The \$942,000 of HEERF student assistance grants, the \$705,000 of HEERF Institutional Relief Funding, and the \$252,000 of SIP was recorded as nonoperating revenue in the Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2020.

The College's public broadcasting television station also received CARES Act funding passed through the Corporation for Public Broadcasting in the amount of \$260,000. The use of these funds is unrestricted, with no spending deadline. As such, the Station has recognized the entire amount of this award as revenue as of June 30, 2020, which is included in federal grants and contracts revenue in the Statement of Revenue, Expenses and Changes in Net Position.

In addition, the State of Michigan passed Senate Bill 373 on July 22, 2020, which reduced State Aid funding and replaced in with CARES Act Coronavirus Relief Funds (CRF). For the College, the amount of the State Aid reduction and corresponding CRF grant award was \$1.7 million. Since this occurred after June 30, 2020, no revenue or receivable was recorded as of June 30, 2020 related to the CARES Act Funding pass through the State of Michigan. The College will recognize revenue for allowable expenditure incurred between March 1 and December 31, 2020 during the fiscal year ending June 30, 2021. As of June 30, 2020, the College has recorded \$224,000 of grant eligible expenses for which the offsetting revenue will be recorded in fiscal year 2021. The majority of these expenses were for Personal Protection Equipment (PPE) and supplies and expenses necessary to facilitate distance learning and the ability of staff to work remotely.

#### Financial Highlights

Effective July 1, 2017, the College implemented GASB Statement No. 75, *Postemployment Benefits Other Than Pensions (OPEB)*. The provisions of this statement resulted in the College recognizing for the first time, its calculated share of the OPEB liability and related expenses and deferred inflows and outflows for the Michigan Public School Employees' Retirement System (MPERS). In accordance with this statement, the College reported an initial net OPEB liability of \$33.8 million, a deferred outflow of resources of \$2.3 million and a deferred inflow of resources of \$1.0 million as a change in accounting principle adjustment that reduced its unrestricted net position as of July 1, 2017 by \$32.5 million. For the years ended June 30, 2020 and 2019, respectively, the College reported a net MPERS OPEB liability of \$25.1 million and \$28.8 million. In addition, the College recognized a negative MPERS OPEB expense of \$1.9 million and \$0.9 million, reported deferred outflows of resources of \$7.2 million and \$4.9 million, and deferred inflows of resources of \$10.6 million and \$6.5 million, for each of the two respective years. As of June 30, 2020 and 2019, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$28.5 million and \$30.4 million.

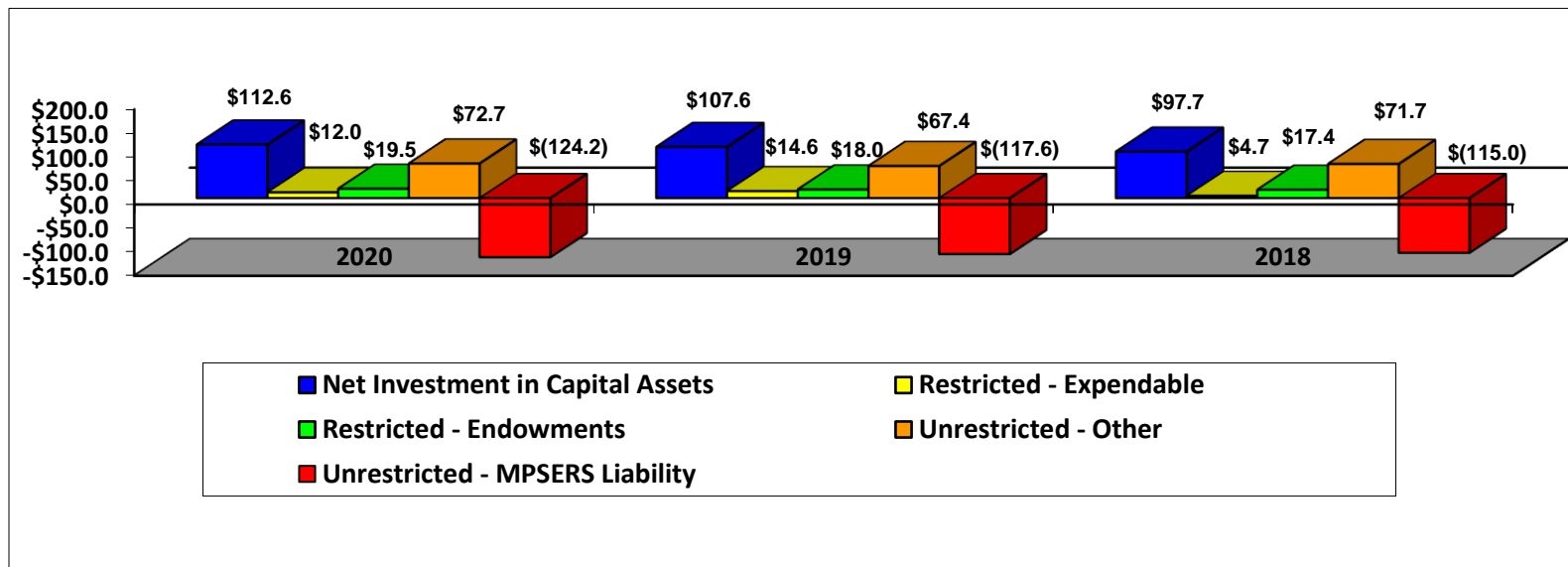
During the year ended June 30, 2015, the College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The provisions of these standards resulted in the College recognizing its calculated share of the pension liability and related expenses and deferred inflows and outflows for the MPERS. The fiscal year 2020 pension activity related to this statement resulted in the College recording a net pension liability of \$118.2 million, which is an increase of \$9.4 million over the prior year. For the years ended June 30, 2020 and 2019 respectively, the College recognized additional MPERS pension expense of \$8.5 million and \$3.5 million. For each of the aforementioned respective years, the College also reported deferred outflows of resources of \$32.1 million and \$34.7 million and deferred inflows of resources of \$9.6 million and \$13.1 million. As of June 30, 2020 and 2019, respectively, the impact of these standards resulted in a reduction in unrestricted net position for the College of \$95.7 million and \$87.2 million.

**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

**Financial Highlights – Continued**

Excluding the significant and distorting effects of implementing the MPSERS pension and OPEB adjustments in accordance with aforementioned GASB Statements No. 68, 71 and 75, the College’s financial position improved during both fiscal years ended June 30, 2020 and 2019, respectively, with net position increasing by \$9.2 million and \$16.1 million. This equates to annual increases of approximately 4.4% and 8.4% for the two respective years. During the year ended June 30, 2020 the College’s total assets increased \$6.3 million, to \$226.8 million. This \$6.3 million increase resulted primarily from an \$8.3 million increase in cash and investments and a \$5.0 million increase in capital assets. These increases were offset by a decrease in pledges receivable, mainly for the Downtown Midland Center project of \$1.7 million, and a decrease of \$4.3 million in the State capital appropriation receivable for the Downtown Saginaw Center project. These decreases in receivables resulted from payments received on these commitments during the current fiscal year. Also adding to the College’s net position for the 2020 fiscal year was a \$2.9 million decrease in current liabilities. This decrease was primarily the result of payments made during the current fiscal year against the \$3.8 million balance owing as of June 30, 2019, related to the Employee Severance Plan (ESP) that the College offered during the 2019 fiscal year. Additional details resulting in the increases in net position for the two years are further described in the revenue and expense section of this discussion and analysis.

The following chart provides a graphical breakdown of net position by category for the fiscal years ending June 30, 2020, 2019 and 2018, in millions:



**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

**Summary of Selected Financial Data**

Following is a summary of the major components of the financial position of the College as of June 30, 2020, 2019 and 2018, in millions:

	2020	2019	2020-2019 Change	2018	2019-2018 Change
Current Assets	\$ 86.7	\$ 80.1	\$ 6.6	\$ 76.4	\$ 3.7
Long-Term Assets:					
Capital Assets, Net of Depreciation	112.6	107.6	5.0	97.7	9.9
Other	27.5	32.8	(5.3)	25.7	7.1
Total Assets	226.8	220.5	6.3	199.8	20.7
Deferred Outflows of Resources	39.3	39.6	(.3)	22.4	17.2
Current Liabilities	10.0	12.9	(2.9)	8.3	4.6
Non-Current Liabilities	143.3	137.6	5.7	125.6	12.0
Total Liabilities	153.3	150.5	2.8	133.9	16.6
Deferred Inflows of Resources	20.2	19.6	.6	11.8	7.8
Net Position:					
Net Investment in Capital Assets	112.6	107.6	5.0	97.7	9.9
Restricted – Expendable	12.0	14.6	(2.6)	4.7	9.9
Restricted – Endowments	19.5	18.0	1.5	17.4	.6
Unrestricted	(51.5)	(50.2)	(1.3)	(43.3)	(6.9)
Total Net Position	\$ 92.6	\$ 90.0	\$ 2.6	\$ 76.5	\$ 13.5

**June 30, 2020:** During the year ended June 30, 2020, total assets increased by \$6.3 million and total liabilities increased by \$2.8 million. The majority of the increase in assets consisted of a \$5.0 million increase in capital assets, primarily due to \$5.0 million of additional expense recorded to construction in progress related to the College’s Downtown Midland Center construction project, and an \$8.3 million increase in cash and investments due to pledge payments received for the Downtown Midland Center project and payments received from the State for their portion of the Downtown Saginaw Center construction project (refer to Note 13 to the financial statements for more information regarding these construction projects). The increase in liabilities consisted of a \$5.7 million increase in the MPSERS net pension and OPEB liabilities, offset by a \$2.9 million decrease in accounts payable and accrued payroll and other compensation. At June 30, 2019, the College had accrued \$3.8 million for amounts owing related to the ESP that the College offered to eligible employees during fiscal year 2019. As of June 30, 2020, the College has made payments of approximately \$3.2 million for former employees who elected to participate in this plan, leaving a remaining liability of approximately \$600,000 for the ESP as of June 30, 2020.

**Management’s Discussion and Analysis - Continued**

**Delta College**

**Year Ended June 30, 2020**

**Summary of Selected Financial Data – Continued**

**June 30, 2019:** During the year ended June 30, 2019, total assets increased by \$20.7 million and total liabilities increased by \$16.6 million. The majority of the increase in assets consisted of a \$9.9 million increase in capital assets, primarily due to construction in progress related to the College’s Downtown Saginaw Center construction project, and a \$4.6 million capital appropriation receivable from the State of Michigan also related to this project. In addition, pledges receivable increase \$5.4 million over the prior year due to amounts pledged by area foundations in support of the College’s new Center being built in downtown Midland. These increases were partially offset by a \$12.0 million increase in the MPSERS net pension and OPEB liabilities. In addition, accrued payroll and other compensation increased \$3.9 million over the prior year due to a \$3.8 million accrual for amounts owing related to the ESP that the College offered during the year ending June 30, 2019. Delta College employees with 10 years of full-time service were eligible to participate in this plan. Those electing to participate were required to sever employment with the College by June 30, 2019; however, select positions deemed a critical need were granted extensions not to extend beyond June 30, 2020.

The following summarizes the major components of the College’s operating results for the years ended June 30, 2020, 2019 and 2018, in millions:

	<b>2020</b>	<b>2019</b>	<b>2020-2019 Change</b>	<b>2018</b>	<b>2019-2018 Change</b>
Operating Revenue:					
Tuition and Fees	\$ 23.8	\$ 24.0	\$ (.2)	\$ 24.1	\$ (.1)
Grants and Contracts	4.9	5.0	(.1)	5.3	(.3)
Public Broadcasting Gifts	.9	1.7	(.8)	.8	.9
Auxiliary Services	3.3	4.0	(.7)	4.5	(.5)
Other	1.2	1.6	(.4)	1.4	.2
<b>Total Operating Revenue</b>	<b>34.1</b>	<b>36.3</b>	<b>(2.2)</b>	<b>36.1</b>	<b>.2</b>
Operating Expenses:					
Instruction	40.7	40.1	.6	39.1	1.0
Public Services	3.0	3.1	(.1)	2.7	.4
Information Technology	3.8	3.8	-	3.8	-
Instructional Support	7.9	8.6	(.7)	8.1	.5
Student Services	19.4	18.7	.7	19.8	(1.1)
Institutional Administration	8.5	12.7	(4.2)	7.1	5.6
Operation and Maintenance of Facilities	7.9	7.5	.4	7.6	(.1)
Depreciation	5.3	5.0	.3	5.0	-
<b>Total Operating Expenses</b>	<b>96.5</b>	<b>99.5</b>	<b>(3.0)</b>	<b>93.2</b>	<b>6.3</b>
<b>Operating Loss</b>	<b>(62.4)</b>	<b>(63.2)</b>	<b>.8</b>	<b>(57.1)</b>	<b>(6.1)</b>

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

**Summary of Selected Financial Data – Continued**

*(continued from previous page)*

	2020	2019	2020-2019 Change	2018	2019-2018 Change
Nonoperating Revenue					
State Appropriations	\$ 21.5	\$ 23.0	\$ (1.5)	\$ 28.9	\$ (5.9)
Property Taxes	22.9	22.6	.3	22.0	.6
Pell Federal Grant Revenue	13.0	13.0	-	14.2	(1.2)
Other	5.3	3.6	1.7	4.2	(.6)
Net Nonoperating Revenue	62.7	62.2	.5	69.3	(7.1)
Other Revenue					
State Capital Appropriations	1.6	4.6	(3.0)	-	4.6
Capital Gifts and Grants	.1	9.4	(9.3)	-	9.4
Additions to Permanent Endowments	.6	.5	.1	.3	.2
Total Other Revenue	2.3	14.5	(12.2)	.3	14.2
Increase in Net Position	2.6	13.5	(10.9)	12.5	1.0
Net Position – Beginning of Year					
Beginning of Year	90.0	76.5	13.5	96.5	(20.0)
Adjust for Change in Accounting Principle	-	-	-	(32.5)	32.5
Net Position – Beginning of Year, as Restated	90.0	76.5	13.5	64.0	12.5
Net Position – End of Year	\$ 92.6	\$ 90.0	\$ 2.6	\$ 76.5	\$ 13.5

**Operating Revenue**

Operating revenue includes all transactions that result in the sales and/or receipts from providing goods and services, such as tuition and fees, food service and bookstore operations. In addition, certain federal, state, and private gifts and grants are considered operating if they are not for capital purposes and are considered a contract for services or are program-specific.

**June 30, 2020:** Operating revenue changes are highlighted by the following factors for the year ended June 30, 2020:

- The 2020 academic in-district tuition rate increased by \$3.00 to \$115 per credit hour, which represents an increase of 2.7%. During the year ending June 30, 2020 the College converted to billing by contact hour versus credit hour as it had in the past. Enrollment totaled 180,100 contact hours for fiscal year 2020, which represents a decrease of 1.8% from 183,400 contact hours for the prior year. The combined net impact of the increase in tuition rates, conversion to contact hour billing and decrease in contact hours resulted in a \$673,000 increase in tuition and fee revenues generated by academic programs, net of scholarship allowances.



## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2020

#### Operating Revenue – Continued

##### *June 30, 2020 – continued:*

- Auxiliary services revenue consists primarily of sales in the Bookstore of \$3.3 million, which had offsetting scholarship allowances approximating \$841,000, Food Services of \$550,000, and Fitness & Recreation Center of \$231,000. Bookstore sales compared to the prior year dropped by \$364,000, or 10.0%, due to declining enrollment and increasing online sales competition. Food Services operating revenues also experienced a significant decline of \$288,000, or 34.4%, from the prior year. This major decline resulted primarily from the complete shutdown of food service operations due to the COVID-19 virus from mid-March through the end of the fiscal year and beyond. The FRC operating revenues were also negatively impacted due to the mandatory shut-down of its operations due to COVID-19. FRC revenues declined \$115,000, or 33.2% from the prior year. The College was able to offset \$252,000 of FRC and food services lost revenues through CARES Act grant funding. Refer to Note 2 to the financial statements for additional details regarding federal CARES Act funding that the College was awarded in response to COVID-19.
- Public Broadcasting Gifts to the College for the year amounted to \$865,000, which represents a \$860,000, or 50.0%, decrease from the prior year. In the prior year Delta College Q-TV received two large estate gifts totaling \$947,000.

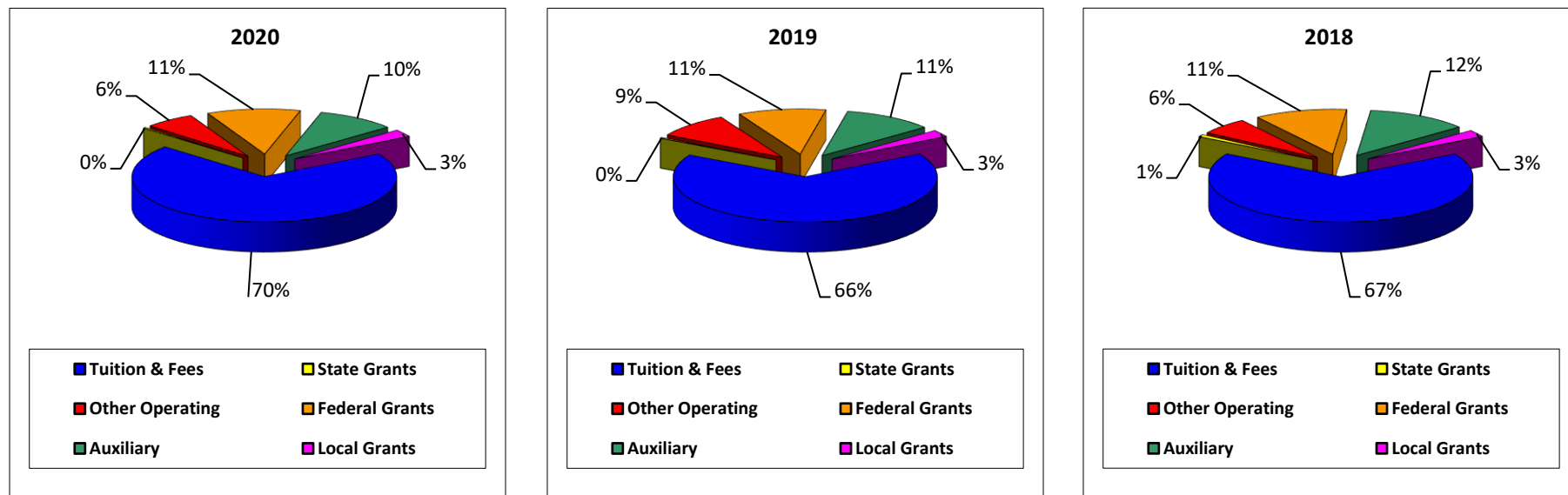
##### *June 30, 2019:* Operating revenue changes are highlighted by the following factors for the year ended June 30, 2019:

- The 2019 academic in-district tuition rate increased by \$5.00 per credit hour, an increase of 4.7%. Enrollment totaled 160,500 credit hours, which represents a decrease of 6.7% from the prior year. The net impact of these changes resulted in \$100,000 decrease in tuition and fee revenues generated by academic programs, net of scholarship allowance. Additionally, as noted below, related Pell grant (non-operating) revenues and corresponding operating expenses decreased by \$1.2 million.
- Auxiliary services revenue consists primarily of sales in the Bookstore of \$3.7 million, which had offsetting scholarship allowances approximating \$964,000, Food Services of \$838,000, and Fitness & Recreation Center of \$346,000. Bookstore sales dropped by \$548,000, or 13.0%, due to declining enrollment and increasing online sales competition. Food Services revenues also experienced a significant decline of \$129,000, or 13.3%, from the prior year, while Fitness & Recreation Center revenues increased \$7,000, or 2.1% over the prior year.
- Public Broadcasting Gifts to the College for the year amounted to \$1.7 million, which represents a \$946,000, or 121.4%, increase over prior year. This increase was due to two large estate gifts to Delta College Q-TV totaling \$947,000.

**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

**Operating Revenue – Continued**

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2020, 2019 and 2018:



**Operating Expenses**

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College.

**June 30, 2020:** Operating expense changes are highlighted by the following factors for the year ended June 30, 2020:

- Base salary increases approximated 2.2%, and the employee contribution toward medical insurance remained at 20.0%. Under the self-funded employee medical coverage contract with Blue Cross Blue Shield (BCBS) of Michigan, the College pays for actual claims incurred, up to a maximum \$150,000 per claim, a stop-loss insurance premium for claims in excess of \$150,000, and a monthly administrative fee. The College’s health insurance costs were \$4.1 million for the year ended June 30, 2020, compared to \$5.1 million for the prior year, due to decreased claims. As a result of COVID-19, only essential doctor visits were taking place and many previously planned medical procedures, such as surgeries, were postponed. Management made the decision to reserve the fiscal year 2020 surplus in the Self-Insurance designated fund since higher than normal claims experience is anticipated during fiscal year 2021.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2020

#### Operating Expenses – Continued

##### *June 30, 2020 – continued:*

- Public Act 300 of 2012 enacted by the State of Michigan legislature made significant reforms to the MPSERS that are designed to reduce overall benefit costs, but the cost reduction impact of the changes will not be experienced by employers for many years. During 2020, the College's overall benefit expense for MPSERS including adjustments due to GASB 68 and 75, was \$11.9 million, a decrease of approximately \$300,000 from the prior year. Of the \$11.9 million total, \$7.8 million was for the College's contributions to MPSERS, and \$4.1 million was due to the annual Unfunded Actuarial Accrued Liability (UAAL) Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment is paid to the College for pass-through to MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$4.1 million UAAL benefit expense was directly offset by the same amount in state appropriations non-operating revenue, as noted in the non-operating revenue section.
- Student services operating expenses increased \$660,000, or 3.5%, over the prior year. This increase was mainly due to emergency grants in the amount of \$942,000 awarded to students from grant funding provided to the College through the U.S. Department of Education under the CARES Act HEERF. These grants were intended to provide financial relief to students who had been impacted by disruptions in campus operations due to COVID-19.
- Overall operating expenses decreased by \$3.0 million from the prior year. The majority of this decrease was due to a one-time expense of \$3.8 million in fiscal year 2019 related to a voluntary employee severance plan offered to eligible College employees. This employee severance plan is discussed in more detail in the June 30, 2019 section below.

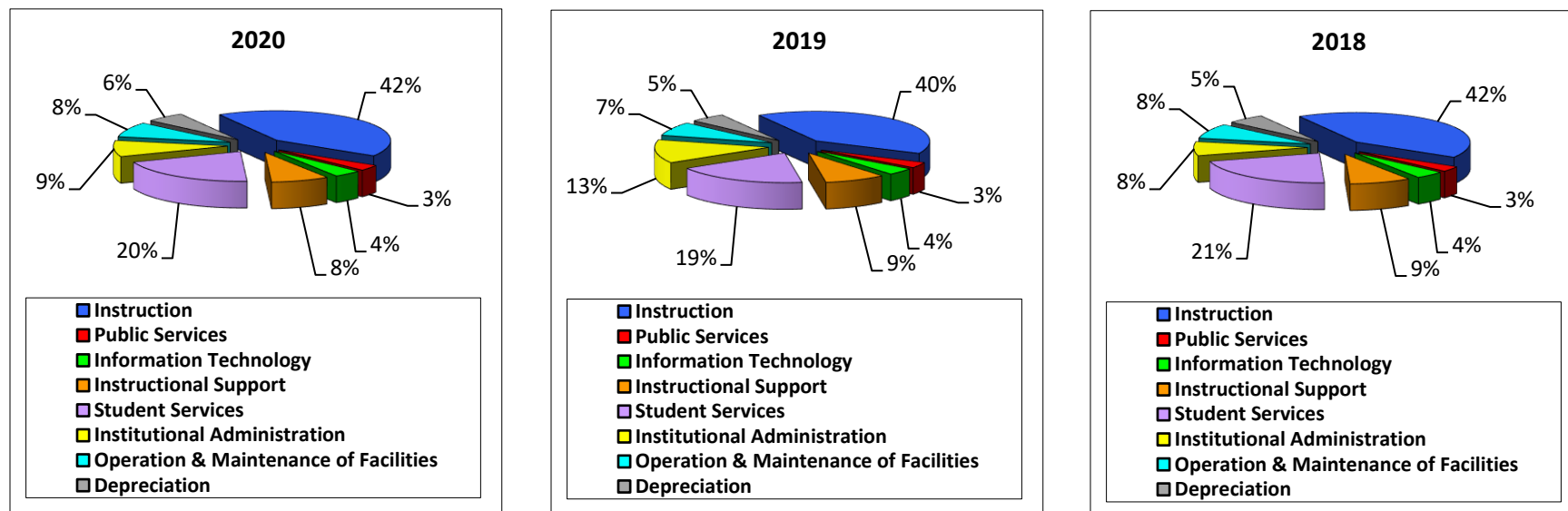
##### *June 30, 2019:* Operating expense changes are highlighted by the following factors for the year ended June 30, 2019:

- Base salary increases approximated 2.0%, and the employee contribution toward medical insurance remained at 20.0%. Under the self-funded employee medical coverage contract with BCBS of Michigan, the College pays for actual claims incurred, up to a maximum \$150,000 per claim, a stop-loss insurance premium for claims in excess of \$150,000, and a monthly administrative fee. The College health insurance costs were \$5.1 million in 2019.
- Public Act 300 of 2012 enacted by the State of Michigan legislature made significant reforms to the MPSERS that are designed to reduce overall benefit costs, but the cost reduction impact of the changes will not be experienced by employers for many years. During 2019, the College's overall benefit expense for MPSERS including adjustments due to GASB 68 and 75, was \$12.2 million, an increase of approximately \$900,000 over the prior year. Of the \$12.2 million total, \$7.7 million was for the College's contributions to MPSERS, and \$4.5 million was due to the annual UAAL Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment was paid to the College for pass-through to MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$4.5 million UAAL benefit expense was directly offset by the same amount of increase in state aid non-operating revenue, as noted in the non-operating revenue section. The \$700,000 increase in the UAAL expense and offsetting revenue in the year ended June 30, 2019 was due to an extra one-time early retirement incentive pass through payment. Refer to Note 7 to the financial statements for additional information regarding the College's benefit plans.
- Overall operating expenses increased by \$6.3 million over the prior year. The majority of this increase was due to increases in salaries and fringe benefits across the functional categories, and a one-time expense of \$3.8 million related to a voluntary employee severance plan offered during the fiscal year to eligible College employees. There were a total of 57 employees that exercised the option to participate in this plan. These increases were partially offset by a \$1.1 million decrease in Pell grants expensed under the student services functional category, which is offset by a corresponding decrease in Pell grant revenue, as mentioned on the following page.

**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

**Operating Expenses – Continued**

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2020, 2019 and 2018:



**Nonoperating Revenue (Expenses)**

Nonoperating revenue includes all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, investment income (including realized and unrealized gains and losses), gifts and grants, including Pell grants to students, and contracts that do not require any services to be performed. In addition, the 2020 fiscal year included CARES Act grants, which were described earlier in the COVID-19 and CARES Act section of the Management’s Discussion and Analysis. Nonoperating expenses are those that are not primarily incurred for operating purposes.

**June 30, 2020:** Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2020:

- Base State appropriations originally authorized for the 2020 fiscal year increased \$68,000 over the prior year to \$15.1 million. The College’s performance funding decreased from \$114,000 in the prior year to \$102,000. The College also received an appropriation during the current year in the amount of \$41,000 for costs associated with the Indian Tuition Waiver. In order to help eliminate the deficit in the State’s operating fund due to COVID-19, fiscal year 2020 appropriations of colleges and universities were cut approximately 11%. The College’s reduction amounted to approximately \$1.7 million. The College did not receive its August State aid payment, and in addition, since the amount of the 11% reduction was greater than what the August payment would have been, the remaining amount owed back to the State will be deducted from the College’s October 2020 payment. In order to offset this 11% reduction, the State awarded colleges and universities a CARES Act CRF grant equal to the amount of the State appropriation cut. Refer to Note 2 to the financial statements for additional information regarding the CARES Act grants that the College was awarded during fiscal year 2020.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2020

#### Nonoperating Revenue (Expenses) – Continued

##### *June 30, 2020 – continued:*

- Also included in the College's State Appropriations revenue is MSPERS contributions offsets. During the current year, the College received MSPERS offsets of approximately \$870,000, which represents an increase of \$350,000 over the prior year. Renaissance zone property tax reimbursement appropriations amounted to approximately \$197,000, which represents a decrease of \$18,000 from the prior year, which resulted due to phase outs.
- An additional \$4.0 million was received specifically for pass-through to the Michigan Public School Employees' Retirement System for purpose of the UAAL Rate Stabilization payment. The entire \$4.0 million of the UAAL Rate Stabilization Payment was recorded as a deferred inflow of resources and will be recognized as revenue in the next fiscal year. Accordingly, the UAAL revenue deferred in the prior year of \$4.1 million was recognized during the current year and is included in the State Appropriation line item.
- Also included in State Appropriations revenue for the year is personal property tax (PPT) loss reimbursement payments received from the State's Local Community Stabilization Authority in the amount of \$2.8 million. This amount represents a \$100,000, or 3.7%, increase over the prior year.
- The total taxable value of property within the district increased slightly over the prior year, which resulted in an increase in property tax revenues of approximately \$300,000, to \$22.9 million in 2020. The College currently levies property taxes at a rate of 2.0427 mills.
- The College recognized net investment income of \$3.1 million, which is consistent with the prior year. The \$3.1 million consisted of a combined net gain on investments and investment fee expenses in the Endowment Fund totaling \$1.5 million, and general investment earnings of \$1.6 million.
- Pell grants awarded to students were \$13.0 million, which is consistent with the prior year. The number of students receiving Pell awards increased by just under 1% over the prior year, while the average award decreased \$32, or 1%.
- In an effort to help alleviate some of the financial burden placed on higher learning institutions and their students as a result of COVID-19, the federal government, through the U.S. Department of Education, awarded CARES Act HEERF grants to colleges and universities. The College was awarded approximately \$2.6 million of HEERF funding for the express purpose of providing emergency cash grants to students who were financially impacted by the disruption of campus operations as a result of Coronavirus. The College was also awarded additional \$2.6 million in Institutional Relief Funding. This funding can be used for various COVID-19 related expenses including additional technology needs to convert to online instruction, PPE, refunds of tuition and fees to students and additional cash grants to students. College's are only permitted to spend institutional funding up to the amount of the HEERF emergency assistance grants it has disbursed to students. The College was awarded an additional \$252,000 of CARES Act SIP grant funding with less stringent guidelines regarding the use of the funds. As mentioned previously, the College elected to use the CARES Act SIP grant funds to offset the loss of revenues it incurred from having to close down its food service and FRC operations. For the year ending June 30, 2020, the College recognized \$1.9 million of CARES Act grant revenue from the three aforementioned grants combined. Of this amount, \$1.0 million was recorded as a receivable at June 30, 2020.

##### *June 30, 2019:* Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2019:

- Base state appropriations increased \$100,000 over the prior year to \$15.0 million and the College's performance funding increased from \$83,000 in the prior year to \$114,000. In addition, the College received MSPERS contributions offsets during the year of approximately \$520,000, which represents an increase of \$200,000 over the prior year. Renaissance zone property tax reimbursement appropriations amounted to approximately \$215,000, which represents a decrease of \$100,000 from the prior year, which resulted due to phase outs.
- An additional \$4.1 million was received specifically for pass-through to the Michigan Public School Employees' Retirement System for purpose of the UAAL Rate Stabilization payment. The entire \$4.1 million of the UAAL Rate Stabilization Payment was recorded as a deferred inflow of resources and will be recognized as revenue in the next fiscal year. As discussed above, the UAAL revenue deferred in the prior year of \$4.5 million was recognized during the current year and is included in the State Appropriation line item.

## Management’s Discussion and Analysis - Continued

### Delta College

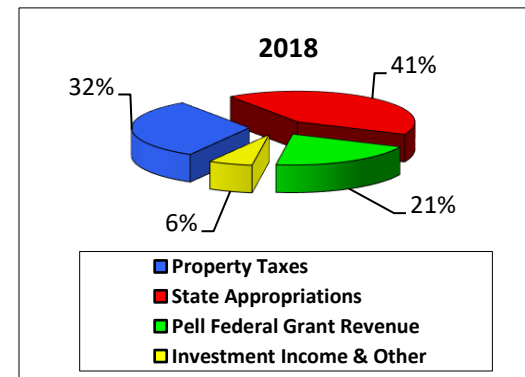
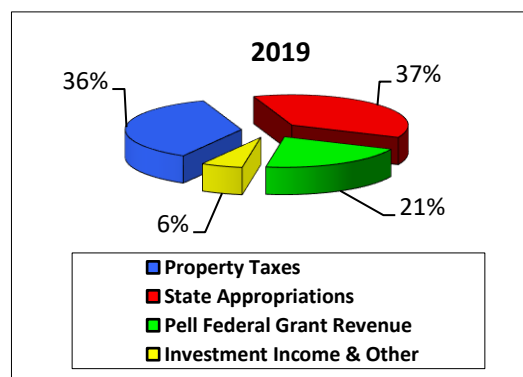
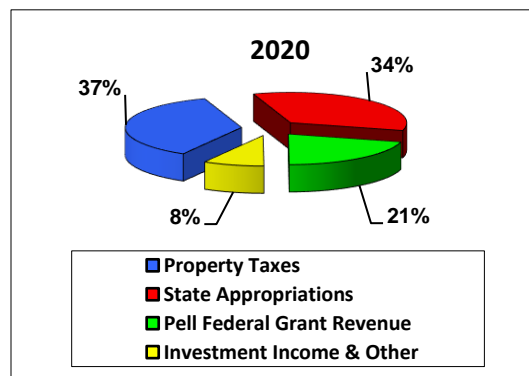
Year Ended June 30, 2020

#### Nonoperating Revenue (Expenses) – Continued

##### June 30, 2019 – continued:

- Also included in State Appropriations revenue for the year is PPT loss reimbursement payments received from the State’s Local Community Stabilization Authority in the amount of \$2.7 million. This amount represents a \$6.8 million decrease from the prior year. The College had anticipated a significant decline and had budgeted accordingly.
- The total taxable value of property within the district increased slightly over the prior year, which resulted in an increase in property tax revenues of approximately \$600,000, to \$22.6 million in 2019 at a levy rate of 2.0427 mills.
- The College recognized net investment income of \$3.1 million, which is consistent with the prior year. The \$3.1 million consisted of a combined net gain on investments and investment fee expenses in the Endowment Fund totaling \$1.4 million, and general investment earnings of \$1.7 million.
- Pell grants awarded to students were \$13.0 million, a decrease of \$1.2 million, or 8.5%, from 2018. The number of students receiving Pell awards decreased by approximately 8.7% from the prior year, while the average award remained flat compared to the prior year with an increase of only \$18. A decrease in Pell grants was anticipated due to the decline in enrollment discussed previously. The College’s Financial Aid and Educational Opportunities Center staff offer many workshops and perform various community outreach efforts in order to educate students about financial aid opportunities and provide assistance to students in completing the Free Application for Federal Student Aid (FAFSA). All of this work is within the mission of the College, to assist those who need our services to the greatest extent.

The following is a graphic illustration of nonoperating revenue by source for the years ended June 30, 2020, 2019 and 2018:



## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2020

#### Other Revenue

Other revenue consists of items that are typically nonrecurring, extraordinary, or unusual to the College. Examples would be state capital appropriations, capital gifts and grants, additions to permanent endowments, and transfers from related entities.

**June 30, 2020:** Changes in other revenue are highlighted by the following factors for the year ended June 30, 2020:

- State capital appropriations for the Downtown Saginaw Center project that is 50% State funded totaled \$1.6 million for the year. This revenue represents the remainder of the State's portion of the Downtown Saginaw Center project expenses. Of this amount, approximately \$351,000 is recorded as a receivable at June 30, 2020.
- Capital gifts and grants totaled \$135,000 for the year and represents gifts given to the College for its Downtown Midland Center, which is currently under construction. The majority of the revenue for this project was pledged and recognized as revenue in the prior year, as described below. The discounted pledge balance for the Downtown Midland Center project at June 30, 2020 is \$3,664,000.
- Additions to permanent endowments increased \$73,000, or 14%, to \$589,000.

**June 30, 2019:** Changes in other revenue are highlighted by the following factors for the year ended June 30, 2019:

- State capital appropriations totaled \$4.6 million for the year. This revenue represents the State's portion of the Downtown Saginaw Center project expenses. The entire balance is recorded as a receivable as of June 30, 2019. The College received no such revenue during the year ended June 30, 2018.
- Capital gifts and grants amounted to \$9.4 million for the year and represents pledges and cash gifts given to the College for its Downtown Saginaw and Midland Centers. The College received no capital gift revenue during the year ended June 30, 2018.
- Additions to permanent endowments increased \$166,000, or 47.4%, to \$516,000.

#### Statement of Cash Flows

The primary purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- The ability to generate future net cash flows
- The ability to meet obligations as they come due
- Needs for external financing

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

**Statement of Cash Flows – Continued**

The following summarizes the major cash flow components for the College for the years ended June 30, 2020, 2019 and 2018, in millions:

	2020	2019	2020-2019 Change	2018	2019-2018 Change
Cash Provided by (Used in):					
Operating Activities	\$ (52.8)	\$ (51.5)	\$ (1.3)	\$ (50.8)	\$ (.7)
Noncapital Financing Activities	61.3	60.4	.9	66.7	(6.3)
Capital and Related Financing Activities	(3.2)	(11.6)	8.4	(4.9)	(6.7)
Investing Activities	(3.5)	12.3	(15.8)	17.0	(4.7)
Net Increase in Cash	1.8	9.6	(7.8)	28.0	(18.4)
Cash and Cash Equivalents – Beginning of Year	51.1	41.5	9.6	13.5	28.0
Cash and Cash Equivalents – End of Year	\$ 52.9	\$ 51.1	\$ 1.8	\$ 41.5	\$ 9.6

**June 30, 2020:** Cash and cash equivalents increased by \$1.8 million during the year ended June 30, 2020, while the College's combined cash and cash equivalents and short and long-term investments increased in total by \$8.3 million. This increase in cash and investments over the prior year was mainly due to amounts received from the State for the Downtown Saginaw Center project and cash receipts of amounts pledged in the prior year for the Downtown Midland Center project. Due to a significant downturn in interest rates, the College continues to invest excess cash in short-term investments, the majority of which are classified as cash and cash equivalents for financial statement purposes.

**June 30, 2019:** Cash and cash equivalents increased by \$9.6 million during the year ended June 30, 2019, while the College's combined cash and cash equivalents and short and long-term investments increased in total by \$.4 million. Due to the continued inverted yield curve, as investment maturities occurred throughout the year, the College continued to reinvest the proceeds in shorter term commercial paper and also increased the amount held in money market accounts, both of which are classified as cash equivalents for financial statement purposes.



**Management’s Discussion and Analysis - Continued**

**Delta College**

**Year Ended June 30, 2020**

**Capital Assets**

At June 30, 2020, the College had \$189.5 million invested in capital assets, which net of accumulated depreciation of \$76.9 million, resulted in a book value of \$112.6 million. Capital assets increased by \$5.0 million in 2020, which included net additions of \$10.3 million less annual depreciation charges of \$5.3 million. The table below provides details of these assets, shown net of accumulated depreciation, as of June 30, 2020, 2019 and 2018, in millions:

	<b>2020</b>	<b>2019</b>	<b>2020-2019 Change</b>	<b>2018</b>	<b>2019-2018 Change</b>
Land and Improvements	\$ 7.1	\$ 7.5	\$ (.4)	\$ 7.0	\$ .5
Infrastructure	5.7	6.0	(.3)	6.0	-
Buildings	84.2	74.0	10.2	75.4	(1.4)
Furniture and Equipment	6.1	5.9	.2	5.9	-
Construction in Progress	9.5	14.2	(4.7)	3.4	10.8
<b>Totals</b>	<b>\$ 112.6</b>	<b>\$ 107.6</b>	<b>\$ 5.0</b>	<b>\$ 97.7</b>	<b>\$ 9.9</b>

In accordance with the College’s Five-Year Capital Outlay Master Plan and Sustainability Strategic Initiative, the College focused on the following capital construction and maintenance projects during 2020 and 2019:

- The College completed construction of its new Downtown Saginaw Center in the summer of 2019, and began fall 2019 classes at this site. This project was funded 50% by the State Building Authority. Total project costs for this Center amounted to \$12.7 million, including equipment. As of June 30, 2019, \$10.4 million was recorded as construction in progress, which was subsequently capitalized along with the \$2.3 million of additional spending during fiscal year 2020. At June 30, 2020, the College recorded a receivable of \$351,000 for the final amount due from the State for this project. Refer to Note 13 to the financial statements for additional information regarding the Downtown Saginaw Center construction project.
- The College began its west campus site improvements project in summer 2018 and the project was still in progress as of June 30, 2020. This project has a total approved budget of \$4.5 million and contains many components including parking lot upgrades, a new baseball field, soccer and softball field improvements, a functional ADA accessible observatory, a multi-use athletic facility, recreational trail system and Delta walk/plaza. It is now anticipated that this project will be completed by the end of calendar year 2021. Construction in progress at June 30, 2019 totaled \$1.2 million. During fiscal year 2020, the College spent approximately \$1.2 million on various portions of this project, bringing the June 30, 2020 Construction in Progress balance to \$2.4 million. Refer to Note 13 to the financial statements for additional information regarding the west campus project.
- In an effort to enhance the safety and security of the College’s students and staff, the College undertook a project during fiscal year 2019 to install video surveillance cameras and an electronic door access control system. The total cost of this project was originally anticipated to be \$760,000. As of June 30, 2020 and 2019, respectively, the College had recorded Construction in Progress of approximately \$773,000 and \$606,000 for this project. It is anticipated that this project will be completed by the end of calendar year 2020.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2020

#### Capital Assets – Continued

- During the year ended June 30, 2020, the College renovated its data center. The College's centralized information technology (IT) operations and equipment are housed in this area, as well as IT personnel offices. The purpose of this project was to upgrade the existing HVAC systems, which were well past their life expectancy, upgrade the lighting to LED and to build a full height wall to separate the staff offices from the equipment area. This project was substantially complete as of June 30, 2020 and capitalized at a cost of approximately \$600,000, which included retainage payable to the main contractor on the project in the amount of \$72,000.
- In fall 2018, the College began renovations to existing spaces that support its Lifelong Wellness programs, Athletics programs and the Fitness and Recreation Center's functional needs. The renovated area is approximately 15,100 square feet and is located on two floors at the north end of our building. This renovated area also provides four new fitness studios. The renovations also included a personal training and fitness testing space, storage and circulation space, and a reconfigured check-in and administration area. This project was completed and capitalized during fiscal year 2020, with a total project cost of approximately \$2.1 million. At June 30, 2020, the College has recorded retainage payable for one of the project contractors in the amount of \$130,000. As of June 30, 2019, the College had incurred total expenditures for the project of approximately \$1.1 million, which was included in Construction in Progress.
- In April 2019, the College broke ground for its new Downtown Midland Center construction project. This 30,000 square foot facility will be located in downtown Midland on land donated by Chemical Bank and the Dow Chemical Company. The Delta College Foundation received several generous pledges and cash gifts totaling \$9.2 million from area foundations to help fund the estimated \$13.0 million cost of construction. The remaining funding needs of approximately \$3.8 million for this project will come from accumulated reserves in the College's Plant Fund. It is anticipated that this new facility will hold its first classes in the 2021 fall semester. As of June 30, 2019, the College had incurred total project spending of approximately \$700,000 primarily for engineering and architectural services, with \$600,000 recorded as Construction in Progress. During the current year, the College spent an additional \$5.0 million and has recorded Construction in Progress of \$5.6 million as of June 30, 2020. This project is discussed in more detail in Note 13 to the financial statements.
- The College began its C-wing lab control upgrade during fiscal year 2018. The project was completed and capitalized at an approximate cost of \$1.5 million as of June 30, 2019.
- During fiscal year 2019, the College spent approximately \$800,000 to repair its south roadway. This project was completed and capitalized as of June 30, 2019.

#### Debt

During the year ended June 30, 2012, the College became involved in the Michigan New Jobs Training Program (MNJTP), which was authorized by state legislature in 2008. Under this program, the College may enter into agreements with employers to provide worker education and job training that is funded by state income tax withholdings on the new employees hired by the employers. The agreements provide for the employer to prepay the College the costs for the training and education, and the College then issues non-interest bearing revenue bonds payable to the employer equal to the prepayments. The employer remits state income tax withholdings for these new employees directly to the College. The College then remits these state income tax withholdings back to the employer on a quarterly basis to reimburse the employer for the costs of the training, thus reducing the College's MNJTP bonds payable. Refer to Note 8 to the financial statements for more detailed information about the MNJTP program.

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

**Economic Factors That Will Affect the Future**

In March 2020, a worldwide pandemic was declared related to the outbreak of the Coronavirus. By the end of March, the Governor issued her "Stay Home, Stay Safe" Executive Order. That order led Delta College to close campus buildings and to move all instruction to online delivery. Throughout the course of the spring and summer semesters, the leadership of the College continued to respond to the pandemic for students, staff and the community. Our College campuses are currently operating with essential staff, with all others working remotely. Our face-to-face instruction is very minimal, with most Fall 2020 courses offered online or in a hybrid mode. The Winter 2021 will look very similar to our Fall 2020 schedule for both our students and staff.

The economic position of the College is closely tied to that of the State of Michigan. By mid May 2020, State leaders were trying to get a grasp on what toll the virus would take on the State's budget as tax revenue dips and virus response expenses were mounting. The state announced they were anticipating a shortfall this year and next, and the amount of the shortfall would depend on the severity and the duration of the Coronavirus pandemic in Michigan. On June 29, 2020, the Legislature and Governor's office came to an agreement on a general framework of a plan to close the projected \$2.2 billion shortfall in the current fiscal year 2019-2020. The agreement relied on replacing state funds with federal CARES Act funding. Delta received a proration of approximately 11% of our 2019-2020 State Appropriation revenue in the amount of \$1.7 million, and was awarded a Federal CRF Grant in the amount of \$1.7 million. The CARES federal grant of \$1.7 million cannot be used to fill budget gaps, and spending of the dollars must be used specifically to cover COVID-19 related expenditures.

On August 24th, 2020 the State of Michigan held a third Consensus Revenue Estimating Conference (CREC), typically there are only two revenue estimating conferences held, one in January and one again in May. Due to the uncertainty of the State budget, a third conference was held. The purpose of the conference was to re-evaluate the consensus revenue estimates for fiscal years 2020, 2021 and 2022. The August conference reported significantly better conditions than the dire estimates projected in May 2020.

The State, through a combination of funding shifts, was able to avoid the significant funding cuts that community colleges had been anticipating when we prepared our fiscal year 2021 operating budgets. Our current 2020-2021 budget incorporated a 15%, or \$2.3 million, reduction in State Aid. On September 30, 2020, Governor Whitmer signed Enrolled Senate Bill No. 927, which provides for community college State appropriations. Per Section (201)(2)(c) of the Bill, the 2020-2021 appropriation for Delta College for operations is \$15,160,500. For fiscal year 2019-2020, the College's base appropriation was \$15,058,600 and performance funding appropriated was \$101,900. Performance funding was not awarded to any Michigan community college for 2020-2021. Therefore, on a combined basis, the College's appropriation for 2020-2021 remains unchanged from the prior year. The College also receives a non-formula-based appropriation to cover its costs under the North American Indian Tuition Waiver (ITW). For 2020-2021 the College will receive \$47,700, which is an increase of \$6,800 over the 2019-2020 allocation of \$40,900.

College enrollment levels continue to decline. The Michigan economy was relatively strong throughout most of the year, and non-traditional students were employed. The situation has significantly changed due to the Coronavirus pandemic. Also, the K-12 graduating class sizes are declining commensurate with the loss in regional population from the recessionary years.

Competition for students among institutions has heightened. Enrollment and retention initiatives are in place to attract an increased percentage of the declining K-12 graduates. The College is also assessing the best programs to offer to now unemployed adults who may remain displaced and who will be seeking new skills.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2020

#### Economic Factors That Will Affect the Future – Continued

Since the peak of Delta's enrollment in fiscal year 2010 of 311,700 contact hours, Delta has had a decline in enrollment of more than 131,000 contact hours, which amounts to a 42.0% decline. Actual 2019-2020 contact hours were 180,100, which exceeded our budgeted target of 173,500 by 3.8%. For the 2020-2021 fiscal year, we conservatively budgeted 164,000 contact hours. This is a decline of 8.9% from the prior year actual enrollment level. Based on this anticipated decline in enrollment, we would have experienced a decline in tuition and fee revenue of approximately \$2.6 million from 2019-2020 if we did not increase our tuition and fee rates for 2020-2021. Our combined Summer and Fall 2020 actual enrollments compared to our targets fell short by 1,767 contact hours, or 2.0%. It is too early to predict how our Winter 2021 enrollment will be impacted.

Delta's Board of Trustees, Budget Cabinet and administration have a long history of focusing on tuition affordability. Delta's in-district tuition continually ranks below the State average of the 28 Michigan community colleges. For fiscal year 2020-2021 the College's tuition rate was increased \$2 for in-district, out-of-district, and out-of-state per contact hour, to \$117, \$199, and \$373, respectively. The Board also approved a \$1 increase in the technology fee, raising it from \$20 to \$21 per contact hour, and a \$1 increase to the online course fee raising it from \$33 to \$34 per contact hour. No other changes to fees were made. For all dual enrolled students, the College charges the in-district rate of \$117 per contact hour, plus applicable fees.

Due to the COVID-19 Pandemic, President Goodnow agreed to reimburse students for the online course fee for students taking classes in Spring, Summer, and Fall of 2020. The online fees will be reimbursed for Winter 2021 as well. This commitment was made since most classes were being offered online and student focus is a strategic initiative of the College. CARES Act federal grants have provided the College the resources to provide students this refund.

The College's Saginaw Center campus in downtown Saginaw, Michigan finished its first full academic year in 2019-2020. The primary function of the Downtown Saginaw Center is a Community Outreach Center, extending into the urban environment and engaging the significant under-served and under-represented population where large numbers of adult residents have little college attainment. Programming is focused on developmental education courses with robust student services and academic support functions. The secondary function will be a Transfer Center with a focus on general education or core courses that prepare students, including dual enrolled high school students, for transfer to a four-year college or university. This new center is also a strategic initiative to help bolster declining enrollment.

The College is currently constructing a Midland Center Campus in downtown Midland, Michigan. The cost of the project is budgeted at an estimated \$13.0 million. Delta was able to secure \$9.2 million in private sector donations to apply to the costs. The remaining dollars are provided through Delta College's plant fund reserves. This campus will focus on STEM (Science, Technology, Engineering and Math) tracks and the College plans to design a new course focused on health careers exploration. Construction of this new center is expected to be complete by calendar year end 2020, and open for student classes in fall 2021.

The College's property tax base increased an estimated 1.9% for 2020-2021 as reported by our County Equalization Directors, and projected property tax revenue has been budgeted at \$23.0 million based on a current levy rate of 2.0427 mills. Property tax revenues continue to be an area of concern for the College, with continued demands for lower property tax valuations, as well as greater capture and abatement of College tax revenues to fund economic development. There is additional uncertainty with respect to changes in property valuations due to COVID-19 and also the Midland area floods that occurred in May 2020.

## **Management’s Discussion and Analysis - Continued**

### **Delta College**

**Year Ended June 30, 2020**

#### **Economic Factors That Will Affect the Future – Continued**

On November 3, 2020, the College will have a Millage Renewal and Restoration Proposal on the General Election Ballot for Bay, Saginaw and Midland Counties. This proposal will allow the College to continue the current millage levy for College purposes by renewing the College’s authority to levy 0.4864 mills. The proposal, if successfully passed, would also restore a portion of the prior millage, which was reduced by 0.0136 mills as a result of the Headlee Amendment. The restoration would generate an estimated \$155,000 annually in additional property tax revenue for the general fund. The tax rate would return to 0.5000 mills levy, as was intended and approved by voters in 1990, prior to the Headlee Amendment rollback. Property taxes collected support our general fund operations, including instructional programs, workforce training, equipment and facility maintenance. The current voted levy of 0.4864 does not expire until 2023.

With the passage of Proposal 1 on August 5, 2014, in Michigan, the revenues lost from the phase out of PPT on certain exempted property are reimbursed by the State. The College receives its PPT loss reimbursement in two separate payments in October and May. During fiscal year 2020, the College received PPT loss reimbursements of \$2.8 million. We had anticipated and budgeted revenue of \$1.2 million. The payment in October is calculated as the 100% loss payment and was \$1.2 million. The May payment, which is referred to as the “bonus” payment, results from excess tax collections that the Local Community Stabilization Authority (LCSA) is required to distribute to the taxing units. The College’s May bonus payment was \$1.6 million. There has been much uncertainty with respect to how much to budget in future years due to the complexity of the calculations used by Treasury. For 2020-2021, the College’s operating budget reflects a conservative PPT loss reimbursement estimate of \$1.5 million.

In January 2019, the College’s faculty voted to unionize under the Michigan Education Association (MEA). A collective bargaining agreement (CBA) is being developed through the union and administrative negotiation process, and regular negotiation meetings have been taking place since Spring 2019. The College and the Delta College Faculty Association (DCFA) continue to work collaboratively throughout this process.

Prior to the COVID-19 pandemic, the College had scheduled compensation increases for all negotiated salary agreements which would have gone into effect on July 1, 2020. The Delta College Faculty Association and AFASCME Facility unions have a three year agreement with the College, which began July 1, 2018 and is due to expire June 30, 2021. The final year of the agreements called for a 2.3% salary/wage increase on base, plus additional compensation for promotion, longevity, and steps. Beginning in early April, it became clear the College needed to position itself for potentially extreme funding cuts from the State, and a potential significant decline in enrollment. Anticipating a large revenue shortfall, we initiated conversations with employee groups about the need for potential salary and wage freezes. On June 4, 2020, the College obtained memorandums of understanding (MOU) with both the Delta College Faculty Association and AFASCME Facility groups agreeing to take wage freezes for the 2021 fiscal year; however, there were some wage increases awarded to faculty for promotions, steps and longevity. All other employees of the College (support staff, administrative professionals, executive staff and the President) also took a wage freeze.

In June 2020, an MOU was signed between the DCFA and the College to meet to negotiate any potential extension or modification of the salary freeze if the Coronavirus/COVID-19 conditions continue to warrant. Meetings are currently being established to review the financial conditions of the College. At this time, there are many financial variables that must be accounted for, and a negotiation on this subject has not yet begun. If an agreement were reached for any type of compensation increase it would require approval of the Board of Trustees.

In addition to national concerns of rising medical costs, the State mandated contributions to fund both the pension and OPEB components of the MPSERS fund continue to be a concern. The College’s contribution rate to the retirement system averages around 28%, and when combined with required employer FICA and Medicare contributions, the College pays approximately 35% of each covered payroll dollar toward these government-mandated employee benefits.

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

**Economic Factors That Will Affect the Future – Continued**

State fiscal challenges, enrollment declines and the uncertainty of the COVID-19 pandemic will likely continue for some years. We will continue to maintain our conservative approach, and carefully proceed with our operations. This will include monitoring the negative or positive impact we may face as the virus continues. While the State currently seems to be balancing the ongoing economic crisis, the future is still very uncertain how the pandemic will impact Michigan and higher education. We will need to be agile, flexible and innovative in order to adapt to the new normal. We may need to adjust our budget projections as unforeseen issues crop up along the way.

We anticipate some very challenging times ahead for Delta College; however, Delta College will continue to provide excellent learning opportunities and great value for the educational dollar to create positive futures for the students and communities it serves.

Mission: Delta College serves the Great Lakes Bay Region by educating, enriching and empowering our diverse community of learners to achieve their personal, professional and academic goals.

Vision: Delta College is our communities' first choice to learn, work and grow.



## Report of Independent Auditors

Board of Trustees  
Delta College

### Report on the Financial Statements

We have audited the accompanying financial statements of Delta College (the College) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta College as of June 30, 2020 and 2019, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 20 and the Required Supplementary Information on pages 56 (Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions for Michigan Public School Employees' Retirement System, and Notes to Required Supplementary Information) and 57 (Schedule of Proportionate Share of the Net OPEB Liability, Schedule of Contributions for Michigan Public School Employees' Retirement System, and Notes to Required Supplementary Information) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of other financial information are presented for purposes of additional analysis and are not a required part of the 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 financial statements. Such 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 financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020 on our consideration of Delta College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Andrews Hooper Paulik PLC*

Saginaw, Michigan  
October 22, 2020



**Balance Sheets**  
**Delta College**

	June 30,	
	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 3)	\$ 52,918,234	\$ 51,103,600
Short-term investments (Note 3)	24,336,914	15,041,481
Property taxes receivable	147,090	195,257
State appropriations receivable (Note 6)	2,290,366	8,190,858
Federal and state grants receivable	1,584,980	1,082,301
Accounts receivable, net of allowance of \$3,004,474 in 2020 and \$3,203,923 in 2019	513,774	1,084,117
Pledges receivable (Note 4)	2,846,486	2,107,820
Inventories	712,047	854,918
Prepaid expenses and other assets	1,402,333	479,404
<b>Total Current Assets</b>	<u>86,752,224</u>	<u>80,139,756</u>
<b>Long-Term Investments</b> (Note 3)	26,235,113	29,020,904
<b>Long-Term Pledges Receivable</b> (Note 4)	1,226,094	3,734,160
<b>Capital Assets</b> (Note 5)	<u>112,596,171</u>	<u>107,595,616</u>
<b>Total Assets</b>	<u>226,809,602</u>	<u>220,490,436</u>
<b>Deferred Outflows of Resources</b> (Note 7)	<u>39,303,243</u>	<u>39,614,456</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	2,947,825	3,513,175
Accrued payroll and other compensation	5,631,122	7,940,360
Unearned revenue	1,446,565	1,475,358
<b>Total Current Liabilities</b>	<u>10,025,512</u>	<u>12,928,893</u>
<b>Non-Current Liabilities</b>		
Net pension and OPEB liability (Note 7)	<u>143,272,678</u>	<u>137,590,737</u>
<b>Total Liabilities</b>	<u>153,298,190</u>	<u>150,519,630</u>
<b>Deferred Inflows of Resources</b> (Note 7)	<u>20,210,399</u>	<u>19,594,879</u>
<b>Net Position</b>		
Net investment in capital assets	112,596,171	107,595,616
Restricted for:		
Donor-restricted endowments	19,532,916	18,036,097
Expendable scholarships and awards	1,771,550	916,024
Instructional department uses	1,144,690	1,444,524
Public broadcasting activities	3,643,178	1,917,974
Other restricted uses	5,426,905	10,293,938
Unrestricted (Note 1)	<u>(51,511,154)</u>	<u>(50,213,790)</u>
<b>Total Net Position</b>	<u>\$ 92,604,256</u>	<u>\$ 89,990,383</u>

The accompanying notes are an integral part of these statements.

**Statements of Revenue, Expenses and Changes in Net Position  
Delta College**

	<b>Year Ended June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Operating Revenue</b>		
Tuition and fees, net of scholarship allowance of \$7,417,050 in 2020 and 7,502,330 in 2019	\$ 23,827,135	\$ 24,017,776
Federal grants and contracts	3,879,471	3,942,689
State grants and contracts	133,575	110,075
Local and nongovernmental grants and contracts	869,424	879,656
Michigan New Jobs Training Program	396,762	381,319
Public broadcasting gifts	865,029	1,724,834
Auxiliary activities, net of scholarship allowance of \$840,767 in 2020 and \$964,177 in 2019	3,295,995	3,975,731
Miscellaneous	846,710	1,234,216
<b>Total Operating Revenue</b>	<b>34,114,101</b>	<b>36,266,296</b>
<b>Operating Expenses</b>		
Instruction	40,692,030	40,056,976
Public services	2,945,561	3,056,662
Information technology	3,826,337	3,836,024
Instructional support	7,890,743	8,567,997
Student services	19,383,008	18,719,964
Institutional administration	8,533,719	12,717,736
Operation and maintenance of facilities	7,935,514	7,501,117
Depreciation expense	5,311,918	5,006,768
Fundraising expenses	25,583	6,226
<b>Total Operating Expenses</b>	<b>96,544,413</b>	<b>99,469,470</b>
<b>Operating Loss</b>	<b>(62,430,312)</b>	<b>(63,203,174)</b>
<b>Nonoperating Revenue (Expenses)</b>		
State appropriations	21,479,054	23,023,812
Property tax levy	22,917,823	22,613,280
Pell federal grant revenue	12,983,570	13,046,886
Gifts	1,259,736	965,639
CARES Act Higher Education Emergency Relief Fund	1,898,499	-
Special events, net of expenses of \$66,349 in 2020 and \$61,957 in 2019	63,636	73,198
Investment income, net of investment expense of \$186,739 in 2020 and \$178,834 in 2019	3,057,990	3,079,553
Loss on disposition of capital assets	(773,584)	(389,702)
Foundation grants and distributions to or for Delta College	(171,849)	(184,241)
<b>Net Nonoperating Revenue</b>	<b>62,714,875</b>	<b>62,228,425</b>
<b>Net Income (Loss) Before Other Revenue</b>	<b>284,563</b>	<b>(974,749)</b>
<b>Other Revenue</b>		
State capital appropriations	1,605,127	4,608,532
Capital gifts and grants	135,335	9,344,654
Additions to permanent endowments	588,848	515,891
<b>Total Other Revenue</b>	<b>2,329,310</b>	<b>14,469,077</b>
<b>Increase in Net Position</b>	<b>2,613,873</b>	<b>13,494,328</b>
<b>Net Position - Beginning of Year</b>	<b>89,990,383</b>	<b>76,496,055</b>
<b>Net Position - End of Year</b>	<b>\$ 92,604,256</b>	<b>\$ 89,990,383</b>

The accompanying notes are an integral part of these statements.

**Statements of Cash Flows**  
**Delta College**

	Year Ended June 30,	
	2020	2019
<b>Cash Flows from Operating Activities</b>		
Tuition and fees	\$ 24,012,284	\$ 24,838,981
Grants and contracts	5,613,793	5,150,421
Michigan New Jobs Training Program	396,762	381,319
Public broadcasting gifts	1,215,028	1,274,834
Payments to suppliers	(47,157,126)	(47,853,409)
Payments to employees	(41,202,927)	(40,654,947)
Auxiliary enterprise charges	3,295,995	3,975,445
Other	1,008,567	1,395,770
Net Cash Used In Operating Activities	(52,817,624)	(51,491,586)
<b>Cash Flows from Noncapital Financing Activities</b>		
State appropriations	23,121,628	22,900,276
Local property taxes	22,965,990	22,638,010
Pell federal grant revenue	12,998,888	13,105,508
CARES Act Higher Education Emergency Relief Fund revenue	886,748	-
Gifts and contributions for other than capital purposes	1,691,879	1,632,815
Foundation special events receipts	31,412	72,297
Foundation grants and distributions to or for Delta College	(171,849)	(184,241)
Agency fund transactions	(245,596)	198,986
Net Cash Provided by Noncapital Financing Activities	61,279,100	60,363,651
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from capital gifts, grants and appropriations	7,926,045	3,752,919
Purchase of capital assets	(11,088,318)	(15,489,177)
Proceeds from disposition of capital assets	2,261	164,487
Proceeds from issuance of MNJTP bonds	514,015	541,911
Principal paid on MNJTP bonds	(514,015)	(541,911)
Net Cash Used in Capital and Related Financing Activities	(3,160,012)	(11,571,771)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales and maturities of investments	84,606,091	95,078,813
Investment income	1,379,246	1,391,069
Purchase of investments	(89,472,167)	(84,155,892)
Net Cash Provided by (Used in) Investing Activities	(3,486,830)	12,313,990
<b>Net Increase in Cash and Cash Equivalents</b>	1,814,634	9,614,284
<b>Cash and Cash Equivalents - Beginning of Year</b>	51,103,600	41,489,316
<b>Cash and Cash Equivalents - End of Year</b>	\$ 52,918,234	\$ 51,103,600

The accompanying notes are an integral part of these statements.

**Statements of Cash Flows - Continued**  
**Delta College**

	Year Ended June 30,	
	2020	2019
<b>Reconciliation of Operating Loss to</b>		
<b>Net Cash Used in Operating Activities:</b>		
Operating loss	\$ (62,430,312)	\$ (63,203,174)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	5,311,918	5,006,768
Allowance for uncollectible accounts	(199,449)	(387,808)
(Increase) decrease in assets:		
Federal and state grants receivable	493,754	221,747
Accounts receivable	768,232	32,496
Inventories	142,871	(34,640)
Prepaid expenses and other assets	(887,751)	(128,035)
(Increase) decrease in deferred outflows of resources	311,213	(17,252,219)
Increase (decrease) in liabilities:		
Accounts payable	(319,754)	197,689
Accrued payroll and other compensation	(2,309,238)	3,880,042
Unearned revenue	3,431	334,386
Net pension and OPEB liability	5,681,941	11,994,673
Increase in deferred inflows of resources	615,520	7,846,489
<b>Net Cash Used In Operating Activities</b>	<b>\$ (52,817,624)</b>	<b>\$ (51,491,586)</b>

The accompanying notes are an integral part of these statements.

## **Notes to Financial Statements**

### **Delta College**

**June 30, 2020**

#### **Note 1. Significant Accounting Policies**

##### **Reporting Entity**

Delta College (the College) is a Michigan community college whose financial statements have been prepared in accordance with the generally accepted accounting principles as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, and the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*.

The College reports as a Business Type Activity, as defined by GASB Statement No. 35. Business Type Activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

The accompanying financial statements have been prepared in accordance with criteria established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment to GASB Statements No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College. Based on application of the criteria, the Delta College Foundation discussed in Note 15 is included in the College’s reporting entity.

Significant accounting policies followed by the College are described below to enhance the usefulness of the financial statements to the reader:

##### **Accrual Basis**

The financial statements of the College have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

##### **Cash and Cash Equivalents**

Cash and cash equivalents consist of all highly liquid investments with an initial maturity of three months or less when purchased.

##### **Capital Assets**

Capital assets are recorded at cost or, if acquired by gift, at the fair market value as of the date of acquisition. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is calculated on property and equipment using the straight-line method over the estimated useful lives of the assets. *The American Health Association’s Estimated Useful Lives of Depreciable Hospital Assets* was utilized as a guide in establishing useful lives of the College’s property and equipment.

##### **Compensated Absences**

Compensated absences represent the accumulated liability to be paid under the College’s current vacation policy. Under the College’s policy, employees accrue vacation on a bi-weekly basis at a rate that is dependent on the employee’s pay class.

## Notes to Financial Statements - Continued

Delta College

June 30, 2020

### Note 1. Significant Accounting Policies – Continued

#### Fair Value Measurements

The GASB issued GASB Statement No. 72, *Fair Value Measurement and Application*, which provides governments with guidance for determining fair value measurement and applying fair value to certain investments and disclosures related to all fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The College performs a detailed analysis of assets and liabilities subject to authoritative guidance and uses valuation techniques that maximize the use of observable, market corroborated inputs (level 1) and minimizes the use of unobservable inputs (level 3). Financial assets and liabilities recorded at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for an asset or liability.

The fair value of the following financial instruments was determined using the methods and assumptions described:

- Investments excluding endowment fund investments – These investments are comprised of government agency notes, commercial paper and certificates of deposit. The fair value of similar instruments can be obtained in the market classifying them as a level 2 valuation.
- Endowment Investments – These investments are comprised of corporate bonds, corporate convertible bonds, municipal bonds, government and agency bonds, bond funds, preferred stock, equities, and international equities. The fair value of equities and international equities (collectively referred to as equities) are derived from quoted prices for identical assets in active markets classifying them as a level 1 valuation. The fair value of corporate bonds, corporate convertible bonds, municipal bonds, government and agency bonds, and bond funds (collectively referred to as bond funds) and preferred stock are obtained from similar investments obtained in the market, classifying them as a level 2 valuation.

There have been no changes in valuation techniques used that have a significant impact on the results for the year ending June 30, 2020 or 2019. Refer to Note 3 for fair value classification balances for these various types of investments held by the College as of June 30, 2020 and 2019.

#### Gifts and Pledges

Gifts are recorded when received. Voluntary nonexchange transactions (pledges) are recognized in accordance with the GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded at their discounted present value, net of allowance for uncollectible pledges.

#### Inventories

Inventories are stated at the lower of cost or market using the first-in, first-out method.

## Notes to Financial Statements - Continued

### Delta College

June 30, 2020

#### Note 1. Significant Accounting Policies – Continued

##### Internal Service Activities

Revenue and expenses related to internal service activities approximating \$506,000 and \$643,000 for 2020 and 2019, respectively, have been eliminated. These activities include services provided by the College's Bookstore, Food Services, Fitness & Recreation Center, and Planetarium Gift Shop & Conference Services, as well as the use of printing and copy services, and college vehicles.

##### Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEBs, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### Revenue Recognition

State appropriations for operations are recognized as revenue on a proportionate basis over the period for which they are appropriated (see Note 6). Restricted Fund revenue is primarily recognized only to the extent expended. Revenue received prior to year-end that is related to the next fiscal year is recorded as unearned revenue. As of June 30, 2020 and 2019, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately \$622,000 and \$626,000, respectively. Additionally, advance payments approximating \$365,000 for the fall 2019 semester were received before June 30, 2019 and recorded as unearned revenue. As a result of COVID-19, there was a delay in releasing fall 2020 billing statements until after fiscal year end; therefore, there were no advance payments made or unearned revenue recorded as of June 30, 2020 for the fall semester.

##### Unrestricted Net Position

As of June 30, 2020, and 2019, the College has designated the use of unrestricted net position as follows:

	2020	2019
Designated for Corporate Services activities	\$ 1,185,485	\$ 1,384,560
Designated for future capital outlay	33,712,875	33,045,093
Designated for funds functioning as endowments	6,972,205	7,634,475
Other designated fund activities	15,934,499	10,170,377
MPERS pension & OPEB liability	(124,179,834)	(117,571,160)
Unrestricted and unallocated	14,863,616	15,122,865
Total Unrestricted Net Position	<u>\$ (51,511,154)</u>	<u>\$ (50,213,790)</u>

## Notes to Financial Statements - Continued

### Delta College

June 30, 2020

#### Note 2. Impact of COVID-19

On March 13, 2020, the President of United States of America issued a proclamation, "Declaring a National Emergency concerning the Novel Coronavirus Disease (COVID-19) Outbreak." On March 10, 2020, the governor of the State of Michigan issued executive order 2020-04 declaring a state of emergency due to COVID-19 and on March 23 issued a state-wide stay-at-home order to fight the outbreak of COVID-19. On Monday, March 16, Delta College suspended face-to-face in person instruction and moved to online or remote instruction for the remainder of the 2020 winter semester. All courses for the 2020 spring/summer semester were also conducted online. Effective March 18, a majority of College faculty and staff began working from home, and as of March 23, all but essential workers were instructed to work from home. The following represent some of the impacts of COVID-19 on College operations and the fiscal year 2020 financial statements.

**Auxiliary Operations** – To comply with Governor Whitmer’s stay-at-home order, the College closed its auxiliary service operations for in person service. The Fitness and Recreation Center (FRC) and food services remained closed throughout the spring and summer semester, resulting in a significant loss of revenue to these operations. Printing services provided essential services during the remainder of the winter and spring/summer semesters with a very limited staff. During the spring/summer semester, Bookstore sales were conducted entirely online and book orders were shipped to students. Bookstore and Printing Services operating results were also negatively impacted by COVID-19, but not as significantly since they were able to continue providing some services. As of June 30, 2020, it is estimated that auxiliary service operations sustained estimated losses of revenues totaling \$432,000.

**CARES Act** – The Coronavirus Aid, Relief and Economic Security (CARES) Act was passed by Congress and signed into law to provide economic relief from COVID-19. The College received the following CARES grants through the U.S. Department of Education, all of which have been classified in nonoperating revenues in the College’s Statement of Revenue, Expenses and Changes in Net Position:

- \$2.6 million Higher Education Emergency Relief Funding (HEERF)
- \$2.6 million Institutional Relief Funding
- \$252,000 Title III Strengthening the Institutions Program (SIP) Relief Funding

The HEERF funds were provided to colleges to use for emergency financial aid grants to students for expenses related to the disruption of campus operations due to the Coronavirus. As of June 30, 2020, the College had awarded such grants to students totaling \$942,000. At June 30, 2020, the College has recorded a federal grant receivable in the amount of \$55,000 for grants awarded to students for which the funding has not yet been drawn from the U.S. Department of Education.

The Institutional Relief Funds that the College was awarded is intended to cover costs associated with significant changes to the delivery of instruction due to Coronavirus. Other allowable uses of these funds include student refunds of tuition, fees and room and board, purchases of Personal Protection Equipment (PPE) necessary to prevent the spread of the virus, and reimbursement for continuing to pay employees who are unable to perform their work remotely. The College may also choose to use Institutional Relief funding to provide additional emergency grants to students. As of June 30, 2020, the College had spent \$705,000 of Institutional Relief Funding. The two main expenditures recorded were \$346,000 for reimbursement to the College for continuing to pay employees unable to work remotely and \$307,000 in refunds of student online fees for the spring semester. As of June 30, 2020, the College has not drawn down any of this funding and has accordingly recorded revenue and a federal grant receivable for \$705,000.

The Higher Education Emergency Relief Funding and the Institutional Relief Funding were awarded under Section 18004(a)(1) of the CARES Act. It is stipulated that of the combined funds, at least 50% must be used for emergency student financial aid grants. At June 30, 2020, since the amount of emergency grants awarded to students exceeded the level of institutional spending, the College is permitted to recognize revenue for the full amount spent.



## Notes to Financial Statements - Continued

### Delta College

June 30, 2020

#### Note 2. Impact of COVID-19 – Continued

**CARES Act - continued** –The stipulations regarding spending of the CARES SIP funds awarded are less stringent, and allow for offsetting lost revenues. Accordingly, the College elected to use the \$252,000 it was awarded to offset the lost revenue sustained by the FRC and food service auxiliary services due to the shut-down of their operations. As of June 30, 2020, the College has not drawn down any of this funding and has accordingly recorded revenue and a federal grant receivable for \$252,000.

**State Appropriations - CARES Act Pass Through Funds** – On July 22, 2020, the State of Michigan passed Senate Bill 373 which reduced State appropriations funding for the College for the year ending June 30, 2020 by \$1.7 million. Accordingly, State appropriations receivable in the Statement of Net Position and State appropriations nonoperating revenues in the Statement of Revenue, Expenses and Changes in Net Position, have been adjusted to reflect this subsequent reduction.

At the same time, the State allocated \$1.7 million to the College from the federal funding awarded to the State under the CARES Act. Since this award was made subsequent to June 30, 2020, no revenue from this award can be recognized in the College’s financial statements for the year ending June 30, 2020. This federal pass through award has the same spending restrictions as noted in the CARES Act for the funds awarded to the State. Allowable expenditures must occur between March 1 and December 31, 2020. During the year ended June 30, 2020, the College incurred grant allowable expenditures totaling \$224,000, for which the offsetting revenue will be recognized during fiscal year 2021.

**Accounting Standards Delayed** – The GASB delayed the effective implementation dates of select accounting and financial reporting standards that would have been initially effective for the College for the fiscal year ending June 30, 2020. While early implementation of these standards was permitted, the College elected to delay implementation of these standards.

#### Note 3. Cash and Cash Equivalents and Investments

The College considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The College considers all investments maturing within one year or less as of the balance sheet date to be short-term. The College’s deposits and investments are included on the balance sheet at June 30, 2020 and 2019 under the following classifications:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 52,918,234	\$ 51,103,600
Short-term investments	24,336,914	15,041,481
Long-term investments	26,235,113	29,020,904
Total	<u>\$ 103,490,261</u>	<u>\$ 95,165,985</u>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 3. Cash and Cash Equivalents and Investments – Continued**

The amounts in the chart on the previous page are classified in the following categories at June 30:

	<u>2020</u>	<u>2019</u>
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 37,483,312	\$ 30,523,929
Investments in securities and similar instruments	65,951,742	64,586,849
Petty cash and cash on hand	55,207	55,207
Total	<u>\$ 103,490,261</u>	<u>\$ 95,165,985</u>

**Bank Deposits**

The above bank deposits at June 30, 2020 and 2019 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$37,319,040 and \$31,207,222, respectively. Of these bank deposits at June 30, 2020 and 2019, approximately \$5,600,000 and \$4,800,000, respectively, was covered by federal depository insurance, and the remainder was uninsured and uncollateralized. The College believes that due to the dollar amounts of cash deposits and the limits of the Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all bank deposits. As a result, the College evaluates each financial institution within which it deposits College funds and assesses the level of risk of each. Only those institutions with an acceptable estimated risk level are used as depositories.

**Investments – Excluding Endowment Fund Investments**

**Credit Risk** – Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College’s policy for reducing credit risk is to invest surplus funds, excluding Endowment Fund monies, in accordance with the provisions set forth in Michigan Public Act 331 of 1966, as amended through 2014. This Act allows the College to invest in: bonds, bills or notes of the United States or its agencies; obligations of the State of Michigan or any of its political subdivisions rated as investment grade by at least one standard rating service; corporate commercial paper rated prime by at least one of the standard rating services; bankers acceptances issued by and certificates of deposit of financial institutions which are members of the FDIC; mutual funds and investment pools that are composed of authorized investment instruments; and certain repurchase agreements. The College does not have a formal investment policy further limiting its investment options. Endowment Fund investments are subject to a separate investment policy which is discussed in detail later in this footnote.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have a formal policy limiting investment maturities; however, the College manages its exposure to interest rate risk by limiting the significant majority of investment maturities to less than three years. Investments in longer-term securities are managed through a laddered-maturity and step-rate portfolio in order to obtain some of the higher interest rates offered on the market.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 3. Cash and Cash Equivalents and Investments – Continued**

**Investments – Excluding Endowment Fund Investments – Continued**

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the organization’s investment in a single issuer. The College does not have a policy limiting the amount the College is allowed to invest in any one issuer; however, the College evaluates each issuer in which it invests College funds and assesses the level of risk of each. The College invests with only those issuers with an acceptable estimated risk level.

**Custodial Credit Risk** – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the College will not be able to recover the value of the investments that are in the possession of an outside party. The College does not have a formal policy addressing custodial credit risk; however, all of the College’s investments are issued in the name of the College. Custody of the College’s certificates of deposit remains with the financial institutions from which they were purchased, while the agency notes, bonds and commercial paper are held in safekeeping by either PNC Capital Markets LLC or Morgan Stanley Smith Barney LLC. In the event that PNC Capital Markets LLC or Morgan Stanley Smith Barney LLC were to become insolvent, and the College’s investment account assets were not fully accounted for, each of these accounts would be protected up to a maximum of \$500,000 through Securities Investor Protection Corporation (SIPC). In addition, in the event that SIPC coverage is not adequate to cover a client’s loss, Morgan Stanley Smith Barney LLC also carries supplemental insurance protection subject to an aggregate loss limit maximum of \$1.0 billion for the firm, with a no per client limit for securities and a \$1.9 million per client limit for the cash portion of any remaining shortfall.

The following tables present the investments and maturities that the College held at June 30, 2020 and 2019 including certificates of deposit and commercial paper classified as cash equivalents, and excluding the Endowment Fund investments:

**June 30, 2020:**

Investment Type	S&P Quality Ratings	Fair Value	By Maturity		
			Less Than One Year	1-3 Years	More Than 3 Years
Certificates of Deposit	N/A	\$ 5,109,997	\$ 4,100,599	\$ 1,009,398	\$ -
Commercial Paper	A1+/P1 to A2/P2	40,725,845	40,725,845	-	-
<b>Total Investments</b>		<b>\$ 45,835,842</b>	<b>\$ 44,826,444</b>	<b>\$ 1,009,398</b>	<b>\$ -</b>

**June 30, 2019:**

Investment Type	S&P Quality Ratings	Fair Value	By Maturity		
			Less Than One Year	1-3 Years	More Than 3 Years
Certificates of Deposit	N/A	\$ 5,650,198	\$ 4,590,387	\$ 1,059,811	\$ -
U.S. Agency Securities	AA+	2,980,685	-	-	2,980,685
Commercial Paper	A1+/P1 to A2/P2	36,626,315	36,626,315	-	-
<b>Total Investments</b>		<b>\$ 45,257,198</b>	<b>\$ 41,216,702</b>	<b>\$ 1,059,811</b>	<b>\$ 2,980,685</b>

## Notes to Financial Statements - Continued

Delta College

June 30, 2020

### Note 3. Cash and Cash Equivalents and Investments – Continued

#### Endowment Fund Investments

**Credit Risk** – The College has attempted to mitigate credit risk associated with Delta College Endowment Fund (The Fund) investments by contracting with Morgan Stanley Wealth Management LLC to manage the investments of The Fund. The College has established a formal investment and distribution policy that Morgan Stanley Wealth Management LLC must adhere to in their management of The Fund. The investment and distribution policies of The Fund, as well as the investment returns, are established, monitored and evaluated by the College’s Investment Advisory Committee, which reports directly to the Board of Trustees.

The Delta College Endowment Fund Investment and Distribution Policy limits investment of The Fund monies to the following instruments: bonds, notes or treasury bills of the United States or its agencies; corporate bonds rated investment grade by Moody’s Investors Service, Inc. or Standard & Poor’s Corporation; certificates of deposit of institutions which are members of the FDIC; commercial paper rated prime as A1 by Moody’s Investors Service, Inc. and/or P1 by Standard & Poor’s Corporation; certain bankers acceptances; common stock traded on a major stock exchange; international equity investments and American Depository Receipts (ADR’s); mutual funds; convertible securities, bonds and preferred stocks; and alternative investments made using mutual funds, exchange traded funds or separately managed accounts to ensure that daily valuations and liquidity are maintained. Alternative investments may not exceed 30% of the total fund measured by market value. The fixed income portfolio shall maintain a weighted average quality of investment grade. Additionally, all investments in The Fund must have a readily ascertainable market value and must be readily marketable.

The following investments are only authorized as alternative investment strategies in accordance with the preceding paragraph: short sales; put and call option strategies; commodities futures; direct investment in tangible assets such as real estate, oil and gas, and precious metals; private placements; venture capital financing; and hedge funds. The following investments are prohibited: margin purchases and securities of the Investment Manager including proprietary mutual funds.

**Interest Rate Risk** – In order to limit interest rate risk, The Fund investment policy stipulates various maturity limits. Commercial paper maturities may not exceed 270 days, bankers’ acceptances are limited to 180-day maturities, and the average weighted maturity of the fixed income portfolio shall fall within a range of 3-10 years.

**Concentration of Credit Risk** – The Delta College Endowment Fund Investment and Distribution Policy limits the investment in individual securities of any one issuer or in any one alternative investment strategy to 5% of the market value of the assets of The Fund, except for convertible securities, which may not exceed 15% of The Fund. This 5% limit also does not apply to money market funds, mutual funds, except the mutual funds that are classified as alternative investments, or obligations of the United States government or its agencies. Additionally, The Fund is limited to a maximum composite of 25% invested in international equities and ADR’s, and a maximum composite of 30% invested in alternatives. As of June 30, 2020 and 2019, the Fund did not hold any securities of any one issuer in excess of these limits.

**Custodial Credit Risk** – The Delta College Endowment Fund Investment and Distribution Policy does not address the issue of custody. The Fund investments are held by Morgan Stanley Smith Barney LLC as custodian, and are listed under the account name Delta College Endowment Fund. Morgan Stanley Smith Barney LLC’s investor protection coverage has been described on the previous page in the Custodial Credit Risk section related to the College’s investments outside of the Endowment Fund.

**Foreign Currency Risk** – All foreign investments held by The Fund are in the form of ADR’s and are denominated in U.S. currency.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 3. Cash and Cash Equivalents and Investments – Continued**

**Endowment Fund Investments – Continued**

At June 30, 2020 and 2019 the Endowment Fund had the following investments and maturities:

Investment Type	S&P Quality Ratings	Fair Value	By Maturity			
			Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Corporate Bonds	AAA to BBB	\$ 1,550,345	\$ -	\$ 459,381	\$ 261,552	\$ 829,412
Corporate Convertible Bonds *	A to B+	1,527,268	151,136	729,978	106,207	539,947
Corporate Convertible Bonds *	Unrated	546,209	103,743	442,466	-	-
Municipal Bonds	AAA to A-	2,129,460	-	506,132	-	1,623,328
Government & Agency Bonds	AAA to AA+	991,940	250,929	300,032	75,821	365,158
Government & Agency Bonds	Unrated	865,895	181,991	-	-	683,904
		<u>7,611,117</u>	<u>\$ 687,799</u>	<u>\$ 2,437,989</u>	<u>\$ 443,580</u>	<u>\$ 4,041,749</u>
Bond Funds	N/A	1,503,339				
Preferred Stock	N/A	271,838				
Equities	N/A	11,934,823				
International Equities	N/A	<u>3,904,598</u>				
Total Investments		<u>\$ 25,225,715</u>				

\* Due to the convertible feature of these investments, they are generally not held to maturity.

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2020**

**Note 3. Cash and Cash Equivalents and Investments – Continued**

**Endowment Fund Investments – Continued**

**June 30, 2019:**

Investment Type	S&P Quality Ratings	Fair Value	By Maturity			
			Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Corporate Bonds	AAA to BBB+	\$ 1,097,508	\$ 302,201	\$ 264,190	\$ 194,658	\$ 336,459
Corporate Convertible Bonds *	A to BB-	1,670,094	427,038	614,687	-	628,369
Corporate Convertible Bonds *	Unrated	350,190	-	250,007	100,183	-
Municipal Bonds	AAA to A-	1,922,783	96,812	240,031	-	1,585,940
Government & Agency Bonds	AAA to AA+	1,447,855	124,879	278,527	-	1,044,449
		6,488,430	\$ 950,930	\$ 1,647,442	\$ 294,841	\$ 3,595,217
Bond Funds	N/A	1,573,601				
Preferred Stock	N/A	380,885				
Equities	N/A	12,341,596				
International Equities	N/A	4,191,516				
Total Investments		<u>\$ 24,976,028</u>				

\* Due to the convertible feature of these investments, they are generally not held to maturity.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 3. Cash and Cash Equivalents and Investments – Continued**

**Fair Value Measurement of Investments**

The fair value of assets measured on a recurring basis at June 30, 2020 and 2019 are as follows:

	Fair Values	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
<b>June 30, 2020:</b>				
Investments excluding endowment fund investments	\$ 45,835,842	\$ -	\$ 45,835,842	\$ -
Endowment Investments:				
Equities	15,839,421	15,839,421	-	-
Bond funds	9,114,456	-	9,114,456	-
Preferred stock	271,838	-	271,838	-
Total investments by fair value	\$ 71,061,557	\$ 15,839,421	\$ 55,222,136	\$ -
<b>June 30, 2019:</b>				
Investments excluding endowment fund investments	\$ 45,257,198	\$ -	\$ 45,257,198	\$ -
Endowment Investments:				
Equities	16,533,112	16,533,112	-	-
Bond funds	8,062,031	-	8,062,031	-
Preferred stock	380,885	-	380,885	-
Total investments by fair value	\$ 70,233,226	\$ 16,533,112	\$ 53,700,114	\$ -

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 4. Pledges Receivable**

As of June 30, 2020 and 2019, donors to the College (including the Delta College Foundation) have made unconditional promises to give (pledges) approximating \$4,083,000 and \$5,983,000, respectively. Such pledges are discounted to their present value, assuming their respective terms, at applicable discount rates with total discounts at June 30, 2020 and 2019, respectively, of approximately \$6,000 and \$138,000. Management has also established an allowance for uncollectible pledges approximating \$4,100 and \$3,300, respectively, as of June 30, 2020 and 2019. Pledges deemed uncollectible are charged against the allowance in the period that determination is made. Collection of pledges receivable, net of discount and allowance, as of June 30, 2020 and 2019, are scheduled as follows:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 2,846,486	\$ 2,107,820
One to five years	1,225,127	3,733,275
Greater than five years	967	885
Total	<u>\$ 4,072,580</u>	<u>\$ 5,841,980</u>

**Note 5. Capital Assets**

The following tables present the changes in the various capital asset class categories for the years ended June 30, 2020 and 2019:

<b>Year Ended June 30, 2020:</b>	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
<b>Depreciable Capital Assets:</b>					
Buildings	40 years	\$ 122,642,015	\$ 14,193,889	\$ 1,841,169	\$ 134,994,735
Land improvements	20-40 years	10,247,528	153,173	-	10,400,701
Infrastructure	20-25 years	12,686,102	235,222	-	12,921,324
Furniture and equipment	5-20 years	19,526,410	1,250,468	1,202,439	19,574,439
<b>Non-depreciable Capital Assets:</b>					
Construction in progress		14,247,383	9,837,850	14,582,284	9,502,949
Land		1,968,826	-	-	1,968,826
Fine art collection		139,832	-	-	139,832
Total Capital Assets		<u>181,458,096</u>	<u>25,670,602</u>	<u>17,625,892</u>	<u>189,502,806</u>
<b>Less Accumulated Depreciation:</b>					
Buildings		48,613,691	3,318,213	1,078,769	50,853,135
Land improvements		4,740,880	488,594	-	5,229,474
Infrastructure		6,738,493	463,522	-	7,202,015
Furniture and equipment		13,769,416	1,041,589	1,188,994	13,622,011
Total Accumulated Depreciation		<u>73,862,480</u>	<u>\$ 5,311,918</u>	<u>\$2,267,763</u>	<u>76,906,635</u>
Capital Assets, Net		<u>\$ 107,595,616</u>			<u>\$ 112,596,171</u>



**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 5. Capital Assets – Continued**

<b>Year Ended June 30, 2019:</b>	<b>Estimated Useful Life</b>	<b>Beginning Balance</b>	<b>Additions/ Depreciation</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Depreciable Capital Assets:</b>					
Buildings	40 years	\$ 121,682,773	\$ 2,134,854	\$ 1,175,612	\$ 122,642,015
Land improvements	20-40 years	9,818,270	505,009	75,751	10,247,528
Infrastructure	20-25 years	12,280,399	471,774	66,071	12,686,102
Furniture and equipment	5-20 years	18,679,252	1,029,166	182,008	19,526,410
<b>Non-depreciable Capital Assets:</b>					
Construction in progress		3,390,439	13,968,581	3,111,637	14,247,383
Land		1,510,706	491,430	33,310	1,968,826
Fine art collection		139,832	-	-	139,832
<b>Total Capital Assets</b>		<b>167,501,671</b>	<b>18,600,814</b>	<b>4,644,389</b>	<b>181,458,096</b>
<b>Less Accumulated Depreciation:</b>					
Buildings		46,269,227	3,005,394	660,930	48,613,691
Land improvements		4,322,134	494,497	75,751	4,740,880
Infrastructure		6,339,268	460,344	61,119	6,738,493
Furniture and equipment		12,903,646	1,046,533	180,763	13,769,416
<b>Total Accumulated Depreciation</b>		<b>69,834,275</b>	<b>\$ 5,006,768</b>	<b>\$ 978,563</b>	<b>73,862,480</b>
<b>Capital Assets, Net</b>		<b>\$ 97,667,396</b>			<b>\$ 107,595,616</b>

**Note 6. Recognition of State Appropriations**

The College records revenue from state operating appropriations in accordance with the accounting method described in the annual funding bill passed by the State of Michigan legislature, which provides that state appropriations are recorded as revenue in the period for which they were appropriated. Accordingly, the College recognizes 100% of the state’s fiscal year appropriations as revenue during the College’s fiscal year. For the years ended June 30, 2020 and 2019, respectively, state operating appropriation revenue totaled \$21.5 million and \$23.0 million. The \$21.5 million and \$23.0 million respective balances consist of the following: \$13.4 and \$15.0 million base appropriations, \$90,000 and \$114,000 performance funding, \$870,000 and \$520,000 MPERS contributions offsets, UAAL and early retirement incentive MPERS pass through of \$4.1 million and \$4.5 million, and PPT Loss reimbursements of \$2.8 million and \$2.7 million. For the 2020 fiscal year, the College also received an appropriation of \$41,000 for Indian Tuition Waiver. Also included in state operating appropriation revenue for each of the respective years was approximately \$197,000 and \$215,000 of Renaissance Zone property tax reimbursement from the State.

## Notes to Financial Statements - Continued

### Delta College

June 30, 2020

#### Note 6. Recognition of State Appropriations – Continued

As discussed in the Nonoperating Revenue and Expenses section of Management's Discussion and Analysis, in an effort to eliminate the deficit in the State's operating fund resulting from decreases in revenues and increased expenses due to COVID-19, the State made the decision to cut fiscal year 2020 College and Universities operating appropriations by approximately 11%, which amounted to approximately \$1.7 million for the College. Colleges and universities did not receive their August State aid payment, and in addition, since the amount of the reduction was greater than what the August payment would have been, the remaining amount owed back to the State will be deducted from the College's October 2020 payment. In order to offset this 11% reduction, the State awarded colleges and universities a CARES Act Coronavirus Relief Fund (CRF) grant equal to the amount of the State appropriation cut. However, the use of these funds is restricted to various COVID-19 related expenses such as PPE and supplies and expenses to facilitate distance learning, and these expenses must be incurred between March and December, 2020. Unspent funds are required to be returned to the State. Since the CRF grant was not awarded until August 2020, while the College is allowed to record expense against this grant in its fiscal year 2020 financial statements, it is not permitted to record the offsetting grant revenue until fiscal year 2021.

Since state operating appropriations are distributed over an 11-month period, October through August, the College records a receivable at June 30 each year for the subsequent payments received in July and August. The accrued state operating appropriation receivables at June 30, 2020 and 2019, respectively, are \$1.9 million and \$3.6 million, and includes \$724,000 and \$750,000, respectively, to be passed through to MPSERS for the UAAL Stabilization payment. The \$1.9 million receivable at June 30, 2020 is net of the \$321,000 of the 11% cut that is still owed to the State, which will be deducted from the College's October 2020 payment.

State capital appropriation revenue for the College's Downtown Saginaw Center construction project totaled \$1.6 million and \$4.6 million, respectively, for the years ended June 30, 2020 and 2019. This project is described in more detail in Note 13. At June 30, 2020 and 2019, respectively, the College recorded State capital appropriations receivable of \$351,000 and \$4.6 million.

#### Note 7. Retirement Plans

##### MPSERS Defined Pension and Other Postemployment Benefit Plans

**Plan Description** – The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the MPSERS Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

## Notes to Financial Statements - Continued

Delta College

June 30, 2020

### Note 7. Retirement Plans – Continued

#### MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

**Benefits** – Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the MPSERS, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 7. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

**Funding Policy** – Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2018 valuation will be amortized over a 20-year period ending September 30, 2038.

Required contributions to the pension plan from the College were \$9.5 million and \$9.9 million for the years ending June 30, 2020 and 2019, respectively. Required contributions to the OPEB plan from the College were \$2.4 million for the years ending June 30, 2020 and 2019, respectively.

Following are the employee and employer contribution rates associated with the MPSERS system for the year ended September 30, 2019:

<b>Benefit Structure</b>	<b>Pension Contribution Rates</b>	
	<b>Member</b>	<b>Non-University Employer</b>
Basic	0.0 – 4.0%	18.25%
Member Investment Plan	3.0 – 7.0%	18.25%
Pension Plus	3.0 – 6.4%	16.46%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

<b>Benefit Structure</b>	<b>OPEB Contribution Rates</b>	
	<b>Member</b>	<b>Non-University Employer</b>
Premium Subsidy	3.0%	7.93%
Personal Healthcare Fund (PHF)	0.0%	7.57%

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 7. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

**MPSERS Plan Net Pension and OPEB Liability –Non-University** – The MPSERS total non-university net pension and OPEB liability for the plan years ended September 30, was as follows:

	Pension		OPEB	
	2019	2018	2019	2018
Total liability	\$83,442,507,212	\$79,863,694,444	\$13,925,860,688	\$13,932,170,264
Plan fiduciary net position	(50,325,869,388)	(49,801,889,205)	(6,748,112,668)	(5,983,218,473)
Net liability	\$33,116,637,824	\$30,061,805,239	\$ 7,177,748,020	\$ 7,948,951,791
Plan fiduciary net position as a percentage of total liability	60.31%	62.36%	48.46%	42.95%
Net liability as a percentage of covered employee payroll	378.65%	352.81%	82.07%	93.29%

**Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense** – At June 30, 2020 and 2019, respectively, the College reported a liability of \$118.2 million and \$108.8 million for its proportionate share of the net pension liability of MPSERS. At June 30, 2020 and 2019, respectively, the College reported a liability of \$25.1 million and \$28.8 million for its proportionate share of the net OPEB liability of MPSERS. The 2020 net pension and OPEB liability was measured as of September 30, 2019, and the total liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2018. The College’s portion of the 2020 and 2019 net pension and OPEB liability was determined by dividing each employer’s statutorily required contributions to the System during the measurement period by the percent of contributions required from all applicable employers during the measurement period. At September 30, 2019, the College’s pension proportionate share was .35693%, a decrease of .00497% from its proportionate share measured as of September 30, 2018, which was .36190%. At September 30, 2019, the College’s OPEB proportionate share was .34926%, a decrease of .01300% from its proportionate share measured as of September 30, 2018, which was .36226%.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 7. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

***Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense - continued*** – For the years ended June 30, 2020 and 2019, respectively, the College recognized MPSERS pension expense of \$17.8 million and \$13.4 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS pension from the following sources:

	<b>Year Ended June 30, 2020</b>		<b>Year Ended June 30, 2019</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 529,825	\$ 492,897	\$ 504,828	\$ 790,592
Changes of assumptions	23,144,319	-	25,196,757	-
Net difference between projected and actual earnings on pension plan investments	-	3,788,220	-	7,438,790
Changes in proportion and differences between College contributions and proportionate share of contributions	288,197	1,326,419	650,973	764,271
College contributions subsequent to the measurement date	8,102,316	-	8,323,989	-
Rate stabilization appropriations received after the measurement date	-	3,981,980	-	4,127,662
<b>Total</b>	<b>\$ 32,064,657</b>	<b>\$ 9,589,516</b>	<b>\$ 34,676,547</b>	<b>\$ 13,121,315</b>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 7. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

*Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Pension Expense - continued* – For the years ended June 30, 2020 and 2019, respectively, the College recognized MPSERS OPEB expense of \$0.4 million and \$1.4 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS OPEB from the following sources:

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,198,608	\$ -	\$ 5,359,687
Changes of assumptions	5,431,994	-	3,049,518	-
Net difference between projected and actual earnings on OPEB plan investments	-	435,966	-	1,106,702
Changes in proportion and differences between College contributions and proportionate share of contributions	7,861	986,309	10,158	7,175
College contributions subsequent to the measurement date	1,798,731	-	1,878,233	-
<b>Total</b>	<b>\$ 7,238,586</b>	<b>\$ 10,620,883</b>	<b>\$ 4,937,909</b>	<b>\$ 6,473,564</b>

The College reported deferred outflows of resources related to pension contributions subsequent to the measurement date of \$8.1 million and \$8.3 million, respectively, as of June 30, 2020 and 2019 and \$1.8 million and \$1.9 million of contributions subsequent to the measurement date related to OPEB as of June 30, 2020 and 2019, respectively. These will be recognized as a reduction of the net pension and OPEB liability in the College’s respective subsequent fiscal year. Rate stabilization appropriations received subsequent to the measurement date reported as deferred inflows of resources will be recognized as revenue in the College’s respective subsequent fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions and OPEBs will be recognized in pension and OPEB expense as follows:

Year Ending June 30,	Pension	OPEB
2021	\$ 7,433,439	\$ (1,374,547)
2022	5,772,403	(1,374,547)
2023	3,699,791	(1,156,977)
2024	1,449,172	(819,344)
2025	-	(455,613)
<b>Total</b>	<b>\$ 18,354,805</b>	<b>\$ (5,181,028)</b>

## Notes to Financial Statements - Continued

Delta College

June 30, 2020

### Note 7. Retirement Plans – Continued

#### MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

**Rate of Return, Discount Rate and Long-term Expected Rate of Return** – The discount rate used to measure the total pension liability was 6.80% for the Basic, MIP, and the Pension Plus Plan, and 6.0% for the Pension Plus 2 Plan for the September 30, 2019 valuation year and 7.05% for the Basic and MIP Plans, 7.0% for the Pension Plus Plan and 6.0% for the Pension Plus 2 Plan for the September 30, 2018 valuation year, and was based on the long-term expected rate of return on pension investments. The discount rate used to measure the total OPEB liability was 6.95% for the September 30, 2019 valuation year, and 7.15% for the September 30, 2018 valuation year, and was based on long-term expected rate of return on OPEB plan investments. The projection of cash flows used to determine this discount rate assumed that employee member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee member rate. Based on these assumptions, the pension and OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan and OPEB investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

For the fiscal year ended September 30, 2019, the annual money-weighted rate of return on pension plan and OPEB investment, net of pension and OPEB plan investment expense, was 5.14% and 5.37%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on pension and OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension and OPEB plan’s target asset allocation as of September 30, 2019 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	28.0%	5.5%
Private Equity Pools	18.0	8.6
International Equity Pools	16.0	7.3
Fixed Income Pools	10.5	1.2
Real Estate & Infrastructure Pools	10.0	4.2
Absolute Return Pools	15.5	5.4
Short-Term Investment Pools	2.0	0.8
Total	100.0%	



**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 7. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

**Sensitivity of the Net Pension and OPEB Liability to Changes in the Discount and Healthcare Cost Trend Rate** – The following presents the College’s proportionate share of the net pension liability, calculated using the discount rate of 6.80% for June 30, 2020 and 7.05% for June 30, 2019 for the Basic and MIP Plans, 6.8% for June 30, 2020 and 7.0% for June 30, 2019 for the Pension Plus Plan, and 6.0% for the Pension Plus 2 Plan for both years, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.0% point lower or 1.0% point higher than the current rates:

	Net Pension Liability at 1.0% Decrease (5.80% Basic, MIP, and Pension Plus and 5.00% Pension Plus 2)	Net Pension Liability at Current Discount Rate (6.80% Basic, MIP, and Pension Plus and 6.00% Pension Plus 2)	Net Pension Liability at 1.0% Increase (7.80% Basic, MIP, and Pension Plus and 7.00% Pension Plus 2)
Year Ended June 30, 2020	\$ 153,672,048	\$ 118,203,451	\$ 88,798,762
Year Ended June 30, 2019	\$ 142,839,005	\$ 108,794,674	\$ 80,509,370

The following presents the College’s proportionate share of the net OPEB liability, calculated using the discount rate of 6.95% and 7.15% for June 30, 2020 and 2019, respectively, and current healthcare cost trend rate, as well as what the College’s proportionate share of the net OPEB liability would be if it were calculated using a rate that is 1.0% point lower or 1.0% point higher than the current rates:

	Net OPEB Liability at 1.0% Decrease (5.95%)	Net OPEB Liability at Current Rate (6.95%)	Net OPEB Liability at 1.0% Increase (7.95%)
Discount Rate –			
Year Ended June 30, 2020	\$ 30,751,174	\$ 25,069,227	\$ 20,297,969
Year Ended June 30, 2019	34,569,088	28,796,063	23,940,243
Healthcare Cost Trend Rate -			
Year Ended June 30, 2020	\$ 20,095,689	\$ 25,069,227	\$ 30,750,499
Year Ended June 30, 2019	23,684,444	28,796,063	34,660,133

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 7. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

**Actuarial Valuations and Assumptions** – An actuarial valuation to determine the total pension and OPEB liability is required to be performed every year. If the actuarial valuation is not calculated as of the plan’s fiscal year end, the total pension and OPEB liability is required to be rolled forward from the actual valuation date to the plan’s fiscal year end.

Actuarial valuations for the pension plan and OPEB involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total pension and OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal cost actuarial cost method
Assumed investment rate of return	6.80% for Basic, MIP Plans, and Pension Plus Plan, 6.0% for Pension Plus 2 Plan, and 6.95% for OPEB
Wage inflation rate	2.75%
Projected rate of pay increases	2.75 to 11.55%, including wage inflation at 2.75%
Cost-of-living pension adjustments	3.00% annual non-compounded for MIP members
Healthcare cost trend rate	7.5% year 1 graded to 3.5% year 12
Mortality basis	Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006. Active Members: P-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

## Notes to Financial Statements - Continued

Delta College

June 30, 2020

### Note 7. Retirement Plans – Continued

#### MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

##### *Actuarial Valuations and Assumptions – continued*

Other OPEB Assumptions:

Opt Out Assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liability as of September 30, 2019 is based on the results of an actuarial valuation date of September 30, 2018, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for liabilities is the average of the expected remaining service lives of all employees, which is 4.4977 years for the pension plan and 5.7101 years for the OPEB plan and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2019 MPSERS Comprehensive Annual Financial Report (CAFR), which is available online at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Payable to Pension and OPEB Plan** – As of June 30, 2020 and 2019, the College reported \$1,435,000 and \$1,498,000, respectively, for the outstanding amount of required contributions to MPSERS for the years then ended, which included the UAAL pass-through payments due to MPSERS.

#### **ORP Defined Contribution Plan**

As an alternative pension option, the College offers all full-time faculty and full-time salaried administrative, professional and Corporate Services employees the opportunity to participate in an Optional Retirement Plan (ORP) administered by Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). Upon eligibility to participate in the ORP, employees have 90 days in which to elect participation in either the ORP or the MPSERS plan. The election becomes irrevocable after the 90-day period.

Funding for the ORP consists entirely of employer contributions of 10% of each participating employee's includable compensation. Participants are immediately 100% vested in all ORP contributions. Participating employees elect their own allocation of contributions among the available investment vehicles offered by TIAA-CREF. ORP retirement benefits are based on the accumulation of contributions and the related investment income for each participant. Distribution of retirement benefits is available under the ORP when participants attain age 55, or upon separation of employment.

During the years ended June 30, 2020 and 2019, compensation covered under the ORP approximated \$7.7 million and \$8.0 million, respectively, which resulted in contributions by the College of approximately \$771,000 and \$804,000 for the years ended June 30, 2020 and 2019, respectively.

## **Notes to Financial Statements - Continued**

### **Delta College**

**June 30, 2020**

#### **Note 8. MNJTP Bonds Payable**

During the year ended June 30, 2012, the College became involved in the Michigan New Jobs Training Program (MNJTP). This program was created by the State of Michigan Public Acts 359 and 360 of 2008, and authorizes community college districts to enter into an agreement with an employer to (1) provide worker education and job training in order to create new jobs, and (2) establish a funding mechanism to pay for the education and training for persons employed in new jobs with the employer. The employer prepays training costs to the College, and the College subsequently issues non-interest bearing revenue bonds payable to the employer equal to the prepayments. The employer remits state income tax withholdings for these new employees directly to the College. The College then remits the state income tax withholdings back to the employer on a quarterly basis to reimburse the employer for the costs of the training, thus reducing the College's MNJTP bonds payable. Any outstanding bonds payable to the employer are offset by a state income tax receivable from the company of an equal amount.

In connection with this program, during the year ended June 30, 2012, the College entered into a MNJTP agreement with Xalt Energy MI, LLC (formerly Dow Kokam MI, LLC), which provided for a maximum bond principal amount of \$6,190,000. Under this agreement, during the year ended June 30, 2020 and 2019, respectively, the College issued bond principal to the company totaling \$514,000 and \$523,000 and repaid bond principal in the same amounts. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with Xalt Energy as of June 30, 2020 and 2019. As of June 30, 2020, total bonds issued to date under this agreement total \$3,204,000.

During the year ended June 30, 2013, the College entered into a MNJTP agreement with ECO-Bio Plastics Midland, Inc., with an initial maximum bond principal issue amount of \$200,000, and was amended later that year with an increased maximum bond issue of \$350,000. Under this agreement, during the year ended June 30, 2019 the College issued bond principal to the company totaling \$18,000 and repaid bond principal of \$19,000. No bond issuances or repayments occurred during the year ended June 30, 2020. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with ECO-Bio Plastics as of June 30, 2020 and 2019. During fiscal year 2020, the College received payroll tax payments from ECO-Bio Plastics in the amount of \$15,000 that have not yet been remitted back to ECO-Bio that are reflected in accounts payable as of June 30, 2020. As of June 30, 2020, bonds issued to date under this agreement total \$110,000.

#### **Note 9. Operating Lease Obligations**

Prior to fiscal year 2020, the College leased one of its off-campus centers under a short-term operating lease, with total lease expense approximating \$32,000, for the year ended June 30, 2019. The final term of this lease expired June 30, 2019, and the lease was not renewed since the College has now begun holding classes at its newly constructed Downtown Saginaw Center beginning with the fall 2019 semester.

#### **Note 10. Contingent Liabilities**

In the normal course of activities, the College is party to various legal actions. The College is of the opinion that the outcome of asserted claims outstanding will not have a material effect on the financial statements.

## Notes to Financial Statements - Continued

Delta College

June 30, 2020

### Note 11. Risk Management

The College participates in the Michigan Community College Risk Management Authority (Authority) with other Michigan-based community colleges for claims relating to auto, property and liability. The Authority provides a risk pool program that operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts up to maximum coverage limits. The College pays an annual premium to the Authority and is responsible for a deductible and all costs, including damages, indemnification, and allocated loss adjustment expenses, for each claim that is within the College's Self-Insured Retention (SIR) limit. The College also participates in the stop loss provision of the program, which is designed to limit the member's maximum cash payments during each July 1 through June 30 year to costs falling within the College's SIR limit. Reinsurance is purchased by the Authority to further limit the risk of loss. In addition, the College purchases commercial insurance for employee medical benefits and employee injuries (workers' compensation).

### Note 12. Contractual Commitments

The College has outsourced the management and operational support of its information technology services. At its September 2016 meeting, the College's Board of Trustees approved and accepted a contract renewal with Ellucian, with the new contract period beginning November 1, 2016 and ending October 31, 2023. The 7-year contract includes the expansion of services relating to technology support in the Health Professions Building, training support for standard software used College-wide and support of all classroom technology and audio visual support for special events. The original 7-year contract fee schedule called for monthly payments ranging from \$201,000 to \$206,000 through October 2023, with a total contractual commitment of \$17.2 million over the 7-year contract period. The contract provides for an annual payment adjustment based on the Consumer Price Index (CPI). Due to CPI increases, the annual monthly payment to Ellucian under this base portion of the contract increases to approximately \$219,000 beginning in November 2020, for a total contractual commitment of \$17.9 million. In October 2017, the College made an addendum to the Ellucian contract for additional services related to the Ellucian Customer Relationship Management (eCRM) Advise and Recruit software applications. The original service period for this addendum commenced on November 1, 2017 and ends October 31, 2020 and increased the contractual monthly payments to Ellucian by \$11,000. In June 2020, the College agreed to renew this additional eCRM service for an additional 3 year term from November 2020 through October 2023 at a monthly cost of approximately \$12,700, for a total of \$457,000 over the three year term.

### Note 13. Capital Construction Projects

**Delta College Downtown Saginaw Center** – On June 29, 2016 the State of Michigan approved Public Act 268 of 2016 which included the planning authorization for the College's project. Schematic design plans were submitted to the State Budget Office on March 16, 2017, which was the next step required to secure final approval for the State's 50% matching funds. On July 14, 2017, the State of Michigan approved Public Act 107 of 2017 which provided the final approval and included the construction authorization for the Downtown Saginaw Center project. The Downtown Saginaw Center project had an anticipated total cost of \$12,739,000, with the State Building Authority funding a total of \$6,369,300. The College was required to spend its share of approximately \$6.4 million from Plant Fund reserves, before any State funding would be received. The College broke ground for the Downtown Saginaw Center in March 2018. As of June 30, 2019, the College had incurred total project spending of approximately \$11.0 million, with \$10.4 million of this amount included in construction in progress. As of June 30, 2020, the project was capitalized as substantially complete. The completed project came in slightly under budget with total spending of \$12,686,000. As of June 30, 2020 and 2019, respectively, the College recorded a State Capital Appropriations revenue \$1.6 million and \$4.6 million and a receivable from the State for its share of the project expenditures of approximately \$351,000 and \$4.6 million, for each of the respective years.

## Notes to Financial Statements - Continued

### Delta College

June 30, 2020

#### Note 13. Capital Construction Projects – Continued

**Delta College Downtown Midland Center** – In October 2017, Delta College submitted documentation to the State of Michigan identifying needed improvements at its aging Midland Center as its top priority in facility revitalization. As the community learned of the need for an upgraded facility, many reached out to Delta College’s president to get more details and offer financial support. A property site was selected in downtown Midland on the block bound by Ellsworth, Townsend, Buttles and Cronkright which is owned by Chemical Bank and The Dow Chemical Company. After learning of Delta’s interest in this particular location both organizations generously agreed to donate the property to the Delta College Foundation. On August 14, 2018, the Delta College Board of Trustees unanimously approved this site for the new Downtown Midland Center facility. The Delta College Foundation received several generous pledges and cash gifts totaling \$9.2 million from area foundations to help fund the estimated \$13.0 million cost of construction for the 30,000 square foot building which will provide state-of-the-art technology. The remaining funding needs of approximately \$3.8 million for this project will come from accumulated reserves in the College’s Plant Fund. In April 2019, the College broke ground on this construction project. As of June 30, 2019, the College had incurred total project spending of \$656,000 primarily for engineering and architectural services; with \$618,000 included in construction in progress. During the fiscal year 2020, the College had additional spending on this project of \$5.0 million with a construction in progress balance of \$5.6 million as of June 30, 2020. It was originally anticipated that the Center would hold its first classes at the new Downtown Midland Center in winter 2021; however, as a result of construction delays due to COVID-19, fall 2021 is the new target.

**Main Campus P-wing Renovation** – In fall 2018, the College began renovations to existing spaces that support its Lifelong Wellness programs, Athletics programs and the Fitness and Recreation Center’s functional needs. The renovated area is approximately 15,100 square feet and is located on two floors at the north end of the College’s building. This renovated area also provides four new fitness studios. The renovations also included a personal training and fitness testing space, storage and circulation space, and a reconfigured check-in and administration area. This project was completed and capitalized during winter 2020, with a total project cost of approximately \$2.1 million. At June 30, 2020, the College has recorded retainage payable for one of the project contractors in the amount of \$130,000. As of June 30, 2019, the College had incurred total expenditures for the project of approximately \$1.1 million, which was included in construction in progress.

**West Campus Project** – This project is a component of the Delta College Landscape/Site Master Plan, last updated in 2017. The goal of this project is to enhance the College’s existing campus environment and provide places for academic programs, athletic participation, recreational community involvement, social interaction and celebration. This project has a total approved budget of \$4.5 million and contains many components including parking lot upgrades, a new baseball field, soccer and softball field improvements, a functional ADA accessible observatory, a multi-use athletic facility, recreational trail system and Delta walk/plaza. The College began its west campus site improvements project in summer 2018 and the project was still in progress as of June 30, 2020. It is now anticipated that this project will be completed by the end of calendar year 2021. As of June 30, 2019, the College had incurred costs of \$1.2 million, which has been included in Construction in Progress. During fiscal year 2020, the College spent approximately \$1.2 million on various portions of this project, bringing the June 30, 2020 construction in progress balance to \$2.4 million.

#### Note 14. Endowment Spending Rate Policy

The Investment and Distribution Policy for Endowment Funds as adopted by the Board of Trustees authorizes spending of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is distributed is required to be spent for the purposes for which the endowment was established. Under the policy established by the Board, four percent of the previous five-year quarterly moving average market value of each individual endowment is authorized to be distributed annually, although actual distribution is limited to not decrease the individual endowment balances below that of the cumulative original value of the endowment contributions.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 15. Delta College Foundation**

The Delta College Foundation (the Foundation) is an independent tax-exempt 501(c)(3) corporation formed for the purpose of receiving funds for the sole benefit of the College. Contributions received by the Foundation are transferred to the College to be used in the support of the College's educational programs. Such activities include contributing funds to the College's scholarship programs and endowment funds, supplementing or paying for professional development activities of the College's faculty and staff, and transferring donated equipment to the College to be used in general and occupational education programs. The College provides personnel support, supplies and equipment to the Foundation.

On June 1, 2016, the Foundation Board of Directors approved a 1% Endowment Administration Fee, to be applied to all funds held in the Endowment Fund. The fee, based on the endowment's fair market value, will be assessed by the Foundation annually, on June 30. The calculation of the annual fee will be consistent with the Distribution Policy and based on a five-year quarterly moving average market value of The Fund. The fee is in addition to the Investment Fees already charged by Morgan Stanley to manage the endowment's investments. Funds resulting from implementation of the 1% Endowment Administration Fee will be used to support the Foundation's operational needs for philanthropic growth at Delta College. This annual fee distribution was implemented for the first time in the year ending June 30, 2017. For the years ending June 30, 2020 and 2019, respectively, the fee distributed to the Foundation amounted to \$224,000 and \$213,000.

Based on the criteria set forth in GASB Statement No. 61, the Foundation is considered a component unit of Delta College. Accordingly, the activity and financial position of the Foundation have been blended with the College's in the accompanying financial statements.

The Delta College Foundation issues a financial report that includes financial statements and supplementary information. That report may be obtained by writing to Delta College Foundation at 1961 Delta Road, University Center, MI 48710.

Condensed financial information for the Foundation is provided below:

<b>Delta College Foundation Condensed Balance Sheets</b>		
	<b>June 30, 2020</b>	<b>June 30, 2019</b>
<b>Assets</b>		
Current assets	\$ 5,959,957	\$ 7,085,786
Long-term assets	1,226,094	3,734,160
<b>Total Assets</b>	<b>7,186,051</b>	<b>10,819,946</b>
<b>Liabilities</b>		
Current liabilities	9,953	43,609
<b>Net Position</b>		
Donor-restricted endowments	565,358	89,210
Restricted-expendable	5,830,823	9,959,359
Unrestricted	779,917	727,768
<b>Total Net Position</b>	<b>\$ 7,176,098</b>	<b>\$ 10,776,337</b>

Notes to Financial Statements - Continued

Delta College

June 30, 2020

Note 15. Delta College Foundation – Continued

**Delta College Foundation  
Condensed Statements of Revenue, Expenses and  
Changes in Net Position**

	Year Ended June 30, 2020	Year Ended June 30, 2019
<b>Operating Revenue</b>	\$ -	\$ -
<b>Operating Expenses</b>		
Institutional administration	158,482	142,168
Fundraising	90,748	70,966
Total Operating Expenses	249,230	213,134
<b>Operating Loss</b>	(249,230)	(213,134)
<b>Nonoperating Revenue (Expenses)</b>		
Gifts	1,846,482	1,501,385
Special events	63,636	73,198
Investment income	440,251	368,989
Foundation grants and distributions to or for Delta College	(5,836,713)	(2,428,909)
Net Nonoperating Expense	(3,486,344)	(485,337)
<b>Net Loss Before Other Revenue</b>	(3,735,574)	(698,471)
<b>Other Revenue</b>		
Capital gifts and grants	135,335	9,344,654
<b>Increase (decrease) in Net Position</b>	(3,600,239)	8,646,183
<b>Net Position</b>		
Beginning of year	10,776,337	2,130,154
End of year	\$ 7,176,098	\$ 10,776,337



**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2020**

**Note 15. Delta College Foundation – Continued**

**Delta College Foundation Condensed Statements of Cash Flows**

	<b>Year Ended June 30, 2020</b>	<b>Year Ended June 30, 2019</b>
<b>Net Cash Used in Operating Activities</b>	\$ (250,662)	\$ (207,255)
<b>Net Cash Used in Noncapital Financing Activities</b>	(4,115,524)	(702,542)
<b>Net Cash Provided by Capital and Related Financing Activities</b>	2,063,000	3,752,919
<b>Net Cash Provided by (Used in) Investing Activities</b>	(43,553)	359,426
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>	(2,346,739)	3,202,548
<b>Cash and Cash Equivalents</b>		
Beginning of year	4,461,170	1,258,622
End of year	\$ 2,114,431	\$ 4,461,170

**Note 16. Tax Abatements**

Delta College receives reduced property tax revenue because of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by Bay, Midland and Saginaw Counties. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. For the years ended June 30, 2020 and 2019, Delta College property tax revenues were reduced by \$367,000 and \$384,000, respectively, under these programs. There are no abatements made by the College.

**Required Supplementary Information**  
**Schedule of Proportionate Share of Net Pension Liability and Contributions for Michigan Public School**  
**Employees' Retirement System (MPERS), and Notes to Required Supplementary Information**  
**Delta College**  
**June 30, 2020**

	September 30,					
	2019	2018	2017	2016	2015	2014
<b><u>Schedule of Proportionate Share of Net Pension Liability</u></b>						
Delta College's proportion of the net pension liability:						
As a percentage	0.35693%	0.36190%	0.36091%	0.36396%	0.35920%	0.36636%
Amount	\$ 118,203,451	\$ 108,794,674	\$ 93,526,507	\$ 90,806,454	\$ 87,735,519	\$ 80,695,808
Delta College's covered payroll	\$ 30,642,479	\$ 30,935,967	\$ 30,340,755	\$ 30,432,804	\$ 30,587,339	\$ 30,260,280
Delta College's proportionate share of the net pension liability, as a percentage of the College's covered payroll	385.8%	351.7%	308.3%	298.4%	286.8%	266.7%
MPERS fiduciary net position, as a percentage of the total non-university net pension liability	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

	June 30,					
	2020	2019	2018	2017	2016	2015
<b><u>Schedule of Contributions for MPERS</u></b>						
Delta College's statutorily required contributions	\$ 9,248,304	\$ 9,507,415	\$ 9,937,502	\$ 8,655,641	\$ 8,475,840	\$ 6,412,460
Delta College's contributions in relation to statutorily required contribution	<u>9,248,304</u>	<u>9,507,415</u>	<u>9,937,502</u>	<u>8,655,641</u>	<u>8,475,840</u>	<u>6,412,460</u>
Delta College's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta College's covered payroll	\$ 29,347,350	\$ 30,871,381	\$ 30,883,232	\$ 31,475,611	\$ 30,304,431	\$ 29,660,019
Delta College contributions as a percentage of covered payroll	31.5%	30.8%	32.2%	27.5%	28.0%	21.6%

**Notes to Required Supplementary Information**

Changes of benefit terms:

There were no changes of benefit terms from September 30, 2014 through September 30, 2019.

Changes of assumptions:

The discount rate was reduced to 6.80% for the September 30, 2019 valuation, which was 7.05% at September 30, 2018, which was reduced from 7.50% at September 30, 2017. In addition, the September 30, 2017 discount rate was reduced from 8.00% which was the discount rate for the years ending September 30, 2016, 2015, and 2014.

**Required Supplementary Information**  
**Schedule of Proportionate Share of Net OPEB Liability and Contributions for Michigan Public School**  
**Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information**  
**Delta College**  
**June 30, 2020**

	2019	September 30, 2018	2017
<b><u>Schedule of Proportionate Share of Net OPEB Liability</u></b>			
Delta College's proportion of the net OPEB liability:			
As a percentage	0.34926%	0.36226%	0.36214%
Amount	\$ 25,069,227	\$ 28,796,063	\$ 32,069,557
Delta College's covered payroll	\$ 30,642,479	\$ 30,935,967	\$ 30,340,755
Delta College's proportionate share of the net OPEB liability, as a percentage of the College's covered payroll	81.8%	93.1%	105.7%
MPSERS fiduciary net position, as a percentage of the total non-university net OPEB liability	48.46%	42.95%	36.39%

	2020	June 30, 2019	2018
<b><u>Schedule of Contributions for MPSERS</u></b>			
Delta College's statutorily required contributions	\$ 2,312,092	\$ 2,396,998	\$ 2,227,684
Delta College's contributions in relation to statutorily required contribution	<u>2,312,092</u>	<u>2,396,998</u>	<u>2,227,684</u>
Delta College's contribution deficiency (excess)	\$ -	\$ -	\$ -
Delta College's covered payroll	\$ 29,347,350	\$ 30,871,381	\$ 30,883,232
Delta College contributions as a percentage of covered payroll	7.9%	7.8%	7.2%

**Notes to Required Supplementary Information**

Changes of benefit terms: There were no changes of benefit terms from September 30, 2017 to September 30, 2019.

Changes of assumptions: The discount rate was reduced to 6.80% for the September 30, 2019 valuation from 7.15%, which was the discount rate for the September 30, 2018 valuation from 7.50% at September 30, 2017.

**Supplemental Schedules of Other Financial Information**  
**Consolidating Balance Sheet**  
**Delta College**  
**June 30, 2020**

	<b>Combined Total</b>	<b>General Fund</b>	<b>Designated Fund</b>	<b>Auxiliary Activities Fund</b>	<b>Expendable Restricted Fund</b>	<b>Endowment Fund</b>	<b>Plant Fund</b>	<b>MPSERS Pension/OPEB GASB 68 &amp; 75 Fund</b>	<b>Debt Fund</b>	<b>Agency Fund</b>	<b>Foundation</b>
<b>Assets</b>											
<b>Current Assets</b>											
Cash and cash equivalents	\$ 52,918,234	\$ 5,536,927	\$ 11,513,178	\$ 3,792,329	\$ 5,171,523	\$ 661,061	\$ 23,863,825	\$ -	\$ 14,619	\$ 250,341	\$ 2,114,431
Short-term investments	24,336,914	4,998,233	5,746,381	2,599,237	-	-	9,994,073	-	-	-	998,990
Property taxes receivable	147,090	147,090	-	-	-	-	-	-	-	-	-
State appropriations receivable	2,290,366	1,939,752	-	-	-	-	350,614	-	-	-	-
Federal and state grants receivable	1,584,980	(25,370)	221,287	-	1,389,063	-	-	-	-	-	-
Accounts receivable	513,774	20,295	383,127	302	110,000	-	-	-	-	-	50
Pledges receivable	2,846,486	-	-	-	-	-	-	-	-	-	2,846,486
Inventories	712,047	158,019	-	554,028	-	-	-	-	-	-	-
Prepaid expenses and other assets	1,402,333	947,732	24,000	40,104	102,998	52,987	234,512	-	-	-	-
<b>Total Current Assets</b>	<b>86,752,224</b>	<b>13,722,678</b>	<b>17,887,973</b>	<b>6,986,000</b>	<b>6,773,584</b>	<b>714,048</b>	<b>34,443,024</b>	<b>-</b>	<b>14,619</b>	<b>250,341</b>	<b>5,959,957</b>
<b>Long-Term Investments</b>	<b>26,235,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,225,715</b>	<b>1,009,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Long-Term Pledges Receivable</b>	<b>1,226,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,226,094</b>
<b>Capital Assets</b>											
Land and improvements	12,369,527	-	-	-	-	-	12,369,527	-	-	-	-
Infrastructure	12,921,324	-	-	-	-	-	12,921,324	-	-	-	-
Buildings	134,994,735	-	-	-	-	-	134,994,735	-	-	-	-
Furniture and equipment	19,574,439	-	-	-	-	-	19,574,439	-	-	-	-
Fine art collection	139,832	-	-	-	-	-	139,832	-	-	-	-
Construction in progress	9,502,949	-	-	-	-	-	9,502,949	-	-	-	-
Allowance for depreciation	(76,906,635)	-	-	-	-	-	(76,906,635)	-	-	-	-
<b>Total Capital Assets</b>	<b>112,596,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,596,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>226,809,602</b>	<b>13,722,678</b>	<b>17,887,973</b>	<b>6,986,000</b>	<b>6,773,584</b>	<b>25,939,763</b>	<b>148,048,593</b>	<b>-</b>	<b>14,619</b>	<b>250,341</b>	<b>7,186,051</b>
<b>Deferred Outflows of Resources</b>	<b>39,303,243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,303,243</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>											
<b>Current Liabilities</b>											
Accounts payable	2,947,825	719,331	16,251	(29,261)	232,418	-	1,739,547	-	14,619	250,341	4,579
Accrued payroll and other compensation	5,631,122	5,215,438	206,115	97,193	112,376	-	-	-	-	-	-
Unearned revenue	1,446,565	622,279	545,622	-	273,290	-	-	-	-	-	5,374
<b>Total Current Liabilities</b>	<b>10,025,512</b>	<b>6,557,048</b>	<b>767,988</b>	<b>67,932</b>	<b>618,084</b>	<b>-</b>	<b>1,739,547</b>	<b>-</b>	<b>14,619</b>	<b>250,341</b>	<b>9,953</b>
<b>Non-Current Liabilities</b>											
Net pension and OPEB liability	143,272,678	-	-	-	-	-	-	143,272,678	-	-	-
<b>Total Liabilities</b>	<b>153,298,190</b>	<b>6,557,048</b>	<b>767,988</b>	<b>67,932</b>	<b>618,084</b>	<b>-</b>	<b>1,739,547</b>	<b>143,272,678</b>	<b>14,619</b>	<b>250,341</b>	<b>9,953</b>
<b>Deferred Inflows of Resources</b>	<b>20,210,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,210,399</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>											
Net investment in capital assets	112,596,171	-	-	-	-	-	112,596,171	-	-	-	-
Restricted for:											
Donor-restricted endowments	19,532,916	-	-	-	-	18,967,558	-	-	-	-	565,358
Expendable scholarships and awards	1,771,550	-	-	-	1,211,411	-	-	-	-	-	560,139
Instructional department uses	1,144,690	-	-	-	1,017,437	-	-	-	-	-	127,253
Public broadcasting activities	3,643,178	-	-	-	3,643,178	-	-	-	-	-	-
Other restricted uses	5,426,905	-	-	-	283,474	-	-	-	-	-	5,143,431
Unrestricted	(51,511,154)	7,165,630	17,119,985	6,918,068	-	6,972,205	33,712,875	(124,179,834)	-	-	779,917
<b>Total Net Position</b>	<b>\$ 92,604,256</b>	<b>\$ 7,165,630</b>	<b>\$ 17,119,985</b>	<b>\$ 6,918,068</b>	<b>\$ 6,155,500</b>	<b>\$ 25,939,763</b>	<b>\$ 146,309,046</b>	<b>\$ (124,179,834)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,176,098</b>

**Supplemental Schedules of Other Financial Information**  
**Consolidating Statement of Revenue, Expenses and Changes in Net Position**  
**Delta College**  
**Year Ended June 30, 2020**

	Combined Total	Elimination	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund	Foundation
<b>Operating Revenue</b>										
Tuition and fees, net of scholarship allowance of \$7,417,050	\$ 23,827,135	\$ (7,417,050)	\$ 29,016,685	\$ 2,227,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	3,879,471	-	-	-	-	3,879,471	-	-	-	-
State grants and contracts	133,575	-	-	-	-	133,575	-	-	-	-
Local and nongovernmental grants and contracts	869,424	-	-	-	-	869,424	-	-	-	-
Michigan New Jobs Training Program	396,762	-	-	-	-	396,762	-	-	-	-
Public broadcasting gifts	865,029	-	-	-	-	865,029	-	-	-	-
Auxiliary activities, net of scholarship allowance of \$840,767	3,295,995	(840,767)	-	-	4,136,762	-	-	-	-	-
Current year expenditures for capital equipment and facility improvements	-	(11,088,318)	-	-	-	-	-	11,088,318	-	-
Miscellaneous	846,710	(2,261)	286,441	238,844	-	322,966	-	720	-	-
<b>Total Operating Revenue</b>	<b>34,114,101</b>	<b>(19,348,396)</b>	<b>29,303,126</b>	<b>2,466,344</b>	<b>4,136,762</b>	<b>6,467,227</b>	<b>-</b>	<b>11,089,038</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses</b>										
Instruction	40,692,030	(358,998)	32,915,840	525,058	-	3,317,448	-	328,422	3,964,260	-
Public services	2,945,561	(74,464)	1,198,547	4,192	-	1,616,906	-	-	200,380	-
Information technology	3,826,337	-	3,809,295	-	-	-	-	-	17,042	-
Instructional support	7,890,743	-	5,726,606	1,273,167	-	236,490	-	-	654,480	-
Student services	19,383,008	(8,312,740)	6,689,078	110,302	4,215,145	15,932,718	-	-	748,505	-
Institutional administration	8,533,719	(107,455)	6,873,333	552,595	-	54,733	-	328,424	673,607	158,482
Operation and maintenance of facilities	7,935,514	(10,590,225)	6,005,004	-	-	232,673	-	11,791,980	496,082	-
Depreciation expense	5,311,918	-	-	-	-	-	-	5,311,918	-	-
Fundraising expenses	25,583	(65,165)	-	-	-	-	-	-	-	90,748
Other expenses	-	(897,324)	-	-	-	-	897,324	-	-	-
<b>Total Operating Expenses</b>	<b>96,544,413</b>	<b>(20,406,371)</b>	<b>63,217,703</b>	<b>2,465,314</b>	<b>4,215,145</b>	<b>21,390,968</b>	<b>897,324</b>	<b>17,760,744</b>	<b>6,754,356</b>	<b>249,230</b>
<b>Operating Income (Loss)</b>	<b>(62,430,312)</b>	<b>1,057,975</b>	<b>(33,914,577)</b>	<b>1,030</b>	<b>(78,383)</b>	<b>(14,923,741)</b>	<b>(897,324)</b>	<b>(6,671,706)</b>	<b>(6,754,356)</b>	<b>(249,230)</b>
<b>Nonoperating Revenue (Expenses)</b>										
State appropriations	21,479,054	-	21,333,372	-	-	-	-	-	145,682	-
Property tax levy	22,917,823	-	22,917,823	-	-	-	-	-	-	-
Pell federal grant revenue	12,983,570	-	-	-	-	12,983,570	-	-	-	-
Gifts	1,259,736	(1,339,921)	162,912	90,818	-	396,410	103,035	-	-	1,846,482
CARES Act Higher Education Emergency Relief Fund	1,898,499	-	-	-	-	1,898,499	-	-	-	-
Special events, net of expenses of \$66,349	63,636	-	-	-	-	-	-	-	-	63,636
Investment income, net of Endowment Fund investment expense of \$186,739	3,057,990	(861,807)	653,374	109,173	-	653,786	1,513,842	549,371	-	440,251
Loss on disposition of capital assets	(773,584)	2,261	-	-	-	-	-	(775,845)	-	-
Foundation grants and distributions to or for Delta College	(171,849)	5,664,864	-	-	-	-	-	-	-	(5,836,713)
<b>Net Nonoperating Revenue (Expenses)</b>	<b>62,714,875</b>	<b>3,465,397</b>	<b>45,067,481</b>	<b>199,991</b>	<b>-</b>	<b>15,932,265</b>	<b>1,616,877</b>	<b>(226,474)</b>	<b>145,682</b>	<b>(3,486,344)</b>
<b>Net Income (Loss) Before Other Revenue</b>	<b>284,563</b>	<b>4,523,372</b>	<b>11,152,904</b>	<b>201,021</b>	<b>(78,383)</b>	<b>1,008,524</b>	<b>719,553</b>	<b>(6,898,180)</b>	<b>(6,608,674)</b>	<b>(3,735,574)</b>
<b>Other Revenue</b>										
State capital appropriations	1,605,127	-	-	-	-	-	-	1,605,127	-	-
Capital gifts and grants	135,335	(4,523,372)	-	-	-	-	-	4,523,372	-	135,335
Additions to permanent endowments	588,848	-	-	-	-	-	588,848	-	-	-
<b>Total Other Revenue</b>	<b>2,329,310</b>	<b>(4,523,372)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>588,848</b>	<b>6,128,499</b>	<b>-</b>	<b>135,335</b>
<b>Increase (Decrease) in Net Position</b>	<b>2,613,873</b>	<b>-</b>	<b>11,152,904</b>	<b>201,021</b>	<b>(78,383)</b>	<b>1,008,524</b>	<b>1,308,401</b>	<b>(769,681)</b>	<b>(6,608,674)</b>	<b>(3,600,239)</b>
<b>Transfers In (Out)</b>	<b>-</b>	<b>-</b>	<b>(11,387,329)</b>	<b>5,364,027</b>	<b>1,409</b>	<b>533,875</b>	<b>(950,000)</b>	<b>6,438,018</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Net Position</b>	<b>2,613,873</b>	<b>-</b>	<b>(234,425)</b>	<b>5,565,048</b>	<b>(76,974)</b>	<b>1,542,399</b>	<b>358,401</b>	<b>5,668,337</b>	<b>(6,608,674)</b>	<b>(3,600,239)</b>
<b>Net Position - Beginning of Year</b>	<b>89,990,383</b>	<b>-</b>	<b>7,400,055</b>	<b>11,554,937</b>	<b>6,995,042</b>	<b>4,613,101</b>	<b>25,581,362</b>	<b>140,640,709</b>	<b>(117,571,160)</b>	<b>10,776,337</b>
<b>Net Position - End of Year</b>	<b>\$ 92,604,256</b>	<b>\$ -</b>	<b>\$ 7,165,630</b>	<b>\$ 17,119,985</b>	<b>\$ 6,918,068</b>	<b>\$ 6,155,500</b>	<b>\$ 25,939,763</b>	<b>\$ 146,309,046</b>	<b>\$ (124,179,834)</b>	<b>\$ 7,176,098</b>

**Supplemental Schedules of Other Financial Information**  
**Details of Certain General Fund Revenues**  
**Delta College**  
**Year Ended June 30, 2020**

**Tuition and Fees**

Tuition	\$	23,253,642
Registration fees		788,852
Course and program fees:		
Excess contact hour fees		24,900
Technology fees		3,611,122
Health program fees		164,693
Telecourse fees		-
Online course fees		1,155,217
Lifelong wellness course fees		1,930
Auto course fees		6,134
Other fees		<u>10,195</u>
<b>Total Tuition and Fees</b>	<b>\$</b>	<b><u>29,016,685</u></b>

**Miscellaneous Revenue**

Collegiate ads	\$	1,925
Credit by exam		5,055
Live scan fees		21,775
Miscellaneous		128,063
Parking fines		495
Planetarium ticket sales		40,572
Rental of college facilities		45,483
Reserve parking		8,745
Testing		<u>34,328</u>
<b>Total Miscellaneous Revenue</b>	<b>\$</b>	<b><u>286,441</u></b>

**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses**  
**Delta College**  
**Year Ended June 30, 2020**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Instruction</b>						
Social Sciences	\$ 3,104,164	\$ 1,628,836	\$ 12,251	\$ -	\$ 28,000	\$ 4,773,251
Humanities	2,018,290	994,845	26,524	-	17,000	3,056,659
English	2,320,288	1,248,352	14,801	-	20,000	3,603,441
Mathematics & Computer Science	1,823,690	953,723	28,056	-	15,040	2,820,509
Sciences	3,220,225	1,552,364	104,401	-	28,601	4,905,591
Business & Information Technology	2,506,622	1,254,247	25,759	-	21,000	3,807,628
Health & Wellness	4,038,184	2,153,444	212,566	-	40,283	6,444,477
Technical Trades & Manufacturing	1,847,383	1,013,522	194,758	-	16,857	3,072,520
Instructional Equipment	-	-	148,526	283,238	-	431,764
<b>Total Instruction</b>	<b>20,878,846</b>	<b>10,799,333</b>	<b>767,642</b>	<b>283,238</b>	<b>186,781</b>	<b>32,915,840</b>
<b>Public Services</b>						
Television	378,109	239,802	-	-	2,905	620,816
Public Radio	74,936	46,047	-	-	705	121,688
Planetarium and Learning Center	239,366	139,662	53,781	-	2,411	435,220
President's Speakers Series	-	-	20,823	-	-	20,823
<b>Total Public Services</b>	<b>692,411</b>	<b>425,511</b>	<b>74,604</b>	<b>-</b>	<b>6,021</b>	<b>1,198,547</b>
<b>Information Technology</b>						
Communications Technology	69,812	47,807	96,490	-	375	214,484
Instructional Support Information Technology	66,513	-	1,573,049	-	-	1,639,562
Student Services Support Information Technology	-	-	731,482	-	-	731,482
Administrative Support Information Technology	90,372	17,398	1,113,524	-	2,473	1,223,767
<b>Total Information Technology</b>	<b>226,697</b>	<b>65,205</b>	<b>3,514,545</b>	<b>-</b>	<b>2,848</b>	<b>3,809,295</b>
<b>Instructional Support</b>						
Office of Vice President of Instruction & Learning Services	200,314	74,888	4,485	-	2,648	282,335
Division Chairs/Associate Deans	842,758	436,836	57,459	-	4,718	1,341,771
Academic Deans	387,427	185,397	5,508	-	4,123	582,455
Faculty Secretarial & Instructional Support	86,255	42,115	218,531	-	229	347,130
Multimedia Laboratories	131,907	74,720	2,643	-	775	210,045
Library & Learning Resources Center	431,436	241,049	160,434	-	2,799	835,718
Teaching Learning and WRIT Centers	270,415	112,367	3,652	-	929	387,363
Academic Testing Center	131,922	74,355	192	-	250	206,719
Fitness & Aquatics Center Instructional Support	106,783	47,187	22,442	-	388	176,800
Teaching Enhancement Centers	17,314	29,658	20,851	-	5,817	73,640
Center for Organizational Success	63,790	44,741	21,918	-	574	131,023
Accreditation & Assessment	-	-	37,468	-	1,089	38,557
Community Development & Strategic Partnerships	265,666	179,058	4,055	-	3,636	452,415
Service Learning & Community Engagement	95,547	68,161	14,135	-	2,757	180,600
Honors Program	37,638	30,627	3,972	-	3,706	75,943
eLearning	126,314	86,791	188,034	-	2,953	404,092
<b>Total Instructional Support</b>	<b>3,195,486</b>	<b>1,727,950</b>	<b>765,779</b>	<b>-</b>	<b>37,391</b>	<b>5,726,606</b>

**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Student Services</b>						
Office of Vice President of Student & Education Services	\$ 229,562	\$ 125,697	\$ 25,071	\$ -	\$ 10,505	\$ 390,835
Dean of Students	102,459	29,571	98,995	-	761	231,786
Dean of Enrollment Services	109,886	31,108	59	-	500	141,553
Admissions	369,001	188,517	53,822	-	3,575	614,915
Records & Registration	317,107	175,200	14,944	-	5,677	512,928
Counseling & Advising	873,619	503,433	6,734	-	8,228	1,392,014
Financial Aid	528,675	344,654	10,293	-	4,050	887,672
Enrollment Management & Student Goodwill	-	-	73,752	-	25,842	99,594
Student Engagement, Leadership, & Organizations	96,931	51,015	35,303	-	2,465	185,714
Career & Employment Services	142,054	71,232	30,307	-	1,175	244,768
Marketing & Publications	-	8	388,526	-	-	388,534
Veteran Services	72,257	36,829	746	-	955	110,787
Collegiate Student Newspaper	52,042	6,796	9,875	-	-	68,713
Disability Resources	84,422	53,916	8,845	-	767	147,950
Commencement & Student Awards	-	-	5,461	-	-	5,461
Possible Dream Program	48,913	29,044	78	-	500	78,535
Student Testing & Assessment	21,927	17,459	36,731	-	250	76,367
Scholarships & Grants	-	-	276,624	-	-	276,624
Ricker Center	-	-	495	-	-	495
Midland Center	60,496	42,065	1,559	-	500	104,620
Saginaw Center	101,409	54,396	31,494	-	500	187,799
Athletic Programs	<u>211,476</u>	<u>125,158</u>	<u>104,308</u>	<u>5,330</u>	<u>95,142</u>	<u>541,414</u>
<b>Total Student Services</b>	<b>3,422,236</b>	<b>1,886,098</b>	<b>1,214,022</b>	<b>5,330</b>	<b>161,392</b>	<b>6,689,078</b>



**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Institutional Administration</b>						
Board of Trustees	\$ -	\$ -	\$ 9,558	\$ -	\$ 23,231	\$ 32,789
Development Office	300,673	185,279	26,755	-	2,498	515,205
Diversity & Inclusion Office	33,362	8,489	1,612	-	-	43,463
Equity Office	56,095	46,510	2,008	-	400	105,013
President's Office	437,800	304,222	7,169	-	15,933	765,124
Memberships	-	-	132,214	-	4,978	137,192
Miscellaneous	6,400	3,014	109,634	-	7,699	126,747
Strategic Planning	-	-	8,470	-	11,607	20,077
Legal	-	-	122,599	-	-	122,599
Audit	-	-	55,740	-	-	55,740
Bank Fees, Collection Expenses & Bad Debts	-	-	349,578	-	-	349,578
Insurance, Unemployment & Other	-	484,307	376,895	-	-	861,202
Business Services	292,607	151,998	17,833	-	1,500	463,938
Finance Office	779,256	468,093	32,716	-	4,236	1,284,301
Human Resources & Staff Recruitment	417,072	226,080	105,677	-	5,173	754,002
Senate	33,720	23,833	2,080	-	138	59,771
Post Office	52,628	41,100	4,584	-	275	98,587
Institutional Advancement	341,652	212,508	1,864	-	2,054	558,078
Institutional Research	284,320	171,121	11,217	-	2,293	468,951
Covid 19 Non-grant Covered Costs	-	-	17,132	-	-	17,132
Wellness & Professional Development	-	11,031	21,448	-	1,365	33,844
<b>Total Institutional Administration</b>	<b>3,035,585</b>	<b>2,337,585</b>	<b>1,416,783</b>	<b>-</b>	<b>83,380</b>	<b>6,873,333</b>
<b>Operation and Maintenance of Facilities</b>						
Public Safety	439,942	220,269	43,867	-	3,864	707,942
Facilities Management	739,339	366,463	2,834	9,500	8,367	1,126,503
Facility Operations	1,320,798	899,952	179,506	-	1,580	2,401,836
Utilities	-	-	1,071,814	-	-	1,071,814
Facility Maintenance & Improvements	-	-	335,292	-	-	335,292
Off-Campus Centers & President's House	-	-	361,617	-	-	361,617
<b>Total Operation and Maintenance of Facilities</b>	<b>2,500,079</b>	<b>1,486,684</b>	<b>1,994,930</b>	<b>9,500</b>	<b>13,811</b>	<b>6,005,004</b>
<b>Total General Fund Operating Expenses</b>	<b>\$ 33,951,340</b>	<b>\$ 18,728,366</b>	<b>\$ 9,748,305</b>	<b>\$ 298,068</b>	<b>\$ 491,624</b>	<b>\$ 63,217,703</b>

**Supplemental Schedules of Other Financial Information**  
**Details of Designated Fund**  
**Delta College**  
**Year Ended June 30, 2020**

	Revenues						Expenses						Transfers In (Out)	Net Increase (Decrease) In Net Assets	Net Position June 30, 2020
	Net Position July 1, 2019	Tuition and Fees	Miscellaneous Revenue	Gifts	Endowment and Investment Income	Total Revenue	Salaries	Fringe Benefits	Supplies and Services	Capital Expenditures	Professional Development and Travel	Total Expenses			
<b>Instruction</b>															
Corporate Services	\$ 1,384,560	\$ 403,639	\$ -	\$ -	\$ -	\$ 403,639	\$ 57,525	\$ 20,583	\$ 77,544	\$ -	\$ -	\$ 155,652	\$ (447,062)	\$ (199,075)	\$ 1,185,485
Criminal Justice Training Programs	72,567	583,215	-	-	-	583,215	175,133	84,169	102,760	-	1,770	363,832	(87,355)	132,028	204,595
Lifelong Learning Programs	11,470	8,121	-	-	-	8,121	3,877	1,311	386	-	-	5,574	(356)	2,191	13,661
<b>Total Instruction</b>	<b>1,468,597</b>	<b>994,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>994,975</b>	<b>236,535</b>	<b>106,063</b>	<b>180,690</b>	<b>-</b>	<b>1,770</b>	<b>525,058</b>	<b>(534,773)</b>	<b>(64,856)</b>	<b>1,403,741</b>
<b>Public Services</b>															
Global Awareness	20,958	-	-	-	1,546	1,546	-	-	-	-	-	-	-	1,546	22,504
Delta Productions	12,776	-	1,965	-	-	1,965	-	-	658	-	-	658	-	1,307	14,083
Dental Hygiene Powerbrush Program	108	-	3,025	-	-	3,025	-	-	3,534	-	-	3,534	-	(509)	(401)
Michigan MATYC Conference	2,453	-	-	-	-	-	-	-	-	-	-	-	-	-	2,453
Telelearning Network	9,216	-	-	-	-	-	-	-	-	-	-	-	-	-	9,216
<b>Total Public Services</b>	<b>45,511</b>	<b>-</b>	<b>4,990</b>	<b>-</b>	<b>1,546</b>	<b>6,536</b>	<b>-</b>	<b>-</b>	<b>4,192</b>	<b>-</b>	<b>-</b>	<b>4,192</b>	<b>-</b>	<b>2,344</b>	<b>47,855</b>
<b>Instructional Support</b>															
Corporate Services Instructional Support	-	1,232,525	-	-	-	1,232,525	773,099	399,616	1,930	-	-	1,174,645	(57,880)	-	-
Criminal Justice Training Instructional Support	-	-	-	-	-	-	52,139	34,488	1,713	-	350	88,690	88,690	-	-
Lifelong Learning Programs Instructional Support	-	-	-	-	-	-	(351)	573	65	-	69	356	356	-	-
President's Scholarship Program	457,188	-	-	-	79,536	79,536	-	-	-	-	-	-	-	79,536	536,724
President's Innovation Projects	129,203	-	-	300	-	300	2,735	455	153	-	-	3,343	50,000	46,957	176,160
Prison Program	(2,069)	-	-	-	-	-	-	-	(63)	-	-	(63)	704	767	(1,302)
MEDC MAT2 Project	20,633	-	-	-	-	-	-	-	-	2,661	-	2,661	-	(2,661)	17,972
Faculty & Instructional Development	154,932	-	45,606	-	-	45,606	-	-	1,500	-	-	1,500	650	44,756	199,688
Developmental Education	4,156	-	-	-	-	-	-	-	-	-	-	-	-	-	4,156
Library Resource Replacement	6,859	-	3,333	-	-	3,333	-	-	2,012	-	-	2,012	-	1,321	8,180
Photography Lab Printing	2,340	-	89	-	-	89	-	-	-	-	-	-	-	89	2,429
Kenya Partnership	154	-	-	-	-	-	-	-	-	-	-	-	-	-	154
Art & Archive Projects	54,905	-	-	-	12,819	12,819	-	-	23	-	-	23	-	12,796	67,701
<b>Total Instructional Support</b>	<b>828,301</b>	<b>1,232,525</b>	<b>49,028</b>	<b>300</b>	<b>92,355</b>	<b>1,374,208</b>	<b>827,622</b>	<b>435,132</b>	<b>7,333</b>	<b>-</b>	<b>3,080</b>	<b>1,273,167</b>	<b>82,520</b>	<b>183,561</b>	<b>1,011,862</b>
<b>Student Services</b>															
Student Engagement & Service Learning Activities	8,319	-	2,635	-	-	2,635	-	-	1,656	-	1,412	3,068	-	(433)	7,886
Computer Rental Program	7,267	-	-	-	-	-	-	-	-	-	-	-	-	-	7,267
Girls Day Out Events	-	-	-	8,950	-	8,950	-	-	9,685	-	-	9,685	11,414	10,679	10,679
Math Calculator Rental Program	5,015	-	6,465	-	-	6,465	-	-	3,598	-	-	3,598	-	2,867	7,882
Math Placement Booster	4,699	-	-	-	-	-	-	-	-	-	-	-	-	-	4,699
Bit Calculator Rental Program	950	-	-	-	-	-	-	-	-	-	-	-	-	-	950
Student Skills Achievement Programs	8,468	-	1,055	-	-	1,055	-	-	2,862	-	-	2,862	-	(1,807)	6,661
President's Honors Scholarship	147,761	-	-	-	-	-	-	-	-	-	-	-	38,091	38,091	185,852
Pioneer Athletic Fundraisers	49,823	-	77,227	4,551	879	82,657	-	-	60,153	-	30,936	91,089	1,191	(7,241)	42,582
<b>Total Student Services</b>	<b>232,302</b>	<b>-</b>	<b>87,382</b>	<b>13,501</b>	<b>879</b>	<b>101,762</b>	<b>-</b>	<b>-</b>	<b>77,954</b>	<b>-</b>	<b>32,348</b>	<b>110,302</b>	<b>50,696</b>	<b>42,156</b>	<b>274,458</b>
<b>Institutional Administration</b>															
Corporate Services Administration	-	-	24,618	432	-	25,050	253,900	120,399	16,926	-	1,409	392,634	367,584	-	-
Whiting Projects	77,469	-	-	-	-	-	-	-	-	-	-	-	-	-	77,469
UNUM Projects	735,238	-	-	-	14,393	14,393	-	-	-	-	-	-	-	14,393	749,631
Flexible Spending & Healthcare Reform Administration	121,640	-	-	-	-	-	-	-	2,082	-	-	2,082	-	(2,082)	119,558
Administrative Reserve for Budget Sustainability	3,550,000	-	-	-	-	-	-	-	-	-	-	-	3,630,000	3,630,000	7,180,000
Administrative Reserve for Innovative Initiatives	292,500	-	-	-	-	-	-	-	-	-	-	-	-	-	292,500
Administrative Development & Technology Projects	49,493	-	51,302	-	-	51,302	-	-	71,586	-	-	71,586	-	(20,284)	29,209
Self Insurance	4,153,886	-	21,524	-	-	21,524	-	-	-	9,708	-	9,708	1,768,000	1,779,816	5,933,702
Gifts In Kind	-	-	-	76,585	-	76,585	-	-	76,585	-	-	76,585	-	-	-
<b>Total Institutional Administration</b>	<b>8,980,226</b>	<b>-</b>	<b>97,444</b>	<b>77,017</b>	<b>14,393</b>	<b>188,854</b>	<b>253,900</b>	<b>120,399</b>	<b>167,179</b>	<b>9,708</b>	<b>1,409</b>	<b>552,595</b>	<b>5,765,584</b>	<b>5,401,843</b>	<b>14,382,069</b>
<b>Total Designated Fund</b>	<b>\$ 11,554,937</b>	<b>\$ 2,227,500</b>	<b>\$ 238,844</b>	<b>\$ 90,818</b>	<b>\$ 109,173</b>	<b>\$ 2,666,335</b>	<b>\$ 1,318,057</b>	<b>\$ 661,594</b>	<b>\$ 437,348</b>	<b>\$ 9,708</b>	<b>\$ 38,607</b>	<b>\$ 2,465,314</b>	<b>\$ 5,364,027</b>	<b>\$ 5,565,048</b>	<b>\$ 17,119,985</b>

**Supplemental Schedules of Other Financial Information**  
**Details of Auxiliary Activities Fund**  
**Delta College**  
**Year Ended June 30, 2020**

	Net Position July 1, 2019	Operating Revenues	Expenses				Total Expenses	Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2020
			Salaries	Fringe Benefits	Supplies and Services	Capital Expenses				
<b>Auxiliary Activities</b>										
Bookstore	\$ 5,134,569	\$ 3,289,213	\$ 333,245	\$ 118,265	\$ 2,586,529	\$ -	\$ 3,038,039	\$ 251,174	\$ (250,233)	\$ 5,135,510
Food Services	403,125	549,962	332,824	138,375	304,731	-	775,930	(225,968)	179,136	356,293
Fitness & Recreation Center	648,508	231,365	197,280	62,259	102,599	44,533	406,671	(175,306)	72,506	545,708
Carlyon Farmhouse	5,325	-	-	-	-	-	-	-	-	5,325
Planetarium Gift Shop & Conference Services	2,539	7,196	-	-	5,169	-	5,169	2,027	-	4,566
Learning Resources Vending	16,973	-	-	-	-	-	-	-	-	16,973
<b>Total Auxiliary Activities</b>	<u>6,211,039</u>	<u>\$ 4,077,736</u>	<u>\$ 863,349</u>	<u>\$ 318,899</u>	<u>\$ 2,999,028</u>	<u>\$ 44,533</u>	<u>4,225,809</u>	<u>(148,073)</u>	<u>1,409</u>	<u>6,064,375</u>
<b>Internal Service Operations</b>										
Internal Service Operations	784,003	565,164	\$ 134,790	\$ 80,256	\$ 275,368	\$ 5,060	495,474	69,690	-	853,693
Elimination of Rebilled Charges	-	(506,138)					(506,138)	-	-	-
<b>Net Internal Service Operations</b>	<u>784,003</u>	<u>59,026</u>					<u>(10,664)</u>	<u>69,690</u>	<u>-</u>	<u>853,693</u>
<b>Total</b>	<u>\$ 6,995,042</u>	<u>\$ 4,136,762</u>					<u>\$ 4,215,145</u>	<u>\$ (78,383)</u>	<u>\$ 1,409</u>	<u>\$ 6,918,068</u>

**Supplemental Schedules of Other Financial Information**  
**Details of Expendable Restricted Fund**  
**Delta College**  
**Year Ended June 30, 2020**

	Revenues									Expenses							Net Increase (Decrease) In Net Assets	Net Position June 30, 2020
	Net Position July 1, 2019	Federal Grants and Contracts	State Grants and Contracts	Local and Nongovernmental Grants and Contracts	Michigan New Jobs Training Programs	Miscellaneous Revenue	Gifts	Endowment and Investment Income	Total Revenue	Salaries	Fringe Benefits	Supplies and Services	Capital Expenditures	Professional Development and Travel	Total Expenses	Transfers In (Out)		
<b>Instruction</b>																		
Corporate Services Grants	\$ 45,241	\$ 2,044,425	\$ -	\$ 1,240	\$ -	\$ -	\$ -	\$ 2,045,665	\$ 1,085,552	\$ 603,711	\$ 453,253	\$ -	\$ 5,584	\$ 2,148,100	\$ 57,194	\$ (45,241)	\$ -	
CARES Act HEERF - Institutional	-	17,001	-	-	-	-	-	17,001	17,001	-	-	-	-	17,001	-	-	-	
State of Michigan Coronavirus Relief Funds	-	-	-	-	-	-	-	-	-	-	95,580	-	-	95,580	-	(95,580)	(95,580)	
Michigan New Jobs Training Programs	-	-	-	-	396,762	-	-	396,762	11,783	4,964	374,021	-	5,994	396,762	-	-	-	
Motorcycle Safety Training Programs	150	-	35,044	-	-	8,350	100	43,494	32,444	11,759	3,895	-	-	48,098	-	(4,604)	(4,454)	
Endowed Teaching Chair Program	104,979	-	-	-	-	-	-	28,441	28,441	4,750	1,434	-	-	2,166	11,045	(13,990)	3,406	108,385
League for Innovation Global Skills Grants	2,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,728
Nursing Simulation Equipment Grant	-	-	8,909	-	-	-	-	8,909	-	-	8,909	-	-	-	8,909	-	-	-
Towsley Foundation Girls Day Out	1,414	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,414)	(1,414)	-	
Wickes Diesel Program Startup	390,194	-	-	-	-	-	-	-	-	-	12,777	36,132	-	48,909	-	(48,909)	341,285	
Dow Foundation STEM Explorer Program	753,010	-	-	-	-	-	12,025	87,894	99,919	97,328	52,693	-	651	187,856	-	(87,937)	665,073	
Perkins Voc Ed Grant - Instructional Equipment	-	355,188	-	-	-	-	-	355,188	-	-	315,560	39,628	-	355,188	-	-	-	
<b>Total Instruction</b>	<b>1,297,716</b>	<b>2,416,614</b>	<b>43,953</b>	<b>1,240</b>	<b>396,762</b>	<b>8,350</b>	<b>12,125</b>	<b>116,335</b>	<b>2,995,379</b>	<b>1,248,858</b>	<b>674,561</b>	<b>1,303,874</b>	<b>75,760</b>	<b>14,395</b>	<b>3,317,448</b>	<b>41,790</b>	<b>(280,279)</b>	<b>1,017,437</b>
<b>Public Service</b>																		
CARES Act HEERF - Institutional	-	10,988	-	-	-	-	-	10,988	9,198	1,790	-	-	-	10,988	-	-	-	
Possible Dream Program	146,205	-	-	-	-	-	-	86,023	86,023	7,032	664	56,479	-	64,175	(772)	21,076	167,281	
Humanities Learning Center	4,258	-	-	-	-	-	-	-	-	-	40	-	-	40	-	(40)	4,218	
Planetarium Be A Star	188,367	-	-	-	-	-	-	28,386	28,386	-	242	-	-	242	-	28,144	216,511	
Public Broadcasting - Television	1,849,198	260,205	-	808,169	-	314,616	700,129	37,308	2,120,427	195,626	100,180	1,030,274	74,464	5,826	1,406,370	949,231	1,663,288	3,512,486
Public Broadcasting - Radio	68,776	-	-	28,000	-	-	164,899	4,165	197,064	51,540	21,720	61,676	-	155	135,091	(57)	61,916	130,692
<b>Total Public Service</b>	<b>2,256,804</b>	<b>271,193</b>	<b>-</b>	<b>836,169</b>	<b>-</b>	<b>314,616</b>	<b>865,028</b>	<b>155,882</b>	<b>2,442,888</b>	<b>263,396</b>	<b>124,354</b>	<b>1,148,711</b>	<b>74,464</b>	<b>5,981</b>	<b>1,616,906</b>	<b>948,402</b>	<b>1,774,384</b>	<b>4,031,188</b>
<b>Instructional Support</b>																		
CARES Act HEERF - Institutional	-	51,148	-	-	-	-	-	51,148	48,340	2,808	-	-	-	51,148	-	-	-	
State of Michigan Coronavirus Relief Funds	-	-	-	-	-	-	-	-	-	4,075	1,397	39,284	-	44,756	-	(44,756)	(44,756)	
Water Treatment Instruction Development	2,816	-	-	-	-	-	-	-	-	-	120	-	-	120	-	(120)	2,696	
Kettering Foundation "The Democracy Commitment" Grant	-	3,802	-	-	-	-	-	3,802	3,802	-	-	-	3,802	3,802	-	-	-	
Perkins Voc Ed Grant - Professional & Curriculum Dev	-	135,034	-	-	-	-	-	135,034	80,889	44,885	-	-	9,260	135,034	-	-	-	
Algebra Research Project Grant	-	-	-	1,479	-	-	-	1,479	-	-	-	-	1,479	1,479	-	-	-	
ATD Engaging Adjunct Faculty Grant	-	-	-	14,057	-	-	-	14,057	-	-	151	-	-	151	-	13,906	13,906	
<b>Total Instructional Support</b>	<b>2,816</b>	<b>189,984</b>	<b>-</b>	<b>15,536</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,520</b>	<b>133,304</b>	<b>49,090</b>	<b>39,555</b>	<b>-</b>	<b>14,541</b>	<b>236,490</b>	<b>-</b>	<b>(30,970)</b>	<b>(28,154)</b>	
<b>Student Services</b>																		
AT&T Becoming a Pioneer Grant	-	-	-	15,500	-	-	-	15,500	-	-	15,500	-	-	15,500	-	-	-	
Perkins Voc Ed Grant - Special Needs	-	231,853	-	-	-	-	-	231,853	165,535	79,269	30,994	-	937	276,735	44,882	-	-	
MICUP STEP/CMU Partnership Grant	-	-	897	-	-	-	-	897	764	133	-	-	-	897	-	-	-	
MICUP/MTU Partnership Grant	-	-	3,818	-	-	-	-	3,818	3,247	571	-	-	-	3,818	-	-	-	
Michigan M-46 Talent Consortium Grant	-	-	83,778	-	-	-	-	83,778	50,584	32,694	-	-	500	83,778	-	-	-	
Pell Grants	-	12,983,570	-	-	-	-	-	12,983,570	-	-	12,983,570	-	-	12,983,570	-	-	-	
Supplemental Educational Opportunity Grant	-	409,348	-	-	-	-	-	409,348	-	-	409,348	-	-	409,348	-	-	-	
TRIO Educational Opportunity Grant	-	259,443	-	-	-	-	-	259,443	160,918	69,389	21,874	-	7,262	259,443	-	-	-	
Federal Workstudy Grant	-	153,074	-	-	-	-	-	153,074	201,939	-	-	-	-	201,939	48,865	-	-	
Job Locator and Development Grant	-	14,789	-	-	-	-	-	14,789	10,384	4,305	-	-	100	14,789	-	-	-	
Federal Workstudy Off-Campus	-	-	-	979	-	-	-	979	-	-	-	-	-	-	(979)	-	-	
VA Program Support	5,364	-	-	-	-	-	-	-	-	-	281	-	-	281	-	(281)	5,083	
CARES Act HEERF - Institutional	-	406,051	-	-	-	-	-	406,051	66,567	15,922	16,464	-	-	98,953	(307,098)	-	-	
CARES Act HEERF - Student Aid	-	941,500	-	-	-	-	-	941,500	-	-	941,500	-	-	941,500	-	-	-	
CARES Act HEERF - Strengthening Institutions Program	-	251,642	-	-	-	-	-	251,642	-	-	-	-	-	-	(251,642)	-	-	
State of Michigan Coronavirus Relief Funds	-	-	-	-	-	-	-	-	3,976	894	24,214	-	-	29,084	-	(29,084)	(29,084)	
Scholarships & Awards	1,047,649	-	-	-	-	-	384,286	381,569	765,855	7,100	555	605,428	-	613,083	10,990	163,762	1,211,411	
<b>Total Student Services</b>	<b>1,053,013</b>	<b>15,651,270</b>	<b>88,493</b>	<b>16,479</b>	<b>-</b>	<b>-</b>	<b>384,286</b>	<b>381,569</b>	<b>16,522,097</b>	<b>671,014</b>	<b>203,732</b>	<b>15,049,173</b>	<b>-</b>	<b>8,799</b>	<b>15,932,718</b>	<b>(454,982)</b>	<b>134,397</b>	<b>1,187,410</b>

**Supplemental Schedules of Other Financial Information**  
**Details of Expendable Restricted Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

	Revenues								Expenses							Net Increase (Decrease) In Net Assets	Net Position June 30, 2020	
	Net Position July 1, 2019	Federal Grants and Contracts	State Grants and Contracts	Local and Nongovernmental Grants and Contracts	Michigan New Jobs Training Programs	Miscellaneous Revenue	Gifts	Endowment and Investment Income	Total Revenue	Salaries	Fringe Benefits	Supplies and Services	Capital Expenditures	Professional Development and Travel	Total Expenses			Transfers In (Out)
<b>Institutional Administration</b>																		
CARES Act HEERF - Institutional	-	54,733	-	-	-	-	-	54,733	40,484	14,249	-	-	-	54,733	-	-	-	
<b>Total Institutional Administration</b>	-	54,733	-	-	-	-	-	54,733	40,484	14,249	-	-	-	54,733	-	-	-	
<b>Operation and Maintenance of Facilities</b>																		
CARES Act HEERF - Institutional	-	165,436	-	-	-	-	-	165,436	127,818	37,618	-	-	-	165,436	-	-	-	
State of Michigan Coronavirus Relief Funds	-	-	-	-	-	-	-	-	7,903	2,739	43,806	-	-	54,448	-	(54,448)	(54,448)	
Sustainability Grants	904	-	-	-	-	-	-	-	475	-	4	-	-	479	-	(479)	425	
MSP-Crisis Reponse Kit Grant	-	12,310	-	-	-	-	-	12,310	-	-	1,000	11,310	-	12,310	-	-	-	
Michigan Justice Training & Drug Enforcement Grants	1,848	-	1,129	-	-	-	-	1,129	-	-	-	-	-	-	(1,335)	(206)	1,642	
<b>Total Operation and Maintenance of Facilities</b>	<b>2,752</b>	<b>177,746</b>	<b>1,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,875</b>	<b>136,196</b>	<b>40,357</b>	<b>44,810</b>	<b>11,310</b>	<b>-</b>	<b>232,673</b>	<b>(1,335)</b>	<b>(55,133)</b>	<b>(52,381)</b>	
<b>Total Expendable Restricted Fund</b>	<b>\$ 4,613,101</b>	<b>\$ 18,761,540</b>	<b>\$ 133,575</b>	<b>\$ 869,424</b>	<b>\$ 396,762</b>	<b>\$ 322,966</b>	<b>\$ 1,261,439</b>	<b>\$ 653,786</b>	<b>\$ 22,399,492</b>	<b>\$ 2,493,252</b>	<b>\$ 1,106,343</b>	<b>\$ 17,586,123</b>	<b>\$ 161,534</b>	<b>\$ 43,716</b>	<b>\$ 21,390,968</b>	<b>\$ 533,875</b>	<b>\$ 1,542,399</b>	<b>\$ 6,155,500</b>

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund**  
**Delta College**  
**Year Ended June 30, 2020**

	Net Assets July 1, 2019	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2020
<b>Endowment Funds</b>						
Margaret Adams Scholarship	\$ 11,549	\$ -	\$ 837	\$ (439)	\$ (195)	\$ 11,752
Charleen T. Adcock Scholarship	58,614	-	4,251	(2,217)	(986)	59,662
Anderson Family Delta Sculpture Walk	111,140	-	8,059	(4,233)	(1,877)	113,089
Andrew F. & Mary H. Anderson Scholarship	52,735	-	3,824	(1,684)	(809)	54,066
Kurt W. Anderson Agricultural Scholarship	-	20,145	3,309	-	(39)	23,415
Athletic Scholarship	386,890	-	28,054	(14,683)	(6,521)	393,740
M. Seth Babcock Scholarship	17,452	-	1,265	(663)	(295)	17,759
Mary Ann (McGregor) Badour Scholarship	41,820	-	3,032	(1,588)	(705)	42,559
James & Joy Baker Scholarship	42,339	-	3,071	(1,606)	(713)	43,091
Barney & Gerry Ballor Family Scholarship	-	21,000	114	-	(71)	21,043
Ormond Barstow/Ludo Frevel Award for Scholarly Achievement	32,492	-	2,355	(1,234)	(547)	33,066
Baxandall Scholarship	225,989	-	16,387	(8,234)	(3,723)	230,419
Bay City Central Class of '41 Scholarship	86,457	-	6,270	(3,096)	(1,411)	88,220
Elzie & Muriel Beaver Scholarship	149,356	-	10,829	(5,671)	(2,518)	151,996
Bergstein Award for Teaching Excellence	61,880	-	4,488	(1,116)	(735)	64,517
Leonard & Esther Bergstein Scholarship	94,051	1,000	6,817	(2,601)	(1,346)	97,921
Darrell R. Berry Scholarship	32,509	-	2,357	(1,234)	(548)	33,084
Alfred J. Bladecki Scholarship	11,006	4,679	786	(418)	(201)	15,852
Martin & Emma Block Scholarships	500,524	-	36,293	(19,004)	(8,438)	509,375
Peter & Barbra Boyse Speaker Series (Restricted)	37,182	2,800	3,055	(1,296)	(607)	41,134
Peter D. Boyse President's Scholar Program	2,096,035	-	151,984	(79,536)	(35,323)	2,133,160
Louise K. Brentin Scholarship	51,675	5,075	4,070	(1,306)	(735)	58,779
Business Division Scholarship	159,887	-	11,594	(6,047)	(2,690)	162,744
Carlyon Farmhouse Maintenance	233,578	-	16,936	(8,870)	(3,937)	237,707
Donald & Betty Carlyon Scholarship	194,116	7,331	15,275	(6,455)	(3,058)	207,209
Donald & Betty Carlyon Endowed Teaching Chair	221,105	250	16,074	(8,396)	(3,728)	225,305
DeeMona Chatman Scholarship	25,212	-	1,828	(957)	(425)	25,658
William R. Collings Award for Outstanding Service & Academic Achievement	40,521	-	2,938	(1,538)	(683)	41,238
Lynn Conway Athletic Scholarship	29,374	260	2,144	(1,084)	(488)	30,206
Gilbert A. Currie Estate Scholarship	332,433	-	24,106	(12,624)	(5,605)	338,310
Ilau & Phillip Dean Scholarship	59,458	5,000	4,298	(1,830)	(912)	66,014
Delta Deltah's Scholarship	6,271	-	455	(238)	(106)	6,382
Delta College Employee-Sponsored Scholarship	123,371	-	8,946	(4,685)	(2,080)	125,552
Delta College Planetarium Fund	738,765	812	53,607	(27,364)	(12,285)	753,535
Robert DeVinney Endowed Teaching Chair	151,484	75	10,984	(5,744)	(2,552)	154,247
Dixon Family Scholarship	72,559	-	5,260	(2,755)	(1,223)	73,841
Herbert Doan Scholarship	43,780	10,059	4,827	(804)	(543)	57,319
B. Joe & Margery (Knepp) Dodson Scholarship	111,413	-	8,079	(2,840)	(1,531)	115,121
Frances Dolinski Scholarship	90,510	3,500	6,658	(3,012)	(1,428)	96,228
Henry Dolinski Scholarship	98,113	3,500	7,210	(3,300)	(1,556)	103,967
Dr. Louis W. Doll & Patricia Drury Scholarship	45,305	100	3,302	(1,698)	(759)	46,250
Tom Dostal Memorial Scholarship	32,390	550	2,356	(1,148)	(526)	33,622
Dow Chemical Company Michigan Operations Award for Physical Science	27,492	-	1,993	(1,044)	(463)	27,978

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

	Net Assets July 1, 2019	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2020
<b>Endowment Funds - Continued</b>						
The Herbert H. & Grace A. Dow Foundation Science Education	\$ 2,360,391	\$ -	\$ 171,152	\$ (77,110)	\$ (36,664)	\$ 2,417,769
Herbert H. & Barbara C. Dow Fund	46,322	-	3,358	(1,759)	(781)	47,140
Jerry & Terry Drake Scholarship & Broadcasting Program Support	253,339	-	18,370	(9,619)	(4,271)	257,819
Draper Family Scholarship	16,294	-	1,182	(619)	(275)	16,582
Gene R. Duckworth Scholarship	33,005	-	2,394	(1,251)	(556)	33,592
Fred E. Dulmage Award for Engineering & Technology	24,149	-	1,751	(917)	(407)	24,576
Ellucian Higher Education Endowed Teaching Chair	154,333	-	11,191	(5,860)	(2,602)	157,062
Ellucian Higher Education Possible Dream Program	94,537	-	6,854	(3,551)	(1,584)	96,256
Eldon Enger & Fred Ross Scholarship	26,785	173	1,971	(998)	(447)	27,484
English Division Guest Lecturer	26,797	-	1,942	(1,017)	(451)	27,271
James E. & Leanne Lutz Erickson Scholarship	26,625	-	1,931	(968)	(438)	27,150
Faculty Executive Committee Award	5,470	-	396	(208)	(92)	5,566
Fettig Family Scholarship	34,004	2,000	2,460	(1,086)	(528)	36,850
Arthur J. & Bette L. Fisher Scholarship	309,542	-	22,445	(11,751)	(5,218)	315,018
Isabella M. Flynn Scholarship	312,563	-	22,664	(11,873)	(5,270)	318,084
Peter & Suzanne Frantz Award for Art	28,013	-	2,031	(1,064)	(472)	28,508
Dr. John & Joanne Fuller Scholarship	37,350	-	2,708	(1,281)	(595)	38,182
Gakstatter Family Scholarship	47,064	-	3,413	(1,845)	(808)	47,824
David R. & Vivian S. Gamez Scholarship	81,430	-	5,904	(3,088)	(1,372)	82,874
Gerace Construction Scholarship	146,480	-	10,622	(5,562)	(2,469)	149,071
Gerity Broadcasting Company Scholarship	115,716	-	8,391	(4,394)	(1,951)	117,762
Gerstacker Faculty Recognition Award	36,327	-	2,635	(1,379)	(613)	36,970
Global Education Program	40,712	-	2,952	(1,546)	(687)	41,431
Robert M. Gohlke Scholarship	34,890	-	2,530	(1,322)	(587)	35,511
Dr. Jean Goodnow Scholarship	34,740	1,000	2,516	(1,214)	(562)	36,480
Gougeon Brothers, Inc. Award for Applied Industrial/Technical	26,797	-	1,943	(1,017)	(451)	27,272
Lynda V. & James M. Grant Scholarship	-	253,972	41,722	-	(494)	295,200
Patricia L. & Robert W. Grant Jr. Scholarship & Humanities Program	290,182	-	21,041	(10,867)	(4,854)	295,502
Great Lakes Bay Manufacturers' Association Scholarship	44,325	-	3,213	(1,682)	(747)	45,109
Russell B. & Grace H. Green Scholarship	47,401	-	3,437	(1,800)	(799)	48,239
Priscilla Bogi Guritza Memorial Scholarship	26,982	-	1,957	(1,025)	(455)	27,459
Clarence & June Hackbarth Scholarship	23,271	104	1,694	(233)	(230)	24,606
Beki Gray Hadley Scholarship	47,557	-	3,448	(1,803)	(801)	48,401
David & Jackie Hall Scholarship	24,101	-	1,748	(912)	(406)	24,531
Hammond Family Scholarship	23,888	-	1,732	(910)	(404)	24,306
Sarah Hansen Scholarship	13,558	-	983	(500)	(225)	13,816
William J. Hargreaves Scholarship	25,123	-	1,821	(975)	(429)	25,540
Joan B. Harry Scholarship	28,493	15,973	2,026	(1,083)	(536)	44,873
Harry Hawkins Scholarship	19,385	-	1,405	(736)	(327)	19,727
Robert & Joyce Hetzler Family Award for Outstanding Service & Leadership	27,170	-	1,970	(1,032)	(458)	27,650
Hilde & Walter Heyman Scholarship	21,700	-	1,573	(824)	(366)	22,083
Ada E. Hobbs Scholarship	13,716	-	995	(521)	(231)	13,959
Don Holzhei Memorial Scholarship	27,861	-	2,020	(1,052)	(468)	28,361

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

	Net Assets July 1, 2019	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2020
<b>Endowment Funds - Continued</b>						
Home Builders Association of Bay, Midland & Saginaw Counties	\$ 22,985	\$ -	\$ 1,666	\$ (873)	\$ (387)	\$ 23,391
Honors Student Scholarship	91,107	-	6,606	(3,460)	(1,536)	92,717
Kimberly R. Houston Leadership & Service Learning Scholarship	23,023	-	1,670	(885)	(391)	23,417
Richard Paul Hunter Scholarship	51,762	-	3,753	(1,018)	(635)	53,862
James R. & Anita H. Jenkins Family Scholarship	136,846	-	9,923	(5,144)	(2,294)	139,331
Phyllis E. Jones Memorial Scholarship	23,120	-	1,677	(878)	(389)	23,530
S. Preston & Dr. Betty B. Jones International Scholarship	125,902	4,000	9,485	(4,201)	(1,996)	133,190
Dan E. Karn Memorial Scholarship	4,655	-	338	(177)	(78)	4,738
Kaufmann Family Scholarship	22,183	-	1,608	(831)	(371)	22,589
Robert F. Keicher Memorial Scholarship	26,191	417	1,906	(986)	(442)	27,086
Dale & Alma Keyser Scholarship	36,298	500	2,631	(1,326)	(600)	37,503
Walter J. & Sophia M. Kilar Scholarship	26,438	-	1,917	(1,004)	(446)	26,905
International Order of King's Daughters & Sons Scholarship	30,437	-	2,206	(1,156)	(513)	30,974
Oscar W. Kloha Scholarship	44,062	-	3,196	(1,673)	(743)	44,842
Robert I. & Marjorie H. Knepp Scholarship	241,542	-	17,515	(9,167)	(4,071)	245,819
W.R. & Edith Knepp Scholarship	249,081	-	18,062	(9,457)	(4,199)	253,487
W.R. Knepp, Jr. Scholarship	188,481	-	13,667	(7,158)	(3,177)	191,813
John L. & Margaret H. Krawczyk Scholarship	20,705	-	1,502	(407)	(255)	21,545
Daniel P. Kubiak Scholarship	22,640	-	1,642	(860)	(382)	23,040
Gary Laatsch Scholarship	43,613	100	3,163	(1,650)	(734)	44,492
Jack LaBreck Scholarship	6,784	-	492	(258)	(114)	6,904
Ilene M. Lane Nursing Scholarship	64,089	-	4,647	(2,429)	(1,079)	65,228
Dr. Thomas H. Lane & Janis E. Landry-Lane Scholarship	91,341	-	6,624	(3,463)	(1,539)	92,963
Edward & Kathryn (Dunn) Langenburg Award for Education	33,939	-	2,461	(1,106)	(526)	34,768
Thomas & Rose Mary Laur Scholarship	97,321	-	7,056	(3,608)	(1,619)	99,150
Professor Marjorie M. Leeson Scholarship	46,990	24,653	5,483	(1,127)	(713)	75,286
Leo & Evelyn Levy Scholarship	26,208	-	1,901	(988)	(440)	26,681
Denise Lovay-Gravlin Memorial Scholarship	28,740	1,000	2,249	(972)	(457)	30,560
Edward & Kathleen Lunt Scholarship	172,939	-	12,540	(6,331)	(2,857)	176,291
Karen MacArthur Endowed Teaching Chair	140,966	2,000	10,285	(5,308)	(2,371)	145,572
Thomas & Brenda Mahar Scholarship	28,222	-	2,047	(1,072)	(476)	28,721
William & Susan Marklewitz for Health Professions	170,618	-	12,371	(6,662)	(2,923)	173,404
Ruth Mast Fox Scholarship	21,339	-	1,547	(811)	(360)	21,715
Margaret McAlear Scholarship	44,414	200	3,243	(1,646)	(740)	45,471
James R. McIntyre Award for Health Sciences	27,719	-	2,010	(1,052)	(467)	28,210
Murlene E. McKinnon Public Media	34,163	47,709	10,315	(672)	(512)	91,003
Marlene Mehlhose Scholarship	20,704	-	1,502	(811)	(356)	21,039
Aceie & Thelma Micho Scholarship	145,495	9,654	12,136	(4,277)	(2,159)	160,849
Rhea Miller Scholarship	51,106	-	3,705	(1,940)	(861)	52,010
Richard & Gloria Miller Scholarship	41,415	2,500	3,064	(1,399)	(664)	44,916
Frances Goll Mills Award for Nursing	30,958	-	2,245	(1,175)	(522)	31,506
Dorothy & Robert Monica Scholarship	119,373	13,361	10,516	(3,475)	(1,786)	137,989
Monitor Sugar Scholarship	21,862	-	1,585	(830)	(369)	22,248



**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

	Net Assets July 1, 2019	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2020
<b>Endowment Funds - Continued</b>						
Paul Moore Social Science Award	\$ 25,244	\$ 465	\$ 1,854	\$ (927)	\$ (420)	\$ 26,216
Morley Family Foundation Scholarship	23,956	2,093	1,739	(471)	(302)	27,015
Morley Foundation Award for Business Management	28,375	-	2,058	(1,078)	(478)	28,877
Virginia Morrison Scholarship	45,196	-	3,277	(1,629)	(740)	46,104
Wendell & Ethel Mullison Scholarship	27,559	-	1,999	(1,047)	(465)	28,046
W. Brock Neely Scholarship	54,583	2,000	3,953	(1,860)	(874)	57,802
William H. "Buddy" Oates Scholarship	33,471	-	2,427	(1,271)	(565)	34,062
Oscar P. & Louise H. Osthelder Scholarship	150,978	5,000	10,935	(5,223)	(2,435)	159,255
Jesse J. Oswald Scholarship	35,623	1,000	2,580	(1,321)	(596)	37,286
Marguerite Scull Parker Scholarship	29,749	-	2,157	(1,080)	(489)	30,337
Otto C. Pressprich Fund	115,716	-	8,391	(4,394)	(1,951)	117,762
Cecelia Randall Scholarship	23,920	-	1,735	(908)	(403)	24,344
Alfonso Rasch-Isla Scholarship	25,853	-	1,874	(983)	(436)	26,308
Connie R. Reading Scholarship	-	21,300	3,499	-	(41)	24,758
Newell Remington Scholarship & TLC Support	50,889	75	3,690	(1,838)	(835)	51,981
Skip Renker Award for Creative Writing	22,233	-	1,613	(844)	(375)	22,627
Renee Rookard Scholarship	80,231	-	5,817	(3,047)	(1,353)	81,648
Harold & Norine Rupp Scholarship	21,475	-	1,557	(815)	(362)	21,855
Saginaw County Child Development Centers Program Scholarship	18,323	-	1,328	(696)	(309)	18,646
Cliff & Grace Saladine Scholarship	28,900	-	2,095	(1,097)	(487)	29,411
Dawn Schmidt Award for Mathematics	29,063	75	2,106	(1,097)	(488)	29,659
Peggy A. Scott Scholarship	49,098	2,500	3,770	(1,640)	(784)	52,944
Scott & Sandra Seeburger Family Scholarship	-	20,047	-	-	-	20,047
Charlotte Seiler Memorial Scholarship	52,212	-	3,787	(1,985)	(881)	53,133
Ralph I. & Archie M. Selby Family Scholarship	23,900	-	1,733	(880)	(396)	24,357
Gene F. Shrum & Dee Dee (Shrum) Wacksman Scholarship	20,863	-	1,513	(792)	(352)	21,232
Van Dewitt & Ruth Simmons Scholarship	180,909	-	13,118	(6,870)	(3,050)	184,107
John M. Smith & William Wolgast Family Softball Scholarship	23,159	-	1,679	(879)	(391)	23,568
Paul Sowatsky Scholarship & Award	31,158	-	2,260	(1,183)	(526)	31,709
Spittka Family Scholarship	44,876	-	3,254	(1,575)	(725)	45,830
James Stark Scholarship	3,946	-	286	(150)	(66)	4,016
Eileen & Hugh Starks Scholarship	34,761	-	2,521	(1,320)	(586)	35,376
Dr. James F. & Elizabeth Stoddard Scholarship	116,078	-	8,417	(2,567)	(1,497)	120,431
Greg Stryker Scholarship	20,879	250	1,514	(810)	(358)	21,475
Sturm Family Broadcast Programming Fund	189,403	-	13,734	(7,193)	(3,193)	192,751
Julius & Irene Sutto Award for Life Sciences	27,100	-	1,965	(1,029)	(457)	27,579
Paul & Margaret Thompson Scholarship	36,416	-	2,641	(1,383)	(614)	37,060
Willie E. Thompson Scholarship	33,847	25	2,458	(1,277)	(568)	34,485
Margaret Timm Award for English	33,895	2,434	2,857	(1,179)	(549)	37,458
Wesley Timm Award for Social Science	34,757	1,566	2,777	(1,308)	(586)	37,206
Bernard C. & Lois K. Ulrich Scholarship	22,749	-	1,650	(647)	(330)	23,422
Tina S. & Philip M. Van Dam Scholarship	23,822	14,056	2,359	(468)	(362)	39,407
Jeanne M. VanOchten & Wayne W. Adams Scholarship	21,881	-	1,586	(858)	(376)	22,233

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2020**

	Net Assets July 1, 2019	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2020
<b>Endowment Funds - Continued</b>						
Jim & Janis Van Tiflin Award	\$ 26,347	\$ -	\$ 1,910	\$ (1,000)	\$ (444)	\$ 26,813
Lynn & Sandy Weimer Scholarship	23,490	519	1,736	(900)	(401)	24,444
Ken & "Miss Mona" White Scholarship	112,711	7,675	8,158	(3,467)	(1,724)	123,353
Lola Bishop Whitney Award for Foreign Language	122,954	-	8,916	(4,669)	(2,073)	125,128
David & Carol Williams Scholarship	39,026	-	2,829	(1,217)	(591)	40,047
Alice & Jack Wirt Scholarship	226,358	-	16,413	(8,596)	(3,816)	230,359
Stephen M. & Dena J. Wirt	52,118	-	3,779	(2,044)	(895)	52,958
Teresa Plackowski-Witucki Scholarship	23,380	-	1,695	(887)	(394)	23,794
Wolverine Bank Scholarship	40,710	-	2,952	(1,546)	(686)	41,430
Robert R. "Dr. Bob" Zimmermann Scholarship	129,053	6,289	9,363	(3,798)	(1,914)	138,993
Robert R. "Dr. Bob" Zimmermann Faculty Professional Development	121,534	15,904	8,800	(3,133)	(1,696)	141,409
Alan & Carol Zombeck Scholarship	-	20,123	1,282	-	(110)	21,295
Anton, Sr., Alma & Anton, Jr. Zucker Scholarship	86,506	-	6,272	(3,285)	(1,458)	88,035
Melvin & Hilda Zuehlke Scholarship and Special Needs Assistance Fund	150,658	-	10,925	(5,721)	(2,540)	153,322
<b>Total Endowment Funds</b>	<b>17,946,887</b>	<b>588,848</b>	<b>1,370,618</b>	<b>(644,151)</b>	<b>(294,644)</b>	<b>18,967,558</b>
<b>Funds Functioning as Endowments</b>						
Etcyl H. & Ruth Blair CGA	23,039	-	(693)	-	(287)	22,059
Peter & Barbra Boyse Speaker Series	276,746	-	20,066	(10,506)	(4,665)	281,641
Coca-Cola Scholarship	70,555	-	5,117	(2,679)	(1,190)	71,803
Gilbert A. Currie Estate Fund	406,482	-	29,474	(15,437)	(6,853)	413,666
Delta College Public Radio Fund	75,075	-	5,444	(2,945)	(1,289)	76,285
Delta College Foundation Fund	1,184,671	-	85,900	(41,433)	(19,084)	1,210,054
Delta College Foundation Student Scholarships	317,549	22,518	23,726	(10,961)	(5,149)	347,683
Delta College Public TV Fund	1,468,243	(914,483)	108,843	(33,112)	(15,805)	613,686
Alden B. Dow Fund	55,148	-	3,998	(2,094)	(930)	56,122
Laughner Award	19,393	-	1,406	(736)	(327)	19,736
Possible Dream Program	2,399,737	45,000	174,006	(82,472)	(38,294)	2,497,977
UNUM Projects	379,005	-	27,482	(14,393)	(6,390)	385,704
Macauley & Helen Whiting Fund	958,832	-	69,526	(36,405)	(16,164)	975,789
<b>Total Funds Functioning as Endowments</b>	<b>7,634,475</b>	<b>(846,965)</b>	<b>554,295</b>	<b>(253,173)</b>	<b>(116,427)</b>	<b>6,972,205</b>
<b>TOTAL</b>	<b>\$ 25,581,362</b>	<b>\$ (258,117)</b>	<b>\$ 1,924,913</b>	<b>\$ (897,324)</b>	<b>\$ (411,071)</b>	<b>\$ 25,939,763</b>