



Delta College

**Audited Financial Statements
and Other Financial Information**

June 30, 2021

Delta College

Audited Financial Statements and Other Financial Information

June 30, 2021

Audited Financial Statements

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Management's Discussion and Analysis
Delta College
Year Ended June 30, 2021

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, 2021, 2020 and 2019. 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 and other 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

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. During all of fiscal year 2021, the on campus presence with respect to both students and staff was very limited. The vast majority of courses continued to be taught in an online fashion, with the exception of some courses in the health professions, technical trades and various lab courses. In accordance with direction provided by MIOSHA, staff continued to work remotely to the greatest extent practicable. Beginning in June 2021, staff returned at 50% capacity with a full return to campus in July. Most student services were also delivered in an online fashion throughout the year; however, students were able to schedule an on campus appointment if necessary. The College's food services operations remained closed the entire year and the Fitness & Recreation Center (FRC) reopened to the public in winter 2021, with limited capacity. For the fall 2021 semester, the College anticipates offering approximately 50% of its courses in a face to face modality.

The Coronavirus Aid, Relief and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA) were passed by Congress and signed into law to provide economic relief from COVID-19. The College was awarded a total of \$14.6 million in Higher Education Emergency Relief Grants (HEERF) for students, \$19.8 million in HEERF institutional grants and \$700,000 in HEERF Title III Strengthening the Institutions Program (SIP) Relief Funding. The College has recognized grant nonoperating revenue of \$12.1 million during the year ended June 30, 2021 and \$1.9 million during the year ended June 30, 2020 related to these HEERF grants.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2021

COVID-19 – Continued

The College's public broadcasting television station also received CARES Act funding passed through the Corporation for Public Broadcasting in the amount of \$488,000 and \$260,000 for the years ended June 30, 2021 and 2020, respectively. The use of these funds is unrestricted, with no spending deadline. As such, the Station has recognized the entire amount of these awards as revenue in the year received, which is included in federal grants and contracts revenue in the Statements 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 it 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 passed through the State of Michigan. The College recognized revenue for allowable expenditures incurred between March 1, 2020 and March 31, 2021 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 was recorded in fiscal year 2021.

Financial Highlights

The College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 75, *Postemployment Benefits Other Than Pensions (OPEB)* in prior years. The provisions of these statements resulted in the College recognizing for the first time, its calculated share of the net pension and OPEB liability and related expenses, deferred inflows and deferred outflows for the Michigan Public School Employees' Retirement System (MPERS).

For the years ended June 30, 2021 and 2020, respectively, the College reported a net MPERS pension liability of \$115.3 million and \$118.2 million. In addition, the College recognized MPERS pension expense of \$6.1 million and \$8.5 million, reported deferred outflows of resources of \$23.6 million and \$32.1 million, and deferred inflows of resources of \$10.1 million and \$9.6 million, for each of the two respective years. As of June 30, 2021 and 2020, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$101.8 million and \$95.7 million.

For the years ended June 30, 2021 and 2020, respectively, the College reported a net MPERS OPEB liability of \$17.3 million and \$25.1 million. In addition, the College recognized a negative MPERS OPEB expense of \$3.4 million and \$1.9 million, reported deferred outflows of resources of \$7.7 million and \$7.2 million, and deferred inflows of resources of \$15.5 million and \$10.6 million, for each of the two respective years. As of June 30, 2021 and 2020, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$25.1 million and \$28.5 million.

Excluding the significant and distorting effects of implementing the MPERS pension and OPEB adjustments in accordance with the aforementioned GASB Statements No. 68, 71 and 75, the College's financial position improved during both fiscal years ended June 30, 2021 and 2020, respectively, with net position increasing by \$18.4 million and \$9.2 million. This equates to annual increases of approximately 8.5% and 4.4% for the two respective years. During the year ended June 30, 2021, the College's total assets increased \$17.1 million, to \$243.9 million. This \$17.1 million increase resulted primarily from a \$14.4 million increase in cash and investments, \$2.8 million increase in federal and state grants receivable, which was primarily related to HEERF grants discussed previously, and a \$3.6 million increase in capital assets. These increases were offset by a decrease in pledges receivable, mainly for the Downtown Midland Center project of \$3.6 million. This decrease in receivables resulted from payments received on these commitments during the current fiscal year. Also adding to the College's net position for the 2021 fiscal year was a \$1.3 million decrease in current liabilities. This decrease was primarily the result of payments made during the current fiscal year against the \$600,000 balance owed as of June 30, 2020, related to the Employee Severance Plan (ESP) that the College offered during the 2019 fiscal year, and a decrease in payables to vendors for capital projects. 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.

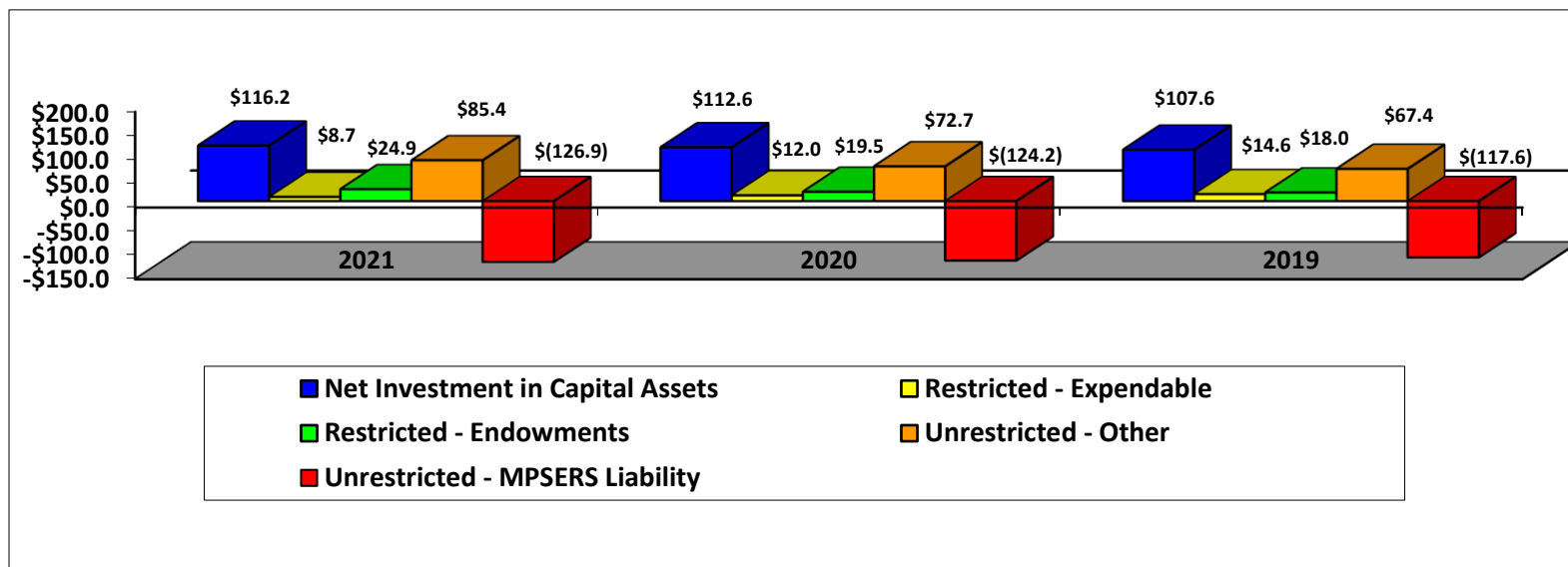
Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2021

Financial Highlights – Continued

The following chart provides a graphical breakdown of net position by category for the fiscal years ending June 30, 2021, 2020 and 2019, in millions:



Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2021

Summary of Selected Financial Data

Following is a summary of the major components of the financial position of the College as of June 30, 2021, 2020 and 2019, in millions:

	2021	2020	2021-2020 Change	2019	2020-2019 Change
Current Assets	\$ 88.4	\$ 86.7	\$ 1.7	\$ 80.1	\$ 6.6
Long-Term Assets:					
Capital Assets, Net of Depreciation	116.2	112.6	3.6	107.6	5.0
Other	39.3	27.5	11.8	32.8	(5.3)
Total Assets	243.9	226.8	17.1	220.5	6.3
Deferred Outflows of Resources	31.3	39.3	(8.0)	39.6	(.3)
Current Liabilities	8.7	10.0	(1.3)	12.9	(2.9)
Non-Current Liabilities	132.6	143.3	(10.7)	137.6	5.7
Total Liabilities	141.3	153.3	(12.0)	150.5	2.8
Deferred Inflows of Resources	25.6	20.2	5.4	19.6	.6
Net Position:					
Net Investment in Capital Assets	116.2	112.6	3.6	107.6	5.0
Restricted – Expendable	8.7	12.0	(3.3)	14.6	(2.6)
Restricted – Endowments	24.9	19.5	5.4	18.0	1.5
Unrestricted	(41.5)	(51.5)	10.0	(50.2)	(1.3)
Total Net Position	\$ 108.3	\$ 92.6	\$ 15.7	\$ 90.0	\$ 2.6

June 30, 2021: During the year ended June 30, 2021, total assets increased by \$17.1 million and total liabilities decreased by \$12.0 million. The majority of the increase in assets consisted of a \$14.4 million increase in cash and investments, primarily due to HEERF and CRF drawdowns and pledge payments received for the Downtown Midland Center project (refer to Note 13 to the financial statements for more information regarding construction projects). The majority of the decrease in liabilities consisted of a \$10.7 million decrease in the MPSERS net pension and OPEB liabilities.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2021

Summary of Selected Financial Data – Continued

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.

The following summarizes the major components of the College's operating results for the years ended June 30, 2021, 2020 and 2019, in millions:

	2021	2020	2021-2020 Change	2019	2020-2019 Change
Operating Revenue:					
Tuition and Fees	\$ 19.9	\$ 23.8	\$ (3.9)	\$ 24.0	\$ (.2)
Grants and Contracts	5.1	4.9	.2	5.0	(.1)
Public Broadcasting Gifts	.9	.9	-	1.7	(.8)
Auxiliary Services	2.1	3.3	(1.2)	4.0	(.7)
Other	1.4	1.2	.2	1.6	(.4)
Total Operating Revenue	29.4	34.1	(4.7)	36.3	(2.2)
Operating Expenses:					
Instruction	38.0	40.7	(2.7)	40.1	.6
Public Services	2.7	3.0	(.3)	3.1	(.1)
Information Technology	3.9	3.8	.1	3.8	-
Instructional Support	6.6	7.9	(1.3)	8.6	(.7)
Student Services	21.7	19.4	2.3	18.7	.7
Institutional Administration	7.7	8.5	(.8)	12.7	(4.2)
Operation and Maintenance of Facilities	7.5	7.9	(.4)	7.5	.4
Depreciation	5.6	5.3	.3	5.0	.3
Total Operating Expenses	93.7	96.5	(2.8)	99.5	(3.0)
Operating Loss	(64.3)	(62.4)	(1.9)	(63.2)	.8

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2021

Summary of Selected Financial Data – Continued

(continued from previous page)

	2021	2020	2021-2020 Change	2019	2020-2019 Change
Nonoperating Revenue					
State Appropriations	\$ 23.2	\$ 21.5	\$ 1.7	\$ 23.0	\$ (1.5)
Property Taxes	23.4	22.9	.5	22.6	.3
Pell Federal Grant Revenue	10.8	13.0	(2.2)	13.0	-
HEERF and CRF	13.8	1.9	11.9	-	1.9
Other	7.7	3.4	4.3	3.6	(.2)
Net Nonoperating Revenue	78.9	62.7	16.2	62.2	.5
Other Revenue					
State Capital Appropriations	-	1.6	(1.6)	4.6	(3.0)
Capital Gifts and Grants	-	.1	(.1)	9.4	(9.3)
Additions to Permanent Endowments	1.1	.6	.5	.5	.1
Total Other Revenue	1.1	2.3	(1.2)	14.5	(12.2)
Increase in Net Position	15.7	2.6	13.1	13.5	(10.9)
Net Position					
Net Position – Beginning of Year	92.6	90.0	2.6	76.5	13.5
Net Position – End of Year	\$ 108.3	\$ 92.6	\$ 15.7	\$ 90.0	\$ 2.6

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.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2021

Operating Revenue – Continued

June 30, 2021: Operating revenue changes are highlighted by the following factors for the year ended June 30, 2021:

- The 2021 academic in-district tuition rate increased by \$2.00 to \$117 per contact hour, which represents an increase of 1.7%. The online fee and technology fee were both increased \$1.00 to \$34 and \$21, respectively. Enrollment totaled 162,800 contact hours for fiscal year 2021, which represents a decrease of 9.6% from 180,100 contact hours for the prior year. The combined net impact of the increase in tuition, online and technology rates and decrease in contact hours resulted in a \$2.3 million decrease in tuition and fee revenues generated by academic programs, net of scholarship allowances. Beginning with the Spring 2020 semester, the College has been utilizing HEERF grant funding to cover online fees for students, which accounts for \$1.2 million of the decline in tuition and fee revenues from the prior year.
- Auxiliary services revenue consists primarily of sales in the Bookstore of \$2.6 million, which had offsetting scholarship allowances approximating \$679,000. Bookstore sales compared to the prior year dropped by \$700,000, or 21.2%, due to declining enrollment, increasing online sales competition and a significant decline in physical visits to the bookstore, which greatly impacted sales of non-essentials such as College apparel. Food services and FRC operating revenues also experienced a significant decline from the prior year of \$521,000, or 94.7%, and \$191,000, or 82.7%, respectively, due to the closures of both venues as a result of COVID-19.

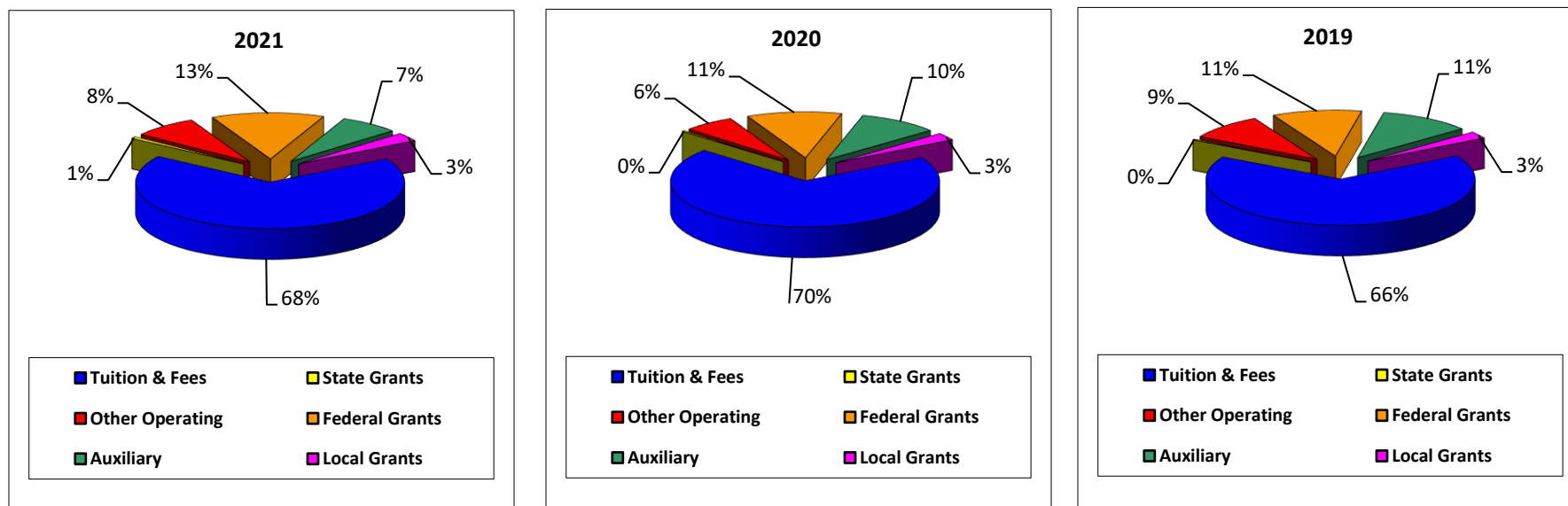
June 30, 2020: Operating revenue changes are highlighted by the following factors for the year ended June 30, 2020:

- 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.
- 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 FRC 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 food services and FRC 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.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2021

Operating Revenue – Continued

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2021, 2020 and 2019:



Operating Expenses

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

June 30, 2021: Operating expense changes are highlighted by the following factors for the year ended June 30, 2021:

- Base salary increases were initially frozen until the Board approved an approximate 2.3% annualized increase to employees employed by the College at the beginning of March 2021, 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 \$3.9 million for the year ended June 30, 2021, compared to \$4.1 million for the prior year, due to decreased claims. As was the case with the last quarter of fiscal year 2020, COVID-19 appeared to be holding down office visits and medical procedures. Claims began increasing in the latter part of the current fiscal year.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2021

Operating Expenses – Continued

June 30, 2021 – 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 2021, the College's overall benefit expense for MPSERS including adjustments due to GASB 68 and 75, was \$11.5 million, a decrease of approximately \$400,000 from the prior year. Of the \$11.5 million total, \$7.5 million was for the College's contributions to MPSERS, and \$4.0 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 \$4.0 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 \$2.3 million, or 11.9%, over the prior year. This increase was mainly due to an increase in emergency grants in the amount of \$4.7 million awarded to students from grant funding provided to the College through HEERF. These grants are intended to provide financial relief to students and can be used for any component of the student's cost of attendance or for emergency costs that arise due to the Coronavirus, such as tuition, food, housing, healthcare and childcare. The \$4.7 million increase was offset by decreases in Pell grants of \$2.2 million.

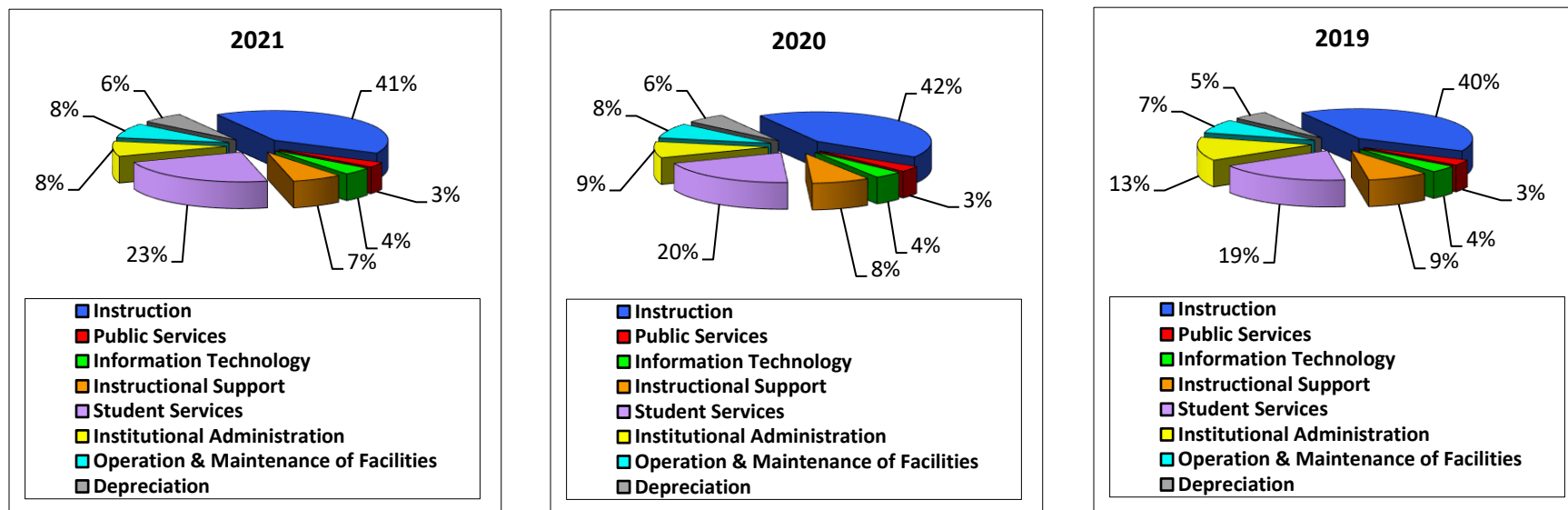
June 30, 2020: Operating expense changes are highlighted by the following factors for the year ended June 30, 2020:

- 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 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.
- 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 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 ESP offered to eligible College employees.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2021

Operating Expenses – Continued

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2021, 2020 and 2019:



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, nonoperating revenue also includes HEERF and CRF grants, which were described earlier in the COVID-19 section of this discussion and analysis. Nonoperating expenses are those that are not primarily incurred for operating purposes.

June 30, 2021: Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2021:

- Base State appropriations increased \$100,000 over the initial prior year appropriation to \$15.2 million. The College's performance funding decreased from \$90,000 in the prior year to zero in 2021. The College also received an appropriation during the current year in the amount of \$48,000 for costs associated with the Indian Tuition Waiver, an increase of \$7,000 over the prior year.
- Also included in the College's State Appropriations revenue is MSPERS contributions offsets. During the current year, the College received MSPERS offsets of approximately \$840,000, which represents a decrease of \$30,000 from the prior year. Renaissance Zone property tax reimbursement appropriations amounted to approximately \$142,000, which represents a decrease of \$55,000 from the prior year, which resulted due to phase outs.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2021

Nonoperating Revenue (Expenses) – Continued

June 30, 2021 – continued:

- An additional \$4.4 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 \$4.4 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 \$4.0 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 \$3.0 million. This amount represents a \$200,000, or 7.1%, 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 \$500,000, to \$23.4 million in 2021. The College currently levies property taxes at a rate of 2.0427 mills.
- The College recognized net investment income of \$7.8 million, which is a \$4.7 million increase over the prior year. The \$7.8 million consisted of a combined net gain on investments and investment fee expenses in the Endowment Fund totaling \$6.5 million, and general investment earnings of \$1.3 million.
- Pell grants awarded to students were \$10.8 million, a decrease of \$2.2 million, or 16.9%, from 2020. The number of students receiving Pell awards decreased by 11.6% over the prior year, while the average award decreased \$198, or 5.9%.
- The College recognized \$13.8 million of HEERF and CRF grant revenue for the year ended June 30, 2021. This is an increase of \$11.9 million compared to the prior year. More information regarding the HEERF and CRF grant funding can be found in the COVID-19 section of this discussion and analysis.

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 original 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 was 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.
- 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 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.

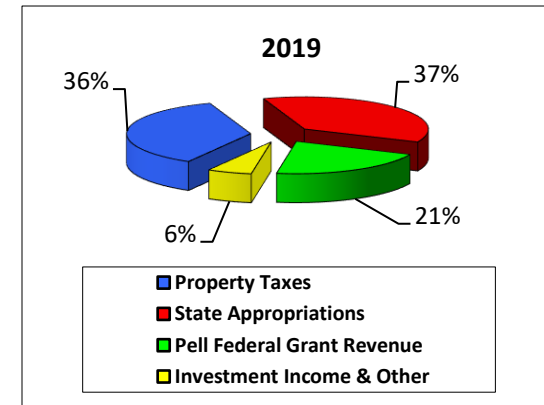
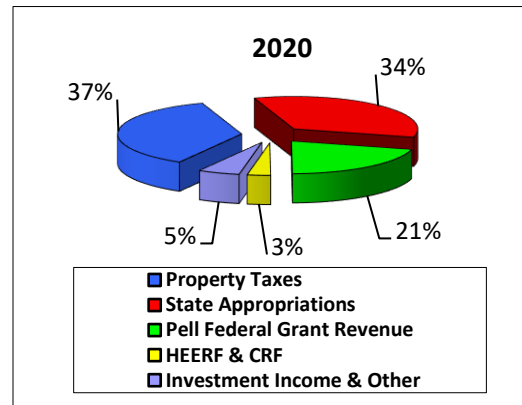
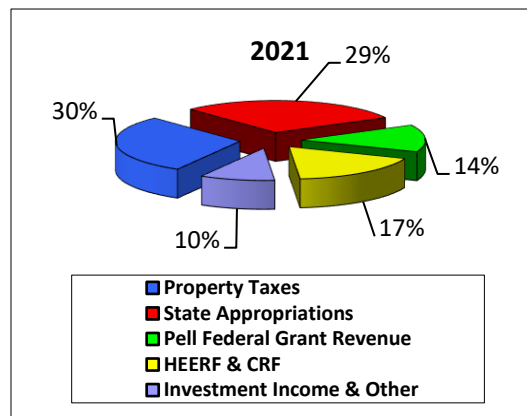
Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2021

Nonoperating Revenue (Expenses) – Continued

June 30, 2020 – continued:

- 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%.
- For the year ending June 30, 2020, the College recognized \$1.9 million of HEERF grant revenue. Of this amount, \$1.0 million was recorded as a receivable at June 30, 2020. More information regarding the HEERF grant funding can be found in the COVID-19 section of this discussion and analysis.

The following is a graphic illustration of nonoperating revenue by source for the years ended June 30, 2021, 2020 and 2019:



Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2021

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, 2021: Changes in other revenue are highlighted by the following factors for the year ended June 30, 2021:

- State capital appropriations totaled \$1.6 million for 2020. This revenue represented the State's portion of the Downtown Saginaw Center project expenses. The remaining balance of \$351,000 due from the State as of June 30, 2020 was received by the College during fiscal year 2021 and no additional revenue was recorded during the year since the project was completed in 2020.
- Capital gifts and grants totaled \$3,000 for the year and represents gifts given to the College for construction of its Downtown Midland Center, which is nearly complete as of June 30, 2021. The majority of the revenue for this project was pledged and recognized as revenue in prior years, as described below. The remaining pledge balance for the Downtown Midland Center project at June 30, 2021 is \$50,000.
- Additions to permanent endowments increased \$469,000, or 79.6%, to \$1.1 million.

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. The discounted pledge balance for the Downtown Midland Center project at June 30, 2020 was \$3,664,000.
- Additions to permanent endowments increased \$73,000, or 14%, to \$589,000.

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, 2021

Statement of Cash Flows – Continued

The following summarizes the major cash flow components for the College for the years ended June 30, 2021, 2020 and 2019, in millions:

	2021	2020	2021-2020 Change	2019	2020-2019 Change
Cash Provided by (Used in):					
Operating Activities	\$ (56.1)	\$ (52.8)	\$ (3.3)	\$ (51.5)	\$ (1.3)
Noncapital Financing Activities	67.9	61.3	6.6	60.4	.9
Capital and Related Financing Activities	(5.3)	(3.2)	(2.1)	(11.6)	8.4
Investing Activities	(14.6)	(3.5)	(11.1)	12.3	(15.8)
Net Increase (Decrease) in Cash	(8.1)	1.8	(9.9)	9.6	(7.8)
Cash and Cash Equivalents – Beginning of Year	52.9	51.1	1.8	41.5	9.6
Cash and Cash Equivalents – End of Year	\$ 44.8	\$ 52.9	\$ (8.1)	\$ 51.1	\$ 1.8

June 30, 2021: Cash and cash equivalents decreased by \$8.1 million during the year ended June 30, 2021, while the College's combined cash and cash equivalents and short and long-term investments increased in total by \$14.4 million. The \$8.1 million decrease in cash from prior year was mainly due to the College purchasing investments of slightly longer terms in an effort to get a better interest rate. This also accounts for offsetting increases in short-term and long-term investments. The overall increase in cash and investments is mainly the result of a decrease in operating expenses due to COVID-19, which impacted enrollment and caused a full or partial shut-down of certain operations such as food services and the FRC. In addition, the College was permitted to reimburse itself from HEERF grants for revenues lost as a result of the virus.

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.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2021

Capital Assets

At June 30, 2021, the College had \$197.5 million invested in capital assets, which net of accumulated depreciation of \$81.3 million, resulted in a book value of \$116.2 million. Capital assets increased by \$3.6 million in 2021, which included net additions of \$9.2 million less annual depreciation charges of \$5.6 million. The table below provides details of these assets, shown net of accumulated depreciation, as of June 30, 2021, 2020 and 2019, in millions:

	2021	2020	2021-2020 Change	2019	2020-2019 Change
Land and Improvements	\$ 7.9	\$ 7.1	\$.8	\$ 7.5	\$ (.4)
Infrastructure	5.7	5.7	-	6.0	(.3)
Buildings	84.2	84.2	-	74.0	10.2
Furniture and Equipment	6.3	6.1	.2	5.9	.2
Construction in Progress	12.1	9.5	2.6	14.2	(4.7)
Totals	\$ 116.2	\$ 112.6	\$ 3.6	\$ 107.6	\$ 5.0

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 2021 and 2020:

- 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 and was capitalized in 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, which was received during fiscal year 2021.
- 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, 2020, the College had incurred total project spending of approximately \$5.6 million with the same amount recorded in construction in progress. During the current year, the College spent an additional \$6.3 million and has recorded construction in progress of \$11.9 million as of June 30, 2021.
- In fall 2018, the College began renovations to existing spaces that support its Lifelong Wellness programs, Athletics programs and the FRC'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 had recorded retainage payable for one of the project contractors in the amount of \$130,000. During the year ending June 30, 2021, the College incurred final project costs against the retainage totaling \$67,000 and reduced the previously capitalized cost by \$63,000.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2021

Capital Assets – Continued

- 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. The College has incurred a total of \$3.3 million as of June 30, 2021 and has capitalized \$3.2 million to capital assets, the remaining \$54,000 related to the observatory portion of the project remains recorded in construction in progress at June 30, 2021.
- The Board of Trustees approved the Natatorium HVAC and Pool Equipment Replacement Project, which will replace the air handler to the natatorium and pool filtration and disinfection equipment. The total budget for this project is \$1.3 million and will be paid for through reserves in both the Plant and Auxiliary funds since the pool is used for academic classes and community patrons. It is anticipated that this project will be completed in the summer of 2022. As of June 30, 2021, the College had incurred project costs in the amount of \$93,000, which is included in construction in progress.
- During the year ended June 30, 2020, the Board of Trustees approved a capital project to renovate the College's welding lab, with a budget of approximately \$781,000. This project includes facility improvements to make the lab more functional, energy efficient and safer for students. It includes adding welding stations, improved dust capture for the grinding stations and the installation of a manifold gas delivery system to eliminate the need for students to manually move flammable gas cylinders around the lab. Construction in progress as of June 30, 2020 totaled \$54,000. An additional \$645,000 of costs were incurred during fiscal year 2021 and the project was completed and capitalized as of June 30, 2021 at a total cost of \$699,000.

Refer to Note 13 to the financial statement for additional information related to the above capital projects.

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.

Economic Factors That Will Affect the Future

In March 2020, a worldwide pandemic was declared related to the outbreak of the Coronavirus. The time since that point has been challenging for Delta College, since we were forced to close campus buildings and to move all instruction to online delivery. During fiscal year 2021, the vast majority of courses continued to be taught in an online modality. In May 2021, Michigan's Governor announced new workplace guidelines for social distancing and mask mandates, allowing Delta College to begin re-opening in a phased approach. However, as part of the process, it was necessary for the College to understand how to monitor vaccinated and unvaccinated individuals that came to our campuses and centers.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2021

Economic Factors That Will Affect the Future – Continued

The leadership of the College continues to be agile in its responses to the pandemic for students, staff and the community. Our College campuses are currently operating with in-person office and department staff, and approximately 50% of fall 2021 courses are face-to face and the remaining either online or offered in a hybrid modality. All student services are now being offered both in person and virtually.

In response to the pandemic, the College implemented a new technology platform called Pioneer Connect, where our students and visitors can virtually register for classes, receive tutoring support, order textbooks, receive counseling and advising, access the food pantry and make appointments to use other College resources such as the library and computer labs. Links to Pioneer Connect can be found on the public website and student intranet.

After a rigorous search that began in January 2021, the Board of Trustees voted to hire Dr. Michael Gavin as Delta College's fifth president. Prior to coming to Delta College, Dr. Gavin served as the Vice President of Learning at Anne Arundel Community College in Arnold, Maryland. Dr. Gavin has a doctorate in American studies from the University of Maryland in College Park, a master's degree in literature from American University in Washington, D.C., and a bachelor's degree in literature from Dickinson College in Carlisle, Pennsylvania. Dr. Gavin replaced former President, Dr. Jean Goodnow who retired from Delta College in August 2021, after sixteen years of service.

In July 2021, the Board of Trustees approved a contract agreement between the Delta College Faculty Association (DCFA) and Delta College, which expires on June 30, 2022. The administration and union have been bargaining since the faculty unionized in 2019, with both teams working collaboratively to gain consensus on contract language. Items of consensus were presented in an agreement to the Board of Trustees and ratified by the union membership. There are some remaining articles yet to be negotiated; however, the same bargaining process and groups (both faculty and administration) are continuing to work until a future agreement is reached.

The economic position of the College is closely tied to that of the fiscal budget of the State of Michigan. The State of Michigan held its State Consensus Revenue Estimating Conference (CREC) on May 21, 2021, where representatives from the State Administration, and the House and Senate Fiscal Agencies met virtually to discuss the economic status of the State's General Fund/General Purpose (GF/GP) and the School Aid Fund (SAF) for the current year and updated the baseline revenue projection for fiscal years 2020-21, 2021-22 and 2022-23. At that time, the School Aid Fund, which currently funds community colleges, reported significant revenue increases from the initial January 2021 estimate. Michigan residents have been spending money on taxable goods, and sales tax and income tax revenues are significantly higher than anticipated in January's estimate. However, there are still inherent risks that could impact these projected increases such as: inflation acceleration, supply chain disruptions, virus mutation, housing, financial valuations and global political developments.

In late September 2021, the State legislature finalized a Community College Funding Appropriations Bill which provided a 1% increase for community college operations, to be distributed through the existing performance funding formula. In addition, a one-time supplemental payment from 2020-2021 State funding will be distributed through the existing performance funding formula to community colleges. When the College budget was approved in June 2021, we estimated a State Aid increase of 2% for 2021-2022.

Another very significant factor that impacts the College's finances is declining student enrollment levels. The situation has significantly changed due to the Coronavirus pandemic. While we are seeing a slight increase in headcount, there is a decline in total contact hours taken by students. Also, the K-12 graduating class sizes are declining commensurate with the loss in regional population from the recessionary years a decade ago and competition for students among institutions has heightened. Even with a slight tuition and fee increase for 2021-2022, the loss of contact hours had a net overall negative impact on tuition and fee revenues.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2021

Economic Factors That Will Affect the Future – Continued

Enrollment declines are being addressed through student recruitment, retention and completion initiatives. Through a review and revision of the current strategic plan, the College has affirmed that these initiatives will continue to be the focus and direction for Delta College for the forthcoming years. The College will work to ensure there are no equity gaps in student enrollment, retention and completion for all students when compared to county demographics. Delta College staff are also working to consider new programs and new, non-credit and credit training.

In response to the pandemic, Delta College has been awarded a total of \$35.1 million of federal aid from the U.S. Department of Education under CARES Act, CRRSAA and ARPA. These grants are specifically designated for direct cash assistance to our students impacted by COVID-19, and for institutional needs to cover costs associated with personal protection equipment, testing and public health expenses, significant changes to the delivery of instruction due to COVID-19, help to offset lost revenue due to the pandemic and other direct College expenses associated with COVID-19.

Delta College's administrative leadership and the Board of Trustees have a long history of adherence to effective fiscal policies and practices. Those important decisions include having designated savings for the future and setting aside reserves for unexpected contingencies, revenue shortfalls or emergencies. These reserves serve to provide a layer of protection of College assets, to maintain the future sustainability of its infrastructure and state-of-the-art facilities. The College's commitment to transfer a portion of any annual General Fund surplus to its Plant Fund, allows for accumulated resources to be used for construction projects and infrastructure needs without incurring debt.

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State fiscal challenges, enrollment declines and the uncertainty of the COVID-19 pandemic will likely continue for some time. Delta College will continue to maintain our conservative fiscal approach, and carefully proceed with our operations, while monitoring the negative or positive impact we may face as the virus continues. While Michigan currently seems to be balancing the ongoing economic crisis, it is still uncertain how the pandemic will impact the state and higher education in the long-term. We will need to be agile, flexible and innovative in order to adapt to the new normal, and 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, the 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, 2021 and 2020, 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, 2021 and 2020, 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 18 and the Required Supplementary Information on pages 54 (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 55 (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 18, 2021 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.



Saginaw, Michigan
October 18, 2021

Balance Sheets
Delta College

	June 30,	
	2021	2020
Assets		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 44,799,354	\$ 52,918,234
Short-term investments (Note 3)	34,070,035	24,336,914
Property taxes receivable	137,105	147,090
State appropriations receivable (Note 6)	3,720,452	2,290,366
Federal and state grants receivable	4,387,593	1,584,980
Accounts receivable, net of allowance of \$2,027,655 in 2021 and \$3,004,474 in 2020	215,338	513,774
Pledges receivable (Note 4)	136,312	2,846,486
Inventories	662,743	712,047
Prepaid expenses and other assets	266,616	1,402,333
Total Current Assets	88,395,548	86,752,224
Long-Term Investments (Note 3)	38,971,353	26,235,113
Long-Term Pledges Receivable (Note 4)	323,308	1,226,094
Capital Assets (Note 5)	116,240,390	112,596,171
Total Assets	243,930,599	226,809,602
Deferred Outflows of Resources (Note 7)	31,292,719	39,303,243
Liabilities		
Current Liabilities		
Accounts payable	1,305,095	2,947,825
Accrued payroll and other compensation	5,686,543	5,631,122
Unearned revenue	1,725,631	1,446,565
Total Current Liabilities	8,717,269	10,025,512
Non-Current Liabilities		
Net pension and OPEB liability (Note 7)	132,632,658	143,272,678
Total Liabilities	141,349,927	153,298,190
Deferred Inflows of Resources (Note 7)	25,617,742	20,210,399
Net Position		
Net investment in capital assets	116,240,390	112,596,171
Restricted for:		
Donor-restricted endowments	24,869,945	19,532,916
Expendable scholarships and awards	597,940	1,771,550
Instructional department uses	152,290	1,144,690
Public broadcasting activities	4,739,436	3,643,178
Other restricted uses	3,177,623	5,426,905
Unrestricted (Note 1)	(41,521,975)	(51,511,154)
Total Net Position	\$ 108,255,649	\$ 92,604,256

The accompanying notes are an integral part of these statements.

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

	Year Ended June 30,	
	2021	2020
Operating Revenue		
Tuition and fees, net of scholarship allowance of \$6,647,833 in 2021 and \$7,417,050 in 2020	\$ 19,933,344	\$ 23,827,135
Federal grants and contracts	4,021,473	3,879,471
State grants and contracts	149,815	133,575
Local and nongovernmental grants and contracts	904,497	869,424
Michigan New Jobs Training Program	683,170	396,762
Public broadcasting gifts	911,950	865,029
Auxiliary activities, net of scholarship allowance of \$678,865 in 2021 and \$840,767 in 2020	2,040,786	3,295,995
Miscellaneous	724,146	846,710
Total Operating Revenue	29,369,181	34,114,101
Operating Expenses		
Instruction	38,009,448	40,692,030
Public services	2,723,659	2,945,561
Information technology	3,926,431	3,826,337
Instructional support	6,614,552	7,890,743
Student services	21,695,260	19,383,008
Institutional administration	7,744,952	8,533,719
Operation and maintenance of facilities	7,461,469	7,935,514
Depreciation expense	5,548,812	5,311,918
Fundraising expenses	6,608	25,583
Total Operating Expenses	93,731,191	96,544,413
Operating Loss	(64,362,010)	(62,430,312)
Nonoperating Revenue (Expenses)		
State appropriations	23,156,363	21,479,054
Property tax levy	23,420,558	22,917,823
Pell federal grant revenue	10,804,164	12,983,570
Gifts	86,593	1,259,736
Higher Education Emergency Relief Fund	12,129,520	1,898,499
CARES Act Coronavirus Relief Fund	1,699,100	-
Special events, net of expenses of \$3,153 in 2021 and \$66,349 in 2020	57,492	63,636
Investment income, net of investment expense of \$222,282 in 2021 and \$186,739 in 2020	7,841,546	3,057,990
Loss on disposition of capital assets	(120,123)	(773,584)
Foundation grants and distributions to or for Delta College	(123,310)	(171,849)
Net Nonoperating Revenue	78,951,903	62,714,875
Net Income Before Other Revenue	14,589,893	284,563
Other Revenue		
State capital appropriations	-	1,605,127
Capital gifts and grants	3,430	135,335
Additions to permanent endowments	1,058,070	588,848
Total Other Revenue	1,061,500	2,329,310
Increase in Net Position	15,651,393	2,613,873
Net Position - Beginning of Year	92,604,256	89,990,383
Net Position - End of Year	\$ 108,255,649	\$ 92,604,256

The accompanying notes are an integral part of these statements.

Statements of Cash Flows
Delta College

	Year Ended June 30,	
	2021	2020
Cash Flows from Operating Activities		
Tuition and fees	\$ 21,428,744	\$ 24,012,284
Grants and contracts	4,860,842	5,613,793
Michigan New Jobs Training Program	683,170	396,762
Public broadcasting gifts	1,011,951	1,215,028
Payments to suppliers	(49,731,454)	(47,157,126)
Payments to employees	(37,264,262)	(41,202,927)
Auxiliary enterprise charges	2,040,786	3,295,995
Other	822,652	1,008,567
Net Cash Used In Operating Activities	(56,147,571)	(52,817,624)
Cash Flows from Noncapital Financing Activities		
State appropriations	21,375,663	23,121,628
Local property taxes	23,430,543	22,965,990
Pell federal grant revenue	10,770,020	12,998,888
Higher Education Emergency Relief Fund revenue	9,578,605	886,748
CARES Act Coronavirus Relief Fund revenue	1,699,100	-
Gifts and contributions for other than capital purposes	1,140,552	1,691,879
Foundation special events receipts	66,111	31,412
Foundation grants and distributions to or for Delta College	(123,310)	(171,849)
Custodial fund transactions	11,308	(245,596)
Net Cash Provided by Noncapital Financing Activities	67,948,592	61,279,100
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital gifts, grants and appropriations	3,968,114	7,926,045
Purchase of capital assets	(9,313,154)	(11,088,318)
Proceeds from disposition of capital assets	-	2,261
Proceeds from issuance of MNJTP bonds	799,106	514,015
Principal paid on MNJTP bonds	(799,106)	(514,015)
Net Cash Used in Capital and Related Financing Activities	(5,345,040)	(3,160,012)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	78,808,756	84,606,091
Investment income	499,161	1,379,246
Purchase of investments	(93,882,778)	(89,472,167)
Net Cash Used In Investing Activities	(14,574,861)	(3,486,830)
Net Increase (Decrease) in Cash and Cash Equivalents	(8,118,880)	1,814,634
Cash and Cash Equivalents - Beginning of Year	52,918,234	51,103,600
Cash and Cash Equivalents - End of Year	<u>\$ 44,799,354</u>	<u>\$ 52,918,234</u>

The accompanying notes are an integral part of these statements.

Statements of Cash Flows - Continued
Delta College

	Year Ended June 30,	
	2021	2020
Reconciliation of Operating Loss to		
Net Cash Used in Operating Activities:		
Operating loss	\$ (64,362,010)	\$ (62,430,312)
Adjustment to reconcile operating loss to net cash		
used in operating activities:		
Depreciation	5,548,812	5,311,918
Allowance for uncollectible accounts	(976,819)	(199,449)
(Increase) decrease in assets:		
Federal and state grants receivable	(217,554)	493,754
Accounts receivable	1,278,256	768,232
Inventories	49,304	142,871
Prepaid expenses and other assets	1,082,763	(887,751)
Decrease in deferred outflows of resources	8,010,524	311,213
Increase (decrease) in liabilities:		
Accounts payable	(1,654,038)	(319,754)
Accrued payroll and other compensation	55,421	(2,309,238)
Unearned revenue	270,447	3,431
Net pension and OPEB liability	(10,640,020)	5,681,941
Increase in deferred inflows of resources	5,407,343	615,520
Net Cash Used In Operating Activities	\$ (56,147,571)	\$ (52,817,624)

The accompanying notes are an integral part of these statements.

Notes to Financial Statements
Delta College
June 30, 2021

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*, the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*, and guidance from the National Association of College and University Business Officers (NACUBO).

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, 2021

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 municipal bonds, government and agency securities, 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, 2021 or 2020. Refer to Note 3 for fair value classification balances for these various types of investments held by the College as of June 30, 2021 and 2020.

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, 2021

Note 1. Significant Accounting Policies – Continued

Internal Service Activities

Revenue and expenses related to internal service activities approximating \$256,000 and \$506,000 for 2021 and 2020, respectively, have been eliminated. These activities include services provided by the College's Bookstore, Food Services, Fitness & Recreation Center (FRC), 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, 2021, and 2020, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately \$609,000 and \$622,000, respectively. Additionally, advance payments approximating \$176,000 for the fall 2021 semester were received before June 30, 2021 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 tuition and fee revenue recorded as of June 30, 2020 for the fall semester.

Unrestricted Net Position

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

	2021	2020
Designated for Corporate Services activities	\$ 1,838,929	\$ 1,185,485
Designated for future capital outlay	36,257,373	33,712,875
Designated for funds functioning as endowments	8,743,347	6,972,205
Other designated fund activities	23,040,487	15,934,499
MPERS pension & OPEB liability	(126,957,681)	(124,179,834)
Unrestricted and unallocated	15,555,570	14,863,616
Total Unrestricted Net Position	\$ (41,521,975)	\$ (51,511,154)

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 2. Impact of COVID-19

On March 13, 2020, the President of the 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, 2020, a majority of College faculty and staff began working from home, and as of March 23, 2020, all but essential workers were instructed to work from home. During all of fiscal year 2021, the on campus presence with respect to both students and staff was very limited. The vast majority of courses continued to be taught in an online fashion, with the exception of some courses in the health professions, technical trades and various lab courses. In accordance with direction provided by MIOSHA, staff continued to work remotely to the greatest extent practicable. Beginning in June 2021, staff returned at 50% capacity with a full staff return to campus in July. Most student services were also delivered in an online fashion throughout the year; however, students were able to schedule an on campus appointment if necessary. The College's food services operations remained closed the entire year and the FRC reopened to the public in winter 2021, with limited capacity. For the fall 2021 semester, the College anticipates offering approximately 50% of its courses in a face to face modality. Online student services will continue to be offered. The following represent some of the impacts of COVID-19 on College operations and the fiscal year 2021 and 2020 financial statements.

Higher Education Emergency Relief Grants (HEERF) – The Coronavirus Aid, Relief and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA) were passed by Congress and signed into law to provide economic relief from COVID-19. The College was awarded the following grants through the U.S. Department of Education, some of which have been classified in nonoperating revenues in the College's Statements of Revenue, Expenses and Changes in Net Position:

	Awarded	Recorded Year Ended June 30, 2021	Recorded Year Ended June 30, 2020
HEERF Funding:			
CARES Act - Student	\$ 2,573,303	\$ 1,631,803	\$ 941,500
CARES Act - Institutional	2,573,303	1,867,946	705,357
CARES Act – Title III Strengthening the Institutions Program (SIP) Relief Funding	254,584	2,942	251,642
CRRSAA – Student	2,573,303	2,573,303	-
CRRSAA – Institutional	8,085,314	4,652,666	-
CRRSAA – SIP	442,926	142	-
ARPA – Student	9,490,800	1,400,718	-
ARPA – Institutional	9,157,959	-	-
Total HEERF Funding	<u>\$ 35,151,492</u>	<u>\$ 12,129,520</u>	<u>\$ 1,898,499</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 2. Impact of COVID-19 – Continued

HEERF - continued – The HEERF student 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, 2021 and 2020, the College had awarded such grants to students from the student aid HEERF funding totaling \$5.6 million and \$942,000, respectively. At June 30, 2021, there was no federal grant receivable recorded. As of June 30, 2020, the College had recorded a federal grant receivable in the amount of \$55,000 for grants awarded to students for which the funding had not yet been drawn from the U.S. Department of Education.

The HEERF institutional funds that the College was awarded is intended to cover costs associated with significant changes to the delivery of instruction due to the 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, lost revenue and reimbursement for continuing to pay employees who are unable to perform their work remotely. CRRSAA and ARPA expanded permissible uses of HEERF institutional funding to include reimbursement of lost revenue due to the Coronavirus which was not permitted under the initial CARES Act awards. The College may also choose to use Institutional Relief funding to provide additional emergency grants to students. As of June 30, 2021 and 2020, the College had spent \$6.5 million and \$705,000, respectively, of Institutional Relief Funding. The main expenditures recorded were \$3.7 million in lost academic and auxiliary revenue, \$1.8 million in reimbursement for online fees, \$448,000 for reimbursement to the College for continuing to pay employees unable to work remotely, \$372,000 in technology hardware for students and fees and additional class sections to enable social distancing, and \$350,000 in grants to student. As of June 30, 2021 and 2020, the College recorded a federal grant receivable in the amount of \$3.6 million and \$705,000, respectively, for funding that has not yet been drawn from the U.S. Department of Education.

The stipulations regarding spending of the HEERF SIP funds awarded are less stringent and allow for offsetting lost revenues. Accordingly, the College elected to use the \$255,000 it was awarded under the CARES Act during fiscal year 2020, to offset the lost revenue sustained by the food service and FRC auxiliary services due to the shut-down of their operations. As of June 30, 2021, there was no federal grants receivable recorded. As of June 30, 2020, the College had not drawn down any of this funding and accordingly recorded a federal grant receivable for \$252,000.

State Appropriations - CARES Act Coronavirus Relief Funds (CRF) – 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 Balance Sheets and State appropriations nonoperating revenues in the Statements 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 could 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 March 31, 2021. During the year ended June 30, 2020, the College incurred grant allowable expenditures totaling \$224,000, for which the offsetting revenue was recognized during fiscal year 2021. The remaining \$1.5 million was expensed prior to March 31, 2021. The entire \$1.7 million of CRF funds is recorded as nonoperating revenue in 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.

Notes to Financial Statements - Continued**Delta College****June 30, 2021****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 under the following classifications:

	2021	2020
Cash and cash equivalents	\$ 44,799,354	\$ 52,918,234
Short-term investments	34,070,035	24,336,914
Long-term investments	38,971,353	26,235,113
Total	<u>\$ 117,840,742</u>	<u>\$ 103,490,261</u>

The amounts in the chart above are classified in the following categories at June 30:

	2021	2020
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 39,865,112	\$ 37,483,312
Investments in securities and similar instruments	77,920,423	65,951,742
Petty cash and cash on hand	55,207	55,207
Total	<u>\$ 117,840,742</u>	<u>\$ 103,490,261</u>

Bank Deposits

The above bank deposits at June 30, 2021 and 2020 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$40,784,380 and \$37,319,040, respectively. Of these bank deposits at June 30, 2021 and 2020, approximately \$5,800,000 and \$5,600,000, 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.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 3. Cash and Cash Equivalents and Investments – Continued

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.

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 government and agency securities, 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.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 3. Cash and Cash Equivalents and Investments – Continued

Investments – Excluding Endowment Fund Investments – Continued

The following tables present the investments and maturities that the College held at June 30, 2021 and 2020 including certificates of deposit and commercial paper classified as cash equivalents, and excluding the Endowment Fund investments:

Investment Type	S&P/Moody's Quality Ratings	Fair Value	By Maturity	
			Less Than One Year	1-3 Years
June 30, 2021:				
Certificates of Deposit	N/A	\$ 4,118,385	\$ 3,080,099	\$ 1,038,286
Commercial Paper	A1/P1 to A2/P2	39,987,135	39,987,135	-
Municipal Bonds	A1	1,016,862	-	1,016,862
U.S. Agency Securities	AA+	2,989,762	-	2,989,762
U.S. Treasury Notes	AA	982,270	-	982,270
Total Investments		\$ 49,094,414	\$ 43,067,234	\$ 6,027,180
June 30, 2020:				
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	-
Total Investments		\$ 45,835,842	\$ 44,826,444	\$ 1,009,398

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 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 Depositary 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, with no more than 15% of the portfolio invested in unrated and/or below investment grade securities. Additionally, all investments in The Fund must have a readily ascertainable market value and must be readily marketable.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 3. Cash and Cash Equivalents and Investments – Continued

Endowment Fund Investments – Continued

Credit Risk - continued – The following investments are prohibited: margin purchases and securities of the Investment Manager including proprietary mutual funds, direct investment in tangible assets such as real estate, oil and gas and precious metals. Also prohibited is venture capital financing, private placements and hedge 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 to 5% of the market value of the assets of The Fund, except for money market funds, mutual funds, and obligations of the United States government and 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, 2021 and 2020, 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, 2021

Note 3. Cash and Cash Equivalents and Investments – Continued

Endowment Fund Investments – Continued

At June 30, 2021 and 2020, the Endowment Fund had the following investments and maturities:

Investment Type	S&P/Moody's Quality Ratings	Fair Value	By Maturity			
			Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
June 30, 2021:						
Corporate Bonds	AA+ to BBB	\$ 1,235,159	\$ 90,007	\$ 265,140	\$ 505,922	\$ 374,090
Corporate Convertible Bonds *	A to B+	2,004,193	439,249	811,242	175,072	578,630
Corporate Convertible Bonds *	Unrated	446,573	173,356	273,217	-	-
Municipal Bonds	AAA to A+	2,425,870	235,000	441,840	-	1,749,030
Government & Agency Bonds	AAA to AA+	1,329,383	87,035	568,203	299,598	374,547
Government & Agency Bonds	Unrated	317,827	-	-	-	317,827
		7,759,005	\$ 1,024,647	\$ 2,359,642	\$ 980,592	\$ 3,394,124
Bond Funds	N/A	2,112,065				
Preferred Stock	N/A	509,868				
Equities	N/A	17,334,782				
International Equities	N/A	5,228,453				
Total Investments		\$ 32,944,173				
June 30, 2020:						
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
		7,611,117	\$ 687,799	\$ 2,437,989	\$ 443,580	\$ 4,041,749
Bond Funds	N/A	1,503,339				
Preferred Stock	N/A	271,838				
Equities	N/A	11,934,823				
International Equities	N/A	3,904,598				
Total Investments		\$ 25,225,715				

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

Notes to Financial Statements - Continued

Delta College

June 30, 2021

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, 2021 and 2020 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)
June 30, 2021:				
Investments excluding endowment fund investments	\$ 49,094,414	\$ -	\$ 49,094,414	\$ -
Endowment Investments:				
Equities	22,563,235	22,563,235	-	-
Bond funds	9,871,070	-	9,871,070	-
Preferred stock	509,868	-	509,868	-
Total investments by fair value	<u>\$ 82,038,587</u>	<u>\$ 22,563,235</u>	<u>\$ 59,475,352</u>	<u>\$ -</u>
June 30, 2020:				
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	<u>\$ 71,061,557</u>	<u>\$ 15,839,421</u>	<u>\$ 55,222,136</u>	<u>\$ -</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 4. Pledges Receivable

As of June 30, 2021 and 2020, donors to the College (including the Delta College Foundation) have made unconditional promises to give (pledges) approximating \$471,000 and \$4,083,000, respectively. Such pledges are discounted to their present value, assuming their respective terms, at applicable discount rates with total discounts at June 30, 2021 and 2020, respectively, of approximately \$7,300 and \$6,100. Management has also established an allowance for uncollectible pledges approximating \$3,700 and \$4,100, respectively, as of June 30, 2021 and 2020. 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 are scheduled as follows:

	2021	2020
Less than one year	\$ 136,312	\$ 2,846,486
One to five years	322,376	1,225,127
Greater than five years	932	967
Total	<u>\$ 459,620</u>	<u>\$ 4,072,580</u>

Note 5. Capital Assets

The following tables present the changes in the various capital asset class categories for the years ended June 30, 2021 and 2020:

Year Ended June 30, 2021:	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
Depreciable Capital Assets:					
Buildings	40 years	\$ 134,994,735	\$ 3,611,778	\$ 490,977	\$ 138,115,536
Land improvements	20-40 years	10,400,701	1,329,249	-	11,729,950
Infrastructure	20-25 years	12,921,324	458,624	-	13,379,948
Furniture and equipment	5-20 years	19,574,439	1,117,565	820,588	19,871,416
Non-depreciable Capital Assets:					
Construction in progress		9,502,949	8,195,589	5,582,249	12,116,289
Land		1,968,826	-	-	1,968,826
Fine art collection		139,832	182,598	-	322,430
Total Capital Assets		189,502,806	14,895,403	6,893,814	197,504,395
Less Accumulated Depreciation:					
Buildings		50,853,135	3,464,553	370,854	53,946,834
Land improvements		5,229,474	537,983	-	5,767,457
Infrastructure		7,202,015	491,567	-	7,693,582
Furniture and equipment		13,622,011	1,054,709	820,588	13,856,132
Total Accumulated Depreciation		76,906,635	\$ 5,548,812	\$ 1,191,442	81,264,005
Capital Assets, Net		<u>\$ 112,596,171</u>			<u>\$ 116,240,390</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 5. Capital Assets – Continued

Year Ended June 30, 2020:	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
Depreciable Capital Assets:					
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
Non-depreciable Capital Assets:					
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		181,458,096	25,670,602	17,625,892	189,502,806
Less Accumulated Depreciation:					
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		73,862,480	\$ 5,311,918	\$ 2,267,763	76,906,635
Capital Assets, Net		<u>\$ 107,595,616</u>			<u>\$ 112,596,171</u>

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, 2021 and 2020, respectively, state operating appropriation revenue totaled \$23.2 million and \$21.5 million. The \$23.2 million and \$21.5 million respective balances consist of the following: \$15.2 million and \$13.4 million base appropriations, \$0 and \$90,000 performance funding, \$840,000 and \$870,000 MPERS contributions offsets, Unfunded Actuarial Accrued Liability (UAAL) MPERS pass through of \$4.0 million and \$4.1 million, and personal property tax (PPT) loss reimbursements of \$3.0 million and \$2.8 million. In addition, the College received an appropriation of \$48,000 and \$41,000 for Indian Tuition Waiver for the respective years, and \$142,000 and \$197,000 was received from the State for Renaissance Zone property tax reimbursement.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 6. Recognition of State Appropriations – Continued

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 was 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. 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 1, 2020 and March 31, 2021. Unspent funds are required to be returned to the State. Since the CRF grant was not awarded until August 2020, while the College was allowed to record expense against this grant in its fiscal year 2020 financial statements, it was 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, 2021 and 2020, respectively, are \$3.7 million and \$1.9 million, and includes \$807,000 and \$724,000, 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 was still owed to the State, which was 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 for the year ended June 30, 2020. The Saginaw Center project was substantially complete and capitalized as of June 30, 2020. At June 30, 2020, the final amount due from the State for their 50% of the project was \$351,000 and was recorded as State appropriations receivable.

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.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 7. Retirement Plans – Continued

MPERS 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 MPERS, 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, 2021

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, 2019 valuation will be amortized over a 19-year period ending September 30, 2038.

Required contributions to the pension plan from the College were \$9.2 million and \$9.5 million for the years ending June 30, 2021 and 2020, respectively. Required contributions to the OPEB plan from the College were \$2.3 million and \$2.4 million for the years ending June 30, 2021 and 2020, respectively.

Following are the employee and employer contribution rates associated with the MPSERS system for the year ended September 30, 2020:

Benefit Structure	Pension Contribution Rates	
	Non-University	
	Member	Employer
Basic	0.0 – 4.0%	19.41%
Member Investment Plan	3.0 – 7.0%	19.41%
Pension Plus	3.0 – 6.4%	16.46%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

Benefit Structure	OPEB Contribution Rates	
	Non-University	
	Member	Employer
Premium Subsidy	3.0%	8.09%
PHF	0.0%	7.57%

Notes to Financial Statements - Continued

Delta College

June 30, 2021

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	
	2020	2019	2020	2019
Total liability	\$ 85,290,583,799	\$ 83,442,507,212	\$13,206,903,534	\$13,925,860,688
Plan fiduciary net position	(50,939,496,006)	(50,325,869,388)	(7,849,636,555)	(6,748,112,668)
Net liability	<u>\$ 34,351,087,793</u>	<u>\$33,116,637,824</u>	<u>\$ 5,357,266,979</u>	<u>\$ 7,177,748,020</u>
Plan fiduciary net position as a percentage of total liability	59.72%	60.31%	59.44%	48.46%
Net liability as a percentage of covered employee payroll	387.25%	378.65%	60.39%	82.07%

Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense – At June 30, 2021 and 2020, respectively, the College reported a liability of \$115.3 million and \$118.2 million for its proportionate share of the net pension liability of MPSERS. At June 30, 2021 and 2020, respectively, the College reported a liability of \$17.3 million and \$25.1 million for its proportionate share of the net OPEB liability of MPSERS. The 2021 net pension and OPEB liability was measured as of September 30, 2020, and the total liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2019. The College's portion of the 2021 and 2020 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, 2020, the College's pension proportionate share was .33565%, a decrease of .02128% from its proportionate share measured as of September 30, 2019, which was .35693%. At September 30, 2020, the College's OPEB proportionate share was .32357%, a decrease of .02569% from its proportionate share measured as of September 30, 2019, which was .34926%.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

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, 2021 and 2020, respectively, the College recognized MPSERS pension expense of \$15.3 million and \$17.8 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS pension from the following sources:

	June 30, 2021		June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,761,663	\$ 246,087	\$ 529,825	\$ 492,897
Changes of assumptions	12,776,162	-	23,144,319	-
Net difference between projected and actual earnings on pension plan investments	484,432	-	-	3,788,220
Changes in proportion and differences between College contributions and proportionate share of contributions	81,452	5,449,163	288,197	1,326,419
College contributions subsequent to the measurement date	8,497,362	-	8,102,316	-
Rate stabilization appropriations received after the measurement date	-	4,436,370	-	3,981,980
Total	\$ 23,601,071	\$ 10,131,620	\$ 32,064,657	\$ 9,589,516

For the years ended June 30, 2021 and 2020, respectively, the College recognized MPSERS OPEB expense of a negative \$1.0 million and \$0.4 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS OPEB from the following sources:

	June 30, 2021		June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,915,726	\$ -	\$ 9,198,608
Changes of assumptions	5,715,486	-	5,431,994	-
Net difference between projected and actual earnings on OPEB plan investments	144,675	-	-	435,966
Changes in proportion and differences between College contributions and proportionate share of contributions	34,596	2,570,396	7,861	986,309
College contributions subsequent to the measurement date	1,796,891	-	1,798,731	-
Total	\$ 7,691,648	\$ 15,486,122	\$ 7,238,586	\$ 10,620,883

Notes to Financial Statements - Continued**Delta College****June 30, 2021****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 – The College reported deferred outflows of resources related to pension contributions subsequent to the measurement date of \$8.5 million and \$8.1 million, respectively, as of June 30, 2021 and 2020 and \$1.8 million of contributions subsequent to the measurement date related to OPEB as of June 30, 2021 and 2020, 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
2022	\$ 5,091,208	\$ (2,476,935)
2023	3,146,358	(2,275,386)
2024	1,037,539	(1,962,617)
2025	133,354	(1,621,222)
2026	–	(1,255,205)
Total	<u>\$ 9,408,459</u>	<u>\$ (9,591,365)</u>

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 6.00% for the Pension Plus 2 Plan for the September 30, 2020 and 2019 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, 2020 and 2019 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, 2020, the annual money-weighted rate of return on pension plan and OPEB investment, net of pension and OPEB plan investment expense, was 5.37% and 5.24%, 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.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

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 - continued – 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, 2020 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	25.0%	5.6%
Private Equity Pools	16.0	9.3
International Equity Pools	15.0	7.4
Fixed Income Pools	10.5	0.5
Real Estate & Infrastructure Pools	10.0	4.9
Absolute Return Pools	9.0	3.2
Real Return/Opportunistic Pools	12.5	6.6
Short-Term Investment Pools	2.0	(0.1)
Total	100.0%	

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, 2021 and 2020 for the Basic, MIP Plans and the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan for June 30, 2021 and 2020, 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, 2021	\$ 149,234,077	\$ 115,298,289	\$ 87,173,085
Year Ended June 30, 2020	\$ 153,672,048	\$ 118,203,451	\$ 88,798,762

Notes to Financial Statements - Continued

Delta College

June 30, 2021

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 - continued – The following presents the College’s proportionate share of the net OPEB liability, calculated using the discount rate of 6.95% for June 30, 2021 and 2020, 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, 2021	\$ 22,267,968	\$ 17,334,369	\$ 13,180,693
Year Ended June 30, 2020	30,751,174	25,069,227	20,297,969
Healthcare Cost Trend Rate -			
Year Ended June 30, 2021	\$ 13,021,657	\$ 17,334,369	\$ 22,239,548
Year Ended June 30, 2020	20,095,689	25,069,227	30,750,499

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.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

Actuarial Valuations and Assumptions - continued – The total pension and OPEB liability in the September 30, 2019 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, 6.00% 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	7.00% year 1 graded to 3.50% year 15; 3.00% year 120
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.
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, 2020 is based on the results of an actuarial valuation date of September 30, 2019, 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 4.4892 years for the pension plan and 5.9870 years for the OPEB plan and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report (CAFR), which is available online at www.michigan.gov/orsschools.

Payable to Pension and OPEB Plan – As of June 30, 2021 and 2020, the College reported \$1,594,000 and \$1,435,000, 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.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 7. Retirement Plans – Continued

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, 2021 and 2020, compensation covered under the ORP approximated \$8.0 million and \$7.7 million, respectively, which resulted in contributions by the College of approximately \$799,000 and \$771,000 for the years ended June 30, 2021 and 2020, respectively.

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, 2021 and 2020, respectively, the College issued bond principal to the company totaling \$762,000 and \$514,000 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, 2021 and 2020. As of June 30, 2021, total bonds issued to date under this agreement total \$3,966,000.

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, 2021, the College issued bond principal to the company totaling \$37,000 and repaid bond principal in the same amount. 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, 2021 and 2020. During fiscal year 2020, the College received payroll tax payments from ECO-Bio Plastics in the amount of \$15,000 that had not yet been remitted back to ECO-Bio and were reflected in accounts payable as of June 30, 2020. As of June 30, 2021, bonds issued to date under this agreement total \$147,000.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 9. Operating Lease Obligations

As of June 30, 2021 and 2020, the College was not participating in any lease agreements as a lessee. The College does lease excess space on its broadcasting towers to several companies and organizations.

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.

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 \$223,000 beginning in November 2021, 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 April 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.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

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, 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, the College had recorded State Capital Appropriations revenue of \$6.2 million (\$1.6 million in fiscal year 2020 and \$4.6 million in fiscal year 2019) and a receivable from the State for its remaining share of the project expenditures of approximately \$351,000. The final payment from the State of Michigan for this project was received during fiscal year 2021.

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 was 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, 2020, the College had incurred total project costs of \$5.6 million and had a construction in progress balance of \$5.6 million. During the year ending June 30, 2021, the College incurred additional project costs of \$6.3 million, and recorded a construction in progress balance of \$11.9 million. This project will be completed in August 2021, and the newly constructed Downtown Midland Center will hold its first classes in the fall 2021 semester.

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 FRC'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 had recorded retainage payable for one of the project contractors in the amount of \$130,000. The total remaining costs came in at only \$67,000, resulting in a reduction of the capitalized cost of \$63,000 in fiscal year 2021.

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. As of June 30, 2020, the West Campus project had a construction in progress balance of \$2.4 million. As of June 30, 2021, the College had incurred total project costs of \$3.3 million. The portions of the project that were completed as of June 30, 2021 were capitalized at a total cost of \$3.2 million, with \$54,000 remaining in construction in progress for expenses incurred related to the observatory portion on the project, which is currently on hold. The recreational trail system and Delta walk/plaza also has not happened as originally planned.

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 13. Capital Construction Projects – Continued

Natatorium HVAC and Pool Equipment Replacement Project – At its March 2021 meeting, the Board approved a project to replace the air handler to the natatorium and pool filtration and disinfection equipment. The existing equipment dated back to 2004 and was at end of life. The total budget for this project is \$1,317,000, and will be paid for through reserves in both the Plant and Auxiliary funds since the pool is used for academic classes and community patrons. It is anticipated that this project will be completed in the summer of 2022. As of June 30, 2021, the College had incurred project costs in the amount of \$93,000, which is included in construction in progress.

Welding Lab Renovation Project – At its April 2020 meeting, the College's Board of Trustees approved a capital project to renovate the College's welding lab, with a budget of approximately \$781,000. This project includes facility improvements to make the lab more functional, energy efficient and safer for students. It includes adding welding stations, improved dust capture for the grinding stations and the installation of a manifold gas delivery system to eliminate the need for students to manually move flammable gas cylinders around the lab. Work on the project began during fiscal year 2020, with construction in progress totaling \$54,000 as of June 30, 2020. The project was completed and capitalized as of June 30, 2021 at a total cost of \$699,000.

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.

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, 2021 and 2020, respectively, the fee distributed to the Foundation amounted to \$237,000 and \$224,000.

Notes to Financial Statements - Continued**Delta College****June 30, 2021****Note 15. Delta College Foundation – Continued**

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 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:

Delta College Foundation		
Condensed Balance Sheets		
	June 30, 2021	June 30, 2020
Assets		
Current assets	\$ 1,660,096	\$ 5,959,957
Long-term assets	323,308	1,226,094
Total Assets	1,983,404	7,186,051
Liabilities		
Current liabilities	16,352	9,953
Net Position		
Donor-restricted endowments	32,740	565,358
Restricted-expendable	1,062,089	5,830,823
Unrestricted	872,223	779,917
Total Net Position	\$ 1,967,052	\$ 7,176,098

Notes to Financial Statements - Continued

Delta College

June 30, 2021

Note 15. Delta College Foundation – Continued

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

	Year Ended June 30, 2021	Year Ended June 30, 2020
Operating Revenue	\$ -	\$ -
Operating Expenses		
Institutional administration	153,773	154,622
Fundraising	65,734	94,608
Total Operating Expenses	219,507	249,230
Operating Loss	(219,507)	(249,230)
Nonoperating Revenue (Expenses)		
Gifts	1,144,662	1,846,482
Special events	57,492	63,636
Investment income	367,855	440,251
Foundation grants and distributions to or for Delta College	(6,562,978)	(5,836,713)
Net Nonoperating Expense	(4,992,969)	(3,486,344)
Net Loss Before Other Revenue	(5,212,476)	(3,735,574)
Other Revenue		
Capital gifts and grants	3,430	135,335
Decrease in Net Position	(5,209,046)	(3,600,239)
Net Position		
Beginning of year	7,176,098	10,776,337
End of year	\$ 1,967,052	\$ 7,176,098

Notes to Financial Statements - Continued**Delta College****June 30, 2021****Note 15. Delta College Foundation – Continued****Delta College Foundation
Condensed Statements of Cash Flows**

	Year Ended June 30, 2021	Year Ended June 30, 2020
Net Cash Used in Operating Activities	\$ (223,908)	\$ (250,662)
Net Cash Used in Noncapital Financing Activities	(5,356,309)	(4,115,524)
Net Cash Provided by Capital and Related Financing Activities	3,617,500	2,063,000
Net Cash Provided by (Used in) Investing Activities	1,366,845	(43,553)
Net Decrease in Cash and Cash Equivalents	(595,872)	(2,346,739)
Cash and Cash Equivalents		
Beginning of year	2,114,431	4,461,170
End of year	<u>\$ 1,518,559</u>	<u>\$ 2,114,431</u>

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, 2021 and 2020, Delta College property tax revenues were reduced by \$295,000 and \$367,000, 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, 2021

	2020	2019	2018	September 30, 2017	2016	2015	2014
<u>Schedule of Proportionate Share of Net Pension Liability</u>							
Delta College's proportion of the net pension liability:							
As a percentage	0.33565%	0.35693%	0.36190%	0.36091%	0.36396%	0.35920%	0.36636%
Amount	\$ 115,298,289	\$ 118,203,451	\$ 108,794,674	\$ 93,526,507	\$ 90,806,454	\$ 87,735,519	\$ 80,695,808
Delta College's covered payroll	\$ 28,862,511	\$ 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	399.5%	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	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%
	2021	2020	2019	June 30, 2018	2017	2016	2015
<u>Schedule of Contributions for MPERS</u>							
Delta College's statutorily required contributions	\$ 9,608,239	\$ 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>9,608,239</u>	<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	\$ 28,224,284	\$ 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	34.0%	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, 2020.

Changes of assumptions:

The discount rate was reduced to 6.80% for the September 30, 2020 and 2019 valuations, 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, 2021

	2020	September 30,		2017
		2019	2018	
<u>Schedule of Proportionate Share of Net OPEB Liability</u>				
Delta College's proportion of the net OPEB liability:				
As a percentage	0.32357%	0.34926%	0.36226%	0.36214%
Amount	\$ 17,334,369	\$ 25,069,227	\$ 28,796,063	\$ 32,069,557
Delta College's covered payroll	\$ 28,862,511	\$ 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	60.1%	81.8%	93.1%	105.7%
MPSERS fiduciary net position, as a percentage of the total non-university net OPEB liability	59.44%	48.46%	42.95%	36.39%

	2021	June 30,		2018
		2020	2019	
<u>Schedule of Contributions for MPSERS</u>				
Delta College's statutorily required contributions	\$ 2,279,657	\$ 2,312,092	\$ 2,396,998	\$ 2,227,684
Delta College's contributions in relation to statutorily required contribution	2,279,657	2,312,092	2,396,998	2,227,684
Delta College's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Delta College's covered payroll	\$ 28,224,284	\$ 29,347,350	\$ 30,871,381	\$ 30,883,232
Delta College contributions as a percentage of covered payroll	8.1%	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, 2020.
Changes of assumptions:	The discount rate was reduced to 6.95% for the September 30, 2020 and 2019 valuations from 7.15%, which was the discount rate for the September 30, 2018 valuation, which was a decrease from 7.50% at September 30, 2017.

Supplemental Schedules of Other Financial Information
Consolidating Balance Sheet
Delta College
June 30, 2021

	Combined Total	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund	Custodial Fund	Foundation
Assets										
Current Assets										
Cash and cash equivalents	\$ 44,799,354	\$ 1,698,036	\$ 14,880,279	\$ 4,931,053	\$ 3,655,744	\$ 588,635	\$ 17,265,399	\$ -	\$ 261,649	\$ 1,518,559
Short-term investments	34,070,035	5,524,585	8,495,763	2,054,998	1,998,990	-	15,995,699	-	-	-
Property taxes receivable	137,105	137,105	-	-	-	-	-	-	-	-
State appropriations receivable	3,720,452	3,720,452	-	-	-	-	-	-	-	-
Federal and state grants receivable	4,387,593	63,355	195,404	-	4,128,834	-	-	-	-	-
Accounts receivable	215,338	(12,829)	180,721	302	-	-	44,094	-	-	3,050
Pledges receivable	136,312	-	-	-	-	-	-	-	-	136,312
Inventories	662,743	157,835	-	504,908	-	-	-	-	-	-
Prepaid expenses and other assets	266,616	184,090	24,749	523	1,307	47,744	6,028	-	-	2,175
Due from (to) other funds	-	1,500,000	-	-	(1,500,000)	-	-	-	-	-
Total Current Assets	88,395,548	12,972,629	23,776,916	7,491,784	8,284,875	636,379	33,311,220	-	261,649	1,660,096
Long-Term Investments	38,971,353	997,390	1,977,847	-	-	32,944,173	3,051,943	-	-	-
Long-Term Pledges Receivable	323,308	-	-	-	-	-	-	-	-	323,308
Capital Assets										
Land and improvements	13,698,776	-	-	-	-	-	13,698,776	-	-	-
Infrastructure	13,379,948	-	-	-	-	-	13,379,948	-	-	-
Buildings	138,115,536	-	-	-	-	-	138,115,536	-	-	-
Furniture and equipment	19,871,416	-	-	-	-	-	19,871,416	-	-	-
Fine art collection	322,430	-	-	-	-	-	322,430	-	-	-
Construction in progress	12,116,289	-	-	-	-	-	12,116,289	-	-	-
Allowance for depreciation	(81,264,005)	-	-	-	-	-	(81,264,005)	-	-	-
Total Capital Assets	116,240,390	-	-	-	-	-	116,240,390	-	-	-
Total Assets	243,930,599	13,970,019	25,754,763	7,491,784	8,284,875	33,580,552	152,603,553	-	261,649	1,983,404
Deferred Outflows of Resources	31,292,719	-	-	-	-	-	-	31,292,719	-	-
Liabilities										
Current Liabilities										
Accounts payable	1,305,095	701,222	21,382	(36,631)	249,331	-	105,790	-	261,649	2,352
Accrued payroll and other compensation	5,686,543	5,230,540	203,391	98,167	154,445	-	-	-	-	-
Unearned revenue	1,725,631	785,158	650,574	-	275,899	-	-	-	-	14,000
Total Current Liabilities	8,717,269	6,716,920	875,347	61,536	679,675	-	105,790	-	261,649	16,352
Non-Current Liabilities										
Net pension and OPEB liability	132,632,658	-	-	-	-	-	-	132,632,658	-	-
Total Liabilities	141,349,927	6,716,920	875,347	61,536	679,675	-	105,790	132,632,658	261,649	16,352
Deferred Inflows of Resources	25,617,742	-	-	-	-	-	-	25,617,742	-	-
Net Position										
Net investment in capital assets	116,240,390	-	-	-	-	-	116,240,390	-	-	-
Restricted for:										
Donor-restricted endowments	24,869,945	-	-	-	-	24,837,205	-	-	-	32,740
Expendable scholarships and awards	597,940	-	-	-	-	-	-	-	-	597,940
Instructional department uses	152,290	-	-	-	-	-	-	-	-	152,290
Public broadcasting activities	4,739,436	-	-	-	4,739,436	-	-	-	-	-
Other restricted uses	3,177,623	-	-	-	2,865,764	-	-	-	-	311,859
Unrestricted	(41,521,975)	7,253,099	24,879,416	7,430,248	-	8,743,347	36,257,373	(126,957,681)	-	872,223
Total Net Position	\$ 108,255,649	\$ 7,253,099	\$ 24,879,416	\$ 7,430,248	\$ 7,605,200	\$ 33,580,552	\$ 152,497,763	\$ (126,957,681)	\$ -	\$ 1,967,052

Supplemental Schedules of Other Financial Information
Consolidating Statement of Revenue, Expenses and Changes in Net Position
Delta College
Year Ended June 30, 2021

	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
Operating Revenue										
Tuition and fees, net of scholarship allowance of \$6,647,833	\$ 19,933,344	\$ (6,647,833)	\$ 25,899,541	\$ 681,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	4,021,473	-	-	-	-	4,021,473	-	-	-	-
State grants and contracts	149,815	-	-	-	-	149,815	-	-	-	-
Local and nongovernmental grants and contracts	904,497	-	-	-	-	904,497	-	-	-	-
Michigan New Jobs Training Program	683,170	-	-	-	-	683,170	-	-	-	-
Public broadcasting gifts	911,950	-	-	-	-	911,950	-	-	-	-
Auxiliary activities, net of scholarship allowance of \$678,865	2,040,786	(678,895)	-	-	2,719,681	-	-	-	-	-
Current year expenditures for capital equipment and facility improvements	-	(9,313,154)	-	-	-	-	-	9,313,154	-	-
Miscellaneous	724,146	-	150,998	166,850	-	401,298	-	5,000	-	-
Total Operating Revenue	29,369,181	(16,639,882)	26,050,539	848,486	2,719,681	7,072,203	-	9,318,154	-	-
Operating Expenses										
Instruction	38,009,448	(562,594)	32,873,462	452,932	-	3,842,994	-	-	1,402,654	-
Public services	2,723,659	(65,529)	1,069,449	1,980	-	1,644,467	-	-	73,292	-
Information technology	3,926,431	-	3,810,460	-	-	-	-	110,553	5,418	-
Instructional support	6,614,552	-	5,545,826	182,247	-	688,428	-	-	198,051	-
Student services	21,695,260	(7,482,447)	6,753,944	62,724	2,801,764	19,325,424	-	-	233,851	-
Institutional administration	7,744,952	(112,131)	5,960,032	505,037	-	738,960	-	269,863	229,418	153,773
Operation and maintenance of facilities	7,461,469	(8,505,871)	6,032,368	-	-	222,592	-	9,531,607	180,773	-
Depreciation expense	5,548,812	-	-	-	-	-	-	5,548,812	-	-
Fundraising expenses	6,608	(59,126)	-	-	-	-	-	-	-	65,734
Other expenses	-	(947,593)	-	-	-	-	947,593	-	-	-
Total Operating Expenses	93,731,191	(17,735,291)	62,045,541	1,204,920	2,801,764	26,462,865	947,593	15,460,835	2,323,457	219,507
Operating Loss	(64,362,010)	1,095,409	(35,995,002)	(356,434)	(82,083)	(19,390,662)	(947,593)	(6,142,681)	(2,323,457)	(219,507)
Nonoperating Revenue (Expenses)										
State appropriations	23,156,363	-	23,610,753	-	-	-	-	-	(454,390)	-
Property tax levy	23,420,558	-	23,420,558	-	-	-	-	-	-	-
Pell federal grant revenue	10,804,164	-	-	-	-	10,804,164	-	-	-	-
Gifts	86,593	(1,932,608)	147,816	202,594	-	273,761	84,252	166,116	-	1,144,662
Higher Education Emergency Relief Fund	12,129,520	-	-	-	-	12,129,520	-	-	-	-
CARES Act Coronavirus Relief Fund	1,699,100	-	-	-	-	1,699,100	-	-	-	-
Special events, net of expenses of \$3,153	57,492	-	-	-	-	-	-	-	-	57,492
Investment income, net of Endowment Fund investment expense of \$222,282	7,841,546	(909,799)	74,677	109,863	-	661,097	7,443,560	94,293	-	367,855
Loss on disposition of capital assets	(120,123)	-	-	-	-	-	-	(120,123)	-	-
Foundation grants and distributions to or for Delta College	(123,310)	6,439,668	-	-	-	-	-	-	-	(6,562,978)
Net Nonoperating Revenue (Expenses)	78,951,903	3,597,261	47,253,804	312,457	-	25,567,642	7,527,812	140,286	(454,390)	(4,992,969)
Net Income (Loss) Before Other Revenue	14,589,893	4,692,670	11,258,802	(43,977)	(82,083)	6,176,980	6,580,219	(6,002,395)	(2,777,847)	(5,212,476)
Other Revenue										
Capital gifts and grants	3,430	(4,692,670)	-	-	-	-	-	4,692,670	-	3,430
Additions to permanent endowments	1,058,070	-	-	-	-	-	1,058,070	-	-	-
Total Other Revenue	1,061,500	(4,692,670)	-	-	-	-	1,058,070	4,692,670	-	3,430
Increase (Decrease) in Net Position	15,651,393	-	11,258,802	(43,977)	(82,083)	6,176,980	7,638,289	(1,309,725)	(2,777,847)	(5,209,046)
Transfers In (Out)	-	-	(11,171,333)	7,803,408	594,263	(4,727,280)	2,500	7,498,442	-	-
Net Increase (Decrease) in Net Position	15,651,393	-	87,469	7,759,431	512,180	1,449,700	7,640,789	6,188,717	(2,777,847)	(5,209,046)
Net Position - Beginning of Year	92,604,256	-	7,165,630	17,119,985	6,918,068	6,155,500	25,939,763	146,309,046	(124,179,834)	7,176,098
Net Position - End of Year	\$ 108,255,649	\$ -	\$ 7,253,099	\$ 24,879,416	\$ 7,430,248	\$ 7,605,200	\$ 33,580,552	\$ 152,497,763	\$ (126,957,681)	\$ 1,967,052

Supplemental Schedules of Other Financial Information
Details of Certain General Fund Revenues
Delta College
Year Ended June 30, 2021

Tuition and Fees

Tuition	\$	21,578,509
Registration fees		704,852
Course and program fees:		
Technology fees		3,438,386
Health program fees		154,924
Online course fees		(693)
Lifelong wellness course fees		1,763
Auto course fees		7,182
Other fees		<u>14,618</u>
Total Tuition and Fees	\$	<u>25,899,541</u>

Miscellaneous Revenue

Collegiate ads	\$	1,800
Credit by exam		7,210
Live scan fees		15,990
Transcript revenue		42,660
Miscellaneous		64,797
Parking fines		149
Rental of college facilities		9,441
Testing		<u>8,951</u>
Total Miscellaneous Revenue	\$	<u>150,998</u>

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses
Delta College
Year Ended June 30, 2021

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instruction						
Social Sciences	\$ 3,061,657	\$ 1,674,063	\$ 3,379	\$ -	\$ 28,000	\$ 4,767,099
Humanities	1,940,306	976,333	16,138	-	17,000	2,949,777
English	2,253,394	1,274,937	2,037	-	20,000	3,550,368
Mathematics & Computer Science	1,822,403	1,009,603	15,026	-	16,000	2,863,032
Sciences	3,174,141	1,602,665	81,919	-	28,450	4,887,175
Business & Information Technology	2,320,500	1,175,561	10,797	-	20,000	3,526,858
Health & Wellness	4,033,779	2,208,847	212,283	-	33,275	6,488,184
Technical Trades & Manufacturing	1,900,544	1,124,934	226,978	-	14,458	3,266,914
Instructional Equipment	-	-	332,876	241,179	-	574,055
Total Instruction	20,506,724	11,046,943	901,433	241,179	177,183	32,873,462
Public Services						
Television	341,462	218,321	-	-	2,300	562,083
Public Radio	105,377	61,480	-	-	855	167,712
Planetarium and Learning Center	177,014	109,880	32,598	5,000	1,129	325,621
President's Speakers Series	-	-	14,033	-	-	14,033
Total Public Services	623,853	389,681	46,631	5,000	4,284	1,069,449
Information Technology						
Communications Technology	46,365	35,524	61,257	-	875	144,021
Instructional Support Information Technology	6,108	-	1,680,790	-	-	1,686,898
Student Services Support Information Technology	-	-	729,909	-	-	729,909
Administrative Support Information Technology	45,208	8,070	1,195,854	-	500	1,249,632
Total Information Technology	97,681	43,594	3,667,810	-	1,375	3,810,460
Instructional Support						
Office of Vice President of Instruction & Learning Services	191,677	71,044	2,023	-	3,372	268,116
Associate Deans	809,853	445,250	48,120	-	4,535	1,307,758
Academic Deans	394,560	154,253	1,204	-	1,773	551,790
Faculty Secretarial & Instructional Support	78,431	46,495	121,946	-	275	247,147
Multimedia Laboratories	134,802	71,751	2,785	-	775	210,113
Library & Learning Resources Center	426,922	266,454	163,357	-	2,730	859,463
Teaching Learning and WRIT Centers	319,652	163,469	101	-	950	484,172

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2021

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instructional Support (continued)						
Academic Testing Center	\$ 131,678	\$ 68,298	\$ 322	\$ -	\$ 250	\$ 200,548
Fitness & Aquatics Center Instructional Support	72,715	46,426	14,775	-	388	134,304
Teaching Enhancement Centers	15,979	16,089	21,661	-	1,021	54,750
Center for Organizational Success	61,992	45,489	23,524	-	375	131,380
Accreditation & Assessment	-	-	24,160	-	-	24,160
Community Development & Strategic Partnerships	273,115	189,107	533	-	1,727	464,482
Service Learning & Community Engagement	61,490	47,592	7,225	-	790	117,097
Honors Program	44,490	35,921	2,123	-	275	82,809
eLearning	138,255	98,485	168,702	-	2,295	407,737
Total Instructional Support	3,155,611	1,766,123	602,561	-	21,531	5,545,826
Student Services						
Office of Vice President of Student & Education Services	214,115	130,802	41,175	-	295	386,387
Dean of Students	32,851	18,563	96,092	-	-	147,506
Dean of Enrollment Services	112,729	31,467	172	-	625	144,993
Admissions	353,611	202,496	29,804	-	3,608	589,519
Records & Registration	335,097	209,527	6,564	-	2,533	553,721
Counseling & Advising	980,926	554,238	5,042	-	8,874	1,549,080
Financial Aid	542,951	373,213	13,355	-	4,550	934,069
Enrollment Management & Student Goodwill	-	-	57,134	-	10,499	67,633
Student Engagement, Conduct, Leadership, & Organizations	115,171	56,707	42,537	-	1,250	215,665
Career & Employment Services	103,341	70,698	20,145	-	1,358	195,542
Marketing & Publications	-	-	550,065	-	-	550,065
Veteran Services	61,961	29,335	1	-	500	91,797
Collegiate Student Newspaper	16,057	5,292	58	-	-	21,407
Disability Resources	78,471	51,149	13,086	-	591	143,297
Commencement & Student Awards	-	-	5,039	-	-	5,039
Possible Dream Program	49,348	30,687	217	-	500	80,752
Student Testing & Assessment	22,840	18,508	24,308	-	250	65,906
Scholarships & Grants	-	-	241,049	-	-	241,049
Midland Center	55,928	41,915	1,070	-	500	99,413
Saginaw Center	94,515	54,534	16,369	-	500	165,918
Athletic Programs	203,031	121,261	170,051	-	10,843	505,186
Total Student Services	3,372,943	2,000,392	1,333,333	-	47,276	6,753,944

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2021

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Institutional Administration						
Board of Trustees	\$ -	\$ -	\$ 10,541	\$ -	\$ (1,617)	\$ 8,924
Development Office	320,715	207,684	14,987	-	2,088	545,474
Diversity & Inclusion Office	14,502	2,952	250	-	-	17,704
Equity Office	58,204	48,455	2,220	-	400	109,279
President's Office	446,342	325,399	8,190	-	3,336	783,267
Memberships	-	-	136,073	-	-	136,073
Miscellaneous	-	4	81,781	-	2,248	84,033
Strategic Planning	-	-	13,900	-	748	14,648
Legal	-	-	163,239	-	-	163,239
Audit	-	-	57,112	-	-	57,112
Bank Fees, Collection Expenses & Bad Debts	-	-	(196,139)	-	-	(196,139)
Insurance, Unemployment & Other	-	104,389	382,002	-	-	486,391
Business Services	252,835	139,146	7,062	-	1,500	400,543
Finance Office	751,516	491,594	47,180	5,253	5,227	1,300,770
Human Resources & Staff Recruitment	440,969	250,713	114,974	-	5,177	811,833
Senate	29,480	22,518	572	-	138	52,708
Post Office	43,600	37,132	6,088	-	275	87,095
Institutional Advancement	337,199	215,583	382	-	2,769	555,933
Institutional Research	271,492	134,640	1,413	-	2,000	409,545
Covid 19 Non-grant Covered Costs	87,381	10,078	14,287	-	-	111,746
Wellness & Professional Development	-	6,010	12,945	-	899	19,854
Total Institutional Administration	3,054,235	1,996,297	879,059	5,253	25,188	5,960,032
Operation and Maintenance of Facilities						
Public Safety	431,518	234,359	43,487	-	1,899	711,263
Facilities Management	609,466	297,147	3,577	-	4,350	914,540
Facility Operations	1,357,992	989,370	164,415	-	3,432	2,515,209
Utilities	-	-	1,150,063	-	-	1,150,063
Facility Maintenance & Improvements	-	-	361,145	-	-	361,145
Off-Campus Centers & President's House	-	-	380,148	-	-	380,148
Total Operation and Maintenance of Facilities	2,398,976	1,520,876	2,102,835	-	9,681	6,032,368
Total General Fund Operating Expenses	\$ 33,210,023	\$ 18,763,906	\$ 9,533,662	\$ 251,432	\$ 286,518	\$ 62,045,541

Supplemental Schedules of Other Financial Information
Details of Designated Fund
Delta College
Year Ended June 30, 2021

	Revenues						Expenses										Net Increase (Decrease) In Net Assets	Net Position June 30, 2021
	Net Position July 1, 2020	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	Transfers In (Out)					
Instruction																		
Corporate Services	\$ 1,185,485	\$ 285,457	\$ -	\$ -	\$ -	\$ 285,457	\$ 27,559	\$ 9,506	\$ 66,535	\$ -	\$ 114	\$ 103,714	\$ 471,701	\$ 653,444	\$ 1,838,929			
Criminal Justice Training Programs	204,595	352,024	-	-	-	352,024	186,889	87,192	50,474	18,188	3,560	346,303	177,994	183,715	388,310			
Lifelong Learning Programs	13,661	5,293	-	-	-	5,293	2,013	673	229	-	-	2,915	(14)	2,364	16,025			
Total Instruction	1,403,741	642,774	-	-	-	642,774	216,461	97,371	117,238	18,188	3,674	452,932	649,681	839,523	2,243,264			
Public Services																		
Global Awareness	22,504	-	-	-	1,567	1,567	-	-	-	-	-	-	-	1,567	24,071			
Delta Productions	14,083	-	-	-	-	-	-	-	-	-	-	-	-	-	14,083			
Dental Hygiene Powerbrush Program	(401)	-	1,705	-	-	1,705	-	-	1,980	-	-	1,980	-	(275)	(676)			
Michigan MATYC Conference	2,453	-	-	-	-	-	-	-	-	-	-	-	-	-	2,453			
Telelearning Network	9,216	-	-	-	-	-	-	-	-	-	-	-	-	-	9,216			
Total Public Services	47,855	-	1,705	-	1,567	3,272	-	-	1,980	-	-	1,980	-	1,292	49,147			
Instructional Support																		
Corporate Services Instructional Support	-	38,862	-	-	-	38,862	7,653	39,472	4,818	-	-	51,943	13,081	-	-			
Criminal Justice Training Instructional Support	-	-	-	-	-	-	53,826	34,561	-	-	350	88,737	88,737	-	-			
Lifelong Learning Programs Instructional Support	-	-	-	-	-	-	-	-	14	-	-	14	14	-	-			
President's Scholarship Program	536,724	-	-	1,000	80,652	81,652	-	-	27,000	-	-	27,000	-	54,652	591,376			
President's Innovation Projects	176,160	-	-	-	-	-	100	7	3,000	-	-	3,107	50,000	46,893	223,053			
Prison Program	(1,302)	-	-	-	-	-	-	-	4,984	-	-	4,984	6,286	1,302	-			
MEDC MAT2 Project	17,972	-	-	-	-	-	-	-	2,319	-	-	2,319	-	(2,319)	15,653			
Faculty & Instructional Development	199,688	-	37,041	-	-	37,041	-	-	-	-	-	-	-	37,041	236,729			
Developmental Education	4,156	-	-	-	-	-	-	-	-	-	-	-	-	-	4,156			
Library Resource Replacement	8,180	-	6,911	-	-	6,911	-	-	1,143	-	-	1,143	-	5,768	13,948			
Photography Lab Printing	2,429	-	-	-	-	-	-	-	-	-	-	-	-	-	2,429			
Kenya Partnership	154	-	-	-	-	-	-	-	-	-	-	-	-	-	154			
Art & Archive Projects	67,701	-	-	-	13,054	13,054	-	-	3,000	-	-	3,000	-	10,054	77,755			
Total Instructional Support	1,011,862	38,862	43,952	1,000	93,706	177,520	61,579	74,040	46,278	-	350	182,247	158,118	153,391	1,165,253			
Student Services																		
Student Engagement & Service Learning Activities	7,886	-	-	-	-	-	-	-	-	-	-	-	-	-	7,886			
Computer Rental Program	7,267	-	-	-	-	-	-	-	-	-	-	-	-	-	7,267			
Girls Day Out Events	10,679	-	-	-	-	-	-	-	-	-	-	-	-	-	10,679			
Math Calculator Rental Program	7,882	-	25	-	-	25	-	-	-	-	-	-	-	25	7,907			
Math Placement Booster	4,699	-	-	-	-	-	-	-	-	-	-	-	-	-	4,699			
Bit Calculator Rental Program	950	-	-	-	-	-	-	-	-	-	-	-	-	-	950			
Student Skills Achievement Programs	6,661	-	-	-	-	-	-	-	1,040	-	-	1,040	-	(1,040)	5,621			
President's Honors Scholarship	185,852	-	-	-	-	-	-	-	-	-	-	-	51,485	51,485	237,337			
Pioneer Athletic Fundraisers	42,582	-	27,570	5,460	-	33,030	-	-	60,946	-	738	61,684	31,327	2,673	45,255			
Total Student Services	274,458	-	27,595	5,460	-	33,055	-	-	61,986	-	738	62,724	82,812	53,143	327,601			
Institutional Administration																		
Corporate Services Administration	-	-	44,725	-	-	44,725	190,546	86,251	17,620	-	500	294,917	250,192	-	-			
Whiting Projects	77,469	-	-	-	-	-	-	-	-	-	-	-	-	-	77,469			
UNUM Projects	749,631	-	-	-	14,590	14,590	-	-	-	-	-	-	-	14,590	764,221			
Flexible Spending & Healthcare Reform Administration	119,558	-	-	-	-	-	-	-	2,011	-	-	2,011	-	(2,011)	117,547			
Administrative Reserve for Budget Sustainability	7,180,000	-	-	-	-	-	-	-	-	-	-	-	4,455,000	4,455,000	11,635,000			
Administrative Reserve for Innovative Initiatives	292,500	-	-	-	-	-	-	-	-	-	-	-	495,000	495,000	787,500			
Administrative Development & Technology Projects	29,209	-	48,873	-	-	48,873	-	-	10,020	-	-	10,020	100,000	138,853	168,062			
Diversity, Equity, Belonging & Inclusion	-	-	-	-	-	-	-	-	-	-	-	-	800,000	800,000	800,000			
Self Insurance	5,933,702	-	-	-	-	-	-	-	1,955	-	-	1,955	812,605	810,650	6,744,352			
Gifts In Kind	-	-	-	196,134	-	196,134	-	-	196,134	-	-	196,134	-	-	-			
Total Institutional Administration	14,382,069	-	93,598	196,134	14,590	304,322	190,546	86,251	227,740	-	500	505,037	6,912,797	6,712,082	21,094,151			
Total Designated Fund	\$ 17,119,985	\$ 681,636	\$ 166,850	\$ 202,594	\$ 109,863	\$ 1,160,943	\$ 468,586	\$ 257,662	\$ 455,222	\$ 18,188	\$ 5,262	\$ 1,204,920	\$ 7,803,408	\$ 7,759,431	\$ 24,879,416			

Supplemental Schedules of Other Financial Information
Details of Auxiliary Activities Fund
Delta College
Year Ended June 30, 2021

			Expenses								
	Net Position July 1, 2020	Operating Revenues			Supplies and Services	Capital Expenses	Total Expenses	Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2021	
Auxiliary Activities											
Bookstore	\$ 5,135,510	\$ 2,613,024	\$ 295,629	\$ 124,770	\$ 2,156,344	\$ -	\$ 2,576,743	\$ 36,281	\$ 213,976	\$ 5,385,767	
Food Services	356,293	29,218	39,593	20,796	29,360	-	89,749	(60,531)	60,550	356,312	
Fitness & Recreation Center	545,708	40,305	64,531	27,574	24,153	-	116,258	(75,953)	252,961	722,716	
Carlyon Farmhouse	5,325	-	-	-	-	-	-	-	-	5,325	
Planetarium Gift Shop & Conference Services	4,566	-	-	-	-	-	-	-	-	4,566	
Learning Resources Vending	16,973	-	-	-	-	-	-	-	-	16,973	
Total Auxiliary Activities	6,064,375	2,682,547	399,753	173,140	2,209,857	-	2,782,750	(100,203)	527,487	6,491,659	
Internal Service Operations											
Internal Service Operations	853,693	292,969	67,615	42,412	148,872	15,950	274,849	18,120	66,776	938,589	
Elimination of Rebilled Charges	-	(255,835)					(255,835)	-	-	-	
Net Internal Service Operations	853,693	37,134					19,014	18,120	66,776	938,589	
Total	\$ 6,918,068	\$ 2,719,681					\$ 2,801,764	\$ (82,083)	\$ 594,263	\$ 7,430,248	

Supplemental Schedules of Other Financial Information
Details of Expendable Restricted Fund
Delta College
Year Ended June 30, 2021

Instruction	Revenues									Expenses								
	Net Position July 1, 2020	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)	Net Increase (Decrease) In Net Assets	Net Position June 30, 2021
Corporate Services Grants	\$ -	\$ 1,839,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,839,788	\$ 1,066,979	\$ 589,587	\$ 181,192	\$ -	\$ 2,030	\$ 1,839,788	\$ -	\$ -	\$ -
HEERF - Institutional Aid	-	3,831,122	-	-	-	-	-	-	3,831,122	50,791	11,684	188,685	-	-	251,160	(3,579,962)	-	-
HEERF - SIP	-	142	-	-	-	-	-	-	142	-	-	142	-	-	-	-	-	-
State of Michigan Coronavirus Relief Funds	(95,580)	457,450	-	-	-	-	-	-	457,450	95,082	27,918	186,849	52,021	-	361,870	-	95,580	-
Michigan New Jobs Training Programs	-	-	-	-	683,170	-	-	-	683,170	11,675	4,616	660,431	-	6,448	683,170	-	-	-
Motorcycle Safety Training Programs	(4,454)	-	70,324	-	-	19,000	-	-	89,324	56,351	18,385	9,937	-	-	84,673	-	4,651	197
Endowed Teaching Chair Program	108,385	-	-	-	-	-	275	29,483	29,758	4,530	1,400	7,411	-	1,308	14,649	358	15,467	123,852
League for Innovation Global Skills Grants	2,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,728
Wickes Diesel Program Startup	341,285	-	-	-	-	-	-	-	-	-	9,399	23,631	-	-	33,030	-	(33,030)	308,255
Haas Foundation CNC Grant	-	-	-	1,550	-	-	-	-	1,550	1,143	407	-	-	-	1,550	-	-	-
Dow Foundation STEM Explorer Program	665,073	-	-	-	-	-	1,800	87,148	88,948	88,922	50,431	41,676	-	550	181,579	-	(92,631)	572,442
Perkins Voc Ed Grant - Instructional Equipment	-	391,383	-	-	-	-	-	-	391,383	-	-	93,600	297,783	-	391,383	-	-	-
Total Instruction	1,017,437	6,519,885	70,324	1,550	683,170	19,000	2,075	116,631	7,412,635	1,375,473	704,428	1,379,322	373,435	10,336	3,842,994	(3,579,604)	(9,963)	1,007,474
Public Service																		
HEERF - Institutional Aid	-	105,508	-	-	-	-	-	-	105,508	-	-	4,500	-	-	4,500	(101,008)	-	-
State of Michigan Coronavirus Relief Funds	-	4,197	-	-	-	-	-	-	4,197	-	-	4,197	-	-	4,197	-	-	-
Possible Dream Program	167,281	-	-	-	-	-	-	90,674	90,674	3,150	1,100	37,067	-	-	41,317	-	49,357	216,638
Humanities Learning Center	4,218	-	-	-	-	-	-	-	-	-	-	114	-	-	114	-	(114)	4,104
Planetarium Be A Star	216,511	-	-	-	-	-	-	29,049	29,049	-	-	-	-	-	-	-	29,049	245,560
Public Broadcasting - Television	3,512,486	487,890	-	893,550	-	379,210	708,369	13,507	2,482,526	210,109	110,211	1,097,238	60,529	1,575	1,479,662	-	1,002,864	4,515,350
Public Broadcasting - Radio	130,692	-	-	-	-	-	203,581	4,490	208,071	19,440	7,240	87,983	-	14	114,677	-	93,394	224,086
Total Public Service	4,031,188	597,595	-	893,550	-	379,210	911,950	137,720	2,920,025	232,699	118,551	1,231,099	60,529	1,589	1,644,467	(101,008)	1,174,550	5,205,738
Instructional Support																		
OCC Election Engagement Grant	-	-	-	1,500	-	-	-	-	1,500	-	-	1,500	-	-	1,500	-	-	-
HEERF - Institutional Aid	-	199,597	-	-	-	-	-	-	199,597	40,723	9,569	149,305	-	-	199,597	-	-	-
State of Michigan Coronavirus Relief Funds	(44,756)	454,134	-	-	-	-	-	-	454,134	150,108	47,200	114,728	27,000	-	339,036	(70,342)	44,756	-
ALL-IN Campus Democracy Challenge Grant	-	-	-	1,000	-	-	-	-	1,000	-	-	300	-	-	300	(500)	200	200
Midwest Inst. for International/Intercultural Education Grant	-	-	-	2,500	-	-	-	-	2,500	-	-	-	-	-	-	-	2,500	2,500
AACC Expanding Community College Apprenticeships	-	8,986	-	-	-	-	-	-	8,986	6,169	2,371	446	-	-	8,986	-	-	-
Water Treatment Instruction Development	2,696	-	-	-	-	-	-	-	-	-	-	120	-	-	120	-	(120)	2,576
Perkins CAP Leadership Grant	-	9,200	-	-	-	-	-	-	9,200	7,477	1,723	-	-	-	9,200	-	-	-
Perkins Voc Ed Grant - Professional & Curriculum Dev	-	129,689	-	-	-	-	-	-	129,689	82,191	44,955	252	-	2,291	129,689	-	-	-
ATD Engaging Adjunct Faculty Grant	13,906	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,906
Total Instructional Support	(28,154)	801,606	-	5,000	-	-	-	-	806,606	286,668	105,818	266,651	27,000	2,291	688,428	(70,842)	47,336	19,182
Student Services																		
AT&T Becoming a Pioneer Grant	-	-	-	4,397	-	-	-	-	4,397	-	-	-	-	-	-	(300)	4,097	4,097
Perkins Voc Ed Grant - Special Needs	-	228,172	-	-	-	-	-	-	228,172	167,479	97,787	6,500	-	1,288	273,054	44,882	-	-
MICUP STEP/CMU Partnership Grant	-	-	142	-	-	-	-	-	142	87	55	-	-	-	142	-	-	-
MICUP/MTU Partnership Grant	-	-	1,085	-	-	-	-	-	1,085	-	-	667	-	418	1,085	-	-	-
Michigan Nursing Board Scholarships Grant	-	-	15,593	-	-	-	-	-	15,593	-	-	15,593	-	-	15,593	-	-	-
Michigan M-46 Talent Consortium Grant	-	-	61,890	-	-	-	-	-	61,890	44,595	16,878	-	-	417	61,890	-	-	-
Pell Grants	-	10,804,164	-	-	-	-	-	-	10,804,164	-	-	10,804,164	-	-	10,804,164	-	-	-
Supplemental Educational Opportunity Grant	-	625,159	-	-	-	-	-	-	625,159	-	-	625,159	-	-	625,159	-	-	-
TRIO Educational Opportunity Grant	-	274,362	-	-	-	-	-	-	274,362	157,671	75,919	38,150	-	2,622	274,362	-	-	-
Federal Workstudy Grant	-	12,695	-	-	-	-	-	-	12,695	16,927	-	-	-	-	16,927	4,232	-	-
Job Locator and Development Grant	-	14,149	-	-	-	-	-	-	14,149	10,102	3,947	-	-	-	14,149	-	-	-
VA Program Support	5,083	-	-	-	-	3,088	-	-	3,088	-	-	-	-	-	-	-	3,088	8,171
HEERF - Institutional Aid	-	1,877,127	-	-	-	-	-	-	1,877,127	50,668	7,709	903,359	-	-	961,736	(915,391)	-	-
HEERF - Student Aid	-	5,605,824	-	-	-	-	-	-	5,605,824	-	-	5,605,824	-	-	5,605,824	-	-	-
HEERF - SIP	-	2,942	-	-	-	-	-	-	2,942	-	-	2,942	-	-	2,942	-	-	-
State of Michigan Coronavirus Relief Funds	(29,084)	176,580	-	-	-	-	-	-	176,580	30,311	16,273	85,695	-	-	132,279	(15,217)	29,084	-
Scholarships & Awards	1,211,411	-	-	-	-	-	271,686	406,746	678,432	6,599	529	528,990	-	-	536,118	5,300	147,614	1,359,025
Total Student Services	1,187,410	19,621,174	78,710	4,397	-	3,088	271,686	406,746	20,385,801	484,439	219,097	18,617,043	-	4,845	19,325,424	(876,494)	183,883	1,371,293

Supplemental Schedules of Other Financial Information
Details of Expendable Restricted Fund - Continued
Delta College
Year Ended June 30, 2021

	Revenues								Expenses								Transfers In (Out)	Net Increase (Decrease) In Net Assets	Net Position June 30, 2021
	Net Position July 1, 2020	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				
Institutional Administration																			
HEERF - Institutional Aid	\$ -	\$ 399,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,916	\$ 218,295	\$ 120,743	\$ 60,878	\$ -	\$ -	\$ 399,916	\$ -	\$ -	\$ -	
State of Michigan Coronavirus Relief Funds	-	379,467	-	-	-	-	-	-	379,467	161,927	76,806	75,563	24,748	-	339,044	(40,423)	-	-	
Total Institutional Administration	-	779,383	-	-	-	-	-	-	779,383	380,222	197,549	136,441	24,748	-	738,960	(40,423)	-	-	
Operation and Maintenance of Facilities																			
HEERF - Institutional Aid	-	107,342	-	-	-	-	-	-	107,342	-	-	28,030	36,000	-	64,030	(43,312)	-	-	
State of Michigan Coronavirus Relief Funds	(54,448)	227,272	-	-	-	-	-	-	227,272	11,549	3,734	141,944	-	-	157,227	(15,597)	54,448	-	
Sustainability Grants	425	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	425	
Michigan Justice Training & Drug Enforcement Grants	1,642	-	781	-	-	-	-	-	781	-	-	1,335	-	-	1,335	-	(554)	1,088	
Total Operation and Maintenance of Facilities	(52,381)	334,614	781	-	-	-	-	-	335,395	11,549	3,734	171,309	36,000	-	222,592	(58,909)	53,894	1,513	
Total Expendable Restricted Fund	\$ 6,155,500	\$ 28,654,257	\$ 149,815	\$ 904,497	\$ 683,170	\$ 401,298	\$ 1,185,711	\$ 661,097	\$ 32,639,845	\$ 2,771,050	\$ 1,349,177	\$ 21,801,865	\$ 521,712	\$ 19,061	\$ 26,462,865	\$ (4,727,280)	\$ 1,449,700	\$ 7,605,200	

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund
Delta College
Year Ended June 30, 2021

	Net Assets July 1, 2020	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2021
Endowment Funds						
Margaret Adams Scholarship	\$ 11,752	\$ -	\$ 3,501	\$ (445)	\$ (209)	\$ 14,599
Charleen T. Adcock Scholarship	59,662	-	17,774	(2,251)	(1,062)	74,123
Anderson Family Delta Sculpture Walk	113,089	-	33,691	(4,284)	(2,017)	140,479
Andrew F. & Mary H. Anderson Scholarship	54,066	-	16,107	(1,836)	(911)	67,426
Kurt W. Anderson Agricultural Scholarship	23,415	83	6,992	(436)	(305)	29,749
Athletic Scholarship	393,740	-	117,306	(14,889)	(7,017)	489,140
M. Seth Babcock Scholarship	17,759	-	5,292	(672)	(317)	22,062
Mary Ann (McGregor) Badour Scholarship	42,559	-	12,680	(1,610)	(758)	52,871
James & Joy Baker Scholarship	43,091	-	12,838	(1,629)	(768)	53,532
Barney & Gerry Ballor Family Scholarship	21,043	21,000	8,156	(591)	(401)	49,207
Ormond Barstow/Ludo Frevel Award for Scholarly Achievement	33,066	-	9,852	(1,251)	(590)	41,077
Adeline Barth Scholarship	-	51,045	-	-	-	51,045
Baxandall Scholarship	230,419	683,443	215,054	(8,561)	(8,182)	1,112,173
Bay City Central Class of '41 Scholarship	88,220	-	26,282	(3,247)	(1,550)	109,705
Elzie & Muriel Beaver Scholarship	151,996	-	45,284	(5,749)	(2,709)	188,822
Bergstein Award for Teaching Excellence	64,517	-	19,221	(1,669)	(957)	81,112
Leonard & Esther Bergstein Scholarship	97,921	500	29,218	(2,978)	(1,566)	123,095
Darrell R. Berry Scholarship	33,084	-	9,856	(1,251)	(590)	41,099
Alfred J. Bladecki Scholarship	15,852	200	4,738	(450)	(246)	20,094
Martin & Emma Block Scholarships	509,375	-	151,757	(19,266)	(9,080)	632,786
Peter & Barbra Boyse Speaker Series (Restricted)	41,134	-	12,255	(1,371)	(687)	51,331
Peter D. Boyse President's Scholar Program	2,133,160	1,800	635,529	(80,652)	(38,015)	2,651,822
Louise K. Brentin Scholarship	58,779	300	17,529	(1,512)	(870)	74,226
Business Division Scholarship	162,744	200	48,497	(6,139)	(2,897)	202,405
Carlyon Farmhouse Maintenance	237,707	-	70,820	(8,991)	(4,237)	295,299
Donald & Betty Carlyon Scholarship	207,209	5,946	62,093	(6,928)	(3,477)	264,843
Donald & Betty Carlyon Endowed Teaching Chair	225,305	75	67,125	(8,512)	(4,014)	279,979
DeeMona Chatman Scholarship	25,658	-	7,645	(970)	(458)	31,875
Scott Clemons Scholarship	-	20,310	1,844	-	(75)	22,079
William R. Collings Award for Outstanding Service & Academic Achievement	41,238	-	12,286	(1,560)	(735)	51,229
Lynn Conway Athletic Scholarship	30,206	260	9,027	(1,113)	(532)	37,848
M. J. Cooper Scholarship & TLC	-	33,500	2,838	-	(111)	36,227
Gilbert A. Currie Estate Scholarship	338,310	-	100,791	(12,797)	(6,030)	420,274
Ilau & Phillip Dean Scholarship	66,014	10,000	20,580	(2,022)	(1,095)	93,477
Delta College Employee-Sponsored Scholarship	125,552	-	37,406	(4,749)	(2,238)	155,971
Delta College Planetarium Fund	753,535	8,832	225,317	(28,019)	(13,344)	946,321
Delta Deltah's Scholarship	6,382	-	1,901	(241)	(113)	7,929
Robert DeVinney Endowed Teaching Chair	154,247	75	45,961	(5,826)	(2,748)	191,709
Dixon Family Scholarship	73,841	-	22,000	(2,793)	(1,316)	91,732
Herbert Doan Scholarship	57,319	-	17,077	(1,128)	(762)	72,506
B. Joe & Margery (Knepp) Dodson Scholarship	115,121	-	34,297	(3,496)	(1,837)	144,085
Frances Dolinski Scholarship	96,228	-	28,669	(3,238)	(1,615)	120,044
Henry Dolinski Scholarship	103,967	-	30,975	(3,531)	(1,753)	129,658

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2021

	Net Assets July 1, 2020	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2021
Endowment Funds - Continued						
Dr. Louis W. Doll & Patricia Drury Scholarship	\$ 46,250	\$ 100	\$ 13,785	\$ (1,731)	\$ (820)	\$ 57,584
Tom Dostal Memorial Scholarship	33,622	650	10,057	(1,198)	(583)	42,548
Dow Chemical Company Michigan Operations Award for Physical Science	27,978	-	8,335	(1,058)	(499)	34,756
The Herbert H. & Grace A. Dow Foundation Science Education	2,417,769	-	720,322	(86,146)	(41,771)	3,010,174
Herbert H. & Barbara C. Dow Fund	47,140	-	14,045	(1,783)	(841)	58,561
Jerry & Terry Drake Scholarship & Broadcasting Program Support	257,819	-	76,811	(9,752)	(4,596)	320,282
Draper Family Scholarship	16,582	-	4,940	(627)	(296)	20,599
Gene R. Duckworth Scholarship	33,592	-	10,007	(1,270)	(598)	41,731
Fred E. Dulmage Award for Engineering & Technology	24,576	-	7,323	(930)	(438)	30,531
Ellucian Higher Education Endowed Teaching Chair	157,062	-	46,793	(5,941)	(2,799)	195,115
Ellucian Higher Education Possible Dream Program	96,256	-	28,678	(3,619)	(1,711)	119,604
Dr. Robert & Carol Emrich Scholarship	-	20,000	4,284	-	(120)	24,164
Eldon Enger & Fred Ross Scholarship	27,484	200	8,200	(1,020)	(485)	34,379
English Division Guest Lecturer	27,271	-	8,125	(1,031)	(486)	33,879
James E. & Leanne Lutz Erickson Scholarship	27,150	-	8,088	(1,002)	(477)	33,759
Faculty Executive Committee Award	5,566	-	1,659	(211)	(100)	6,914
Fettig Family Scholarship	36,850	6,000	11,436	(1,194)	(624)	52,468
Arthur J. & Bette L. Fisher Scholarship	315,018	-	93,853	(11,914)	(5,615)	391,342
Isabella M. Flynn Scholarship	318,084	-	94,766	(12,013)	(5,665)	395,172
Peter & Suzanne Frantz Award for Art	28,508	-	8,493	(1,078)	(509)	35,414
Dr. John & Joanne Fuller Scholarship	38,182	200	11,388	(1,359)	(660)	47,751
Gakstatter Family Scholarship	47,824	-	14,248	(1,861)	(865)	59,346
David R. & Vivian S. Gamez Scholarship	82,874	-	24,691	(3,133)	(1,477)	102,955
Gerace Construction Scholarship	149,071	-	44,412	(5,638)	(2,658)	185,187
Gerity Broadcasting Company Scholarship	117,762	-	35,085	(4,454)	(2,100)	146,293
Gerstacker Faculty Recognition Award	36,970	-	11,014	(1,398)	(659)	45,927
Global Education Program	41,431	-	12,344	(1,567)	(739)	51,469
Robert M. Gohlke Scholarship	35,511	-	10,580	(1,342)	(632)	44,117
Dr. Jean Goodnow Scholarship	36,480	1,500	10,930	(1,275)	(626)	47,009
Gougeon Brothers, Inc. Award for Applied Industrial/Technical	27,272	-	8,125	(1,031)	(486)	33,880
Gougeon Employees Foundation Business & Technology Scholarship	-	10,000	612	-	(19)	10,593
Lynda V. & James M. Grant Scholarship	295,200	-	87,949	(5,492)	(3,844)	373,813
Patricia L. & Robert W. Grant Jr. Scholarship & Humanities Program	295,502	-	88,038	(11,136)	(5,257)	367,147
Great Lakes Bay Manufacturers' Association Scholarship	45,109	-	13,440	(1,706)	(804)	56,039
Russell B. & Grace H. Green Scholarship	48,239	25	14,375	(1,825)	(860)	59,954
Priscilla Bogi Guritza Memorial Scholarship	27,459	-	8,181	(1,039)	(490)	34,111
Clarence & June Hackbarth Scholarship	24,606	1,200	7,465	(943)	(447)	31,881
Beki Gray Hadley Scholarship	48,401	-	14,420	(1,829)	(862)	60,130
David & Jackie Hall Scholarship	24,531	-	7,308	(923)	(436)	30,480
Hammond Family Scholarship	24,306	-	7,241	(921)	(433)	30,193
Sarah Hansen Scholarship	13,816	-	4,116	(511)	(244)	17,177
William J. Hargreaves Scholarship	25,540	-	7,610	(988)	(461)	31,701
Joan B. Harry Scholarship	44,873	13,710	14,620	(1,188)	(724)	71,291

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2021

	Net Assets July 1, 2020	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2021
Endowment Funds - Continued						
Harry Hawkins Scholarship	\$ 19,727	\$ -	\$ 5,878	\$ (746)	\$ (352)	\$ 24,507
Robert & Joyce Hetzler Family Award for Outstanding Service & Leadership	27,650	-	8,237	(1,046)	(492)	34,349
Hilde & Walter Heyman Scholarship	22,083	-	6,580	(835)	(394)	27,434
Ada E. Hobbs Scholarship	13,959	-	4,159	(528)	(249)	17,341
Don Holzhei Memorial Scholarship	28,361	-	8,449	(1,070)	(505)	35,235
Home Builders Association of Bay, Midland & Saginaw Counties	23,391	-	6,970	(885)	(417)	29,059
Honors Student Scholarship	92,717	-	27,623	(3,507)	(1,653)	115,180
Kimberly R. Houston Leadership & Service Learning Scholarship	23,417	-	6,977	(902)	(422)	29,070
Richard Paul Hunter Scholarship	53,862	-	16,048	(2,071)	(969)	66,870
Ruby T. Iwamasa Scholarship	-	30,893	2,331	-	(95)	33,129
James R. & Anita H. Jenkins Family Scholarship	139,331	-	41,510	(5,242)	(2,476)	173,123
Phyllis E. Jones Memorial Scholarship	23,530	-	7,010	(890)	(419)	29,231
S. Preston & Dr. Betty B. Jones International Scholarship	133,190	2,100	39,810	(4,488)	(2,241)	168,371
Dan E. Karn Memorial Scholarship	4,738	-	1,411	(179)	(85)	5,885
Kaufmann Family Scholarship	22,589	-	6,730	(845)	(400)	28,074
Robert F. Keicher Memorial Scholarship	27,086	75	8,077	(1,006)	(478)	33,754
Dale & Alma Keyser Scholarship	37,503	500	11,219	(1,367)	(658)	47,197
Walter J. & Sophia M. Kilar Scholarship	26,905	-	8,016	(1,018)	(479)	33,424
International Order of King's Daughters & Sons Scholarship	30,974	-	9,228	(1,172)	(552)	38,478
Oscar W. Kloha Scholarship	44,842	-	13,359	(1,696)	(799)	55,706
Robert I. & Marjorie H. Knepp Scholarship	245,819	-	73,236	(9,295)	(4,381)	305,379
W.R. & Edith Knepp Scholarship	253,487	-	75,520	(9,587)	(4,518)	314,902
W.R. Knepp, Jr. Scholarship	191,813	-	57,146	(7,256)	(3,419)	238,284
John L. & Margaret H. Krawczyk Scholarship	21,545	10,000	7,030	(828)	(406)	37,341
Daniel P. Kubiak Scholarship	23,040	-	6,864	(871)	(411)	28,622
Gary Laatsch Scholarship	44,492	-	13,255	(1,677)	(791)	55,279
Jack LaBreck Scholarship	6,904	-	2,057	(261)	(123)	8,577
Ilene M. Lane Nursing Scholarship	65,228	-	19,433	(2,465)	(1,162)	81,034
Dr. Thomas H. Lane & Janis E. Landry-Lane Scholarship	92,963	-	27,696	(3,514)	(1,656)	115,489
Edward & Kathryn (Dunn) Langenburg Award for Education	34,768	-	10,358	(1,167)	(583)	43,376
Thomas & Rose Mary Laur Scholarship	99,150	-	29,540	(3,697)	(1,754)	123,239
Professor Marjorie M. Leeson Scholarship	75,286	7,877	24,117	(2,136)	(1,211)	103,933
Leo & Evelyn Levy Scholarship	26,681	-	7,948	(1,004)	(474)	33,151
Denise Lovay-Gravlin Memorial Scholarship	30,560	1,100	9,174	(1,028)	(515)	39,291
Edward & Kathleen Lunt Scholarship	176,291	-	52,522	(6,573)	(3,118)	219,122
Karen MacArthur Endowed Teaching Chair	145,572	-	43,370	(5,409)	(2,570)	180,963
Thomas & Brenda Mahar Scholarship	28,721	-	8,556	(1,086)	(512)	35,679
William & Susan Marklewitz for Health Professions	173,404	-	51,662	(6,714)	(3,129)	215,223
Ruth Mast Fox Scholarship	21,715	-	6,470	(834)	(390)	26,961
Margaret McAlear Scholarship	45,471	-	13,548	(1,681)	(801)	56,537
James R. McIntyre Award for Health Sciences	28,210	-	8,404	(1,067)	(503)	35,044
Dr. Murlene E. McKinnon Public Media	91,003	10,000	28,025	(2,054)	(1,313)	125,661
Marlene Mehlhose Scholarship	21,039	-	6,267	(818)	(381)	26,107

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2021

	Net Assets July 1, 2020	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2021
Endowment Funds - Continued						
Aceie & Thelma Micho Scholarship	\$ 160,849	\$ 11,513	\$ 48,626	\$ (4,839)	\$ (2,578)	\$ 213,571
Rhea Miller Scholarship	52,010	-	15,495	(1,967)	(927)	64,611
Richard & Gloria Miller Scholarship	44,916	1,500	13,474	(1,501)	(754)	57,635
Frances Goll Mills Award for Nursing	31,506	-	9,386	(1,191)	(562)	39,139
Dorothy & Robert Monica Scholarship	137,989	10,011	41,723	(3,811)	(2,127)	183,785
Monitor Sugar Scholarship	22,248	-	6,628	(842)	(396)	27,638
Paul Moore Social Science Award	26,216	90	7,829	(954)	(458)	32,723
Morley Family Foundation Scholarship	27,015	3,000	8,262	(999)	(484)	36,794
Morley Foundation Award for Business Management	28,877	-	8,603	(1,092)	(515)	35,873
Virginia Morrison Scholarship	46,104	-	13,736	(1,714)	(814)	57,312
Wendell & Ethel Mullison Scholarship	28,046	-	8,355	(1,061)	(500)	34,840
W. Brock Neely Scholarship	57,802	-	17,221	(1,980)	(979)	72,064
William H. "Buddy" Oates Scholarship	34,062	-	10,149	(1,288)	(607)	42,316
Oscar P. & Louise H. Osthelder Scholarship	159,255	5,000	47,902	(5,550)	(2,739)	203,868
Jesse J. Oswald Scholarship	37,286	1,430	11,109	(1,358)	(652)	47,815
Marguerite Scull Parker Scholarship	30,337	5	9,039	(1,108)	(531)	37,742
Otto C. Pressprich Fund	117,762	-	35,085	(4,454)	(2,100)	146,293
Cecelia Randall Scholarship	24,344	-	7,252	(921)	(434)	30,241
Alfonso Rasch-Isla Scholarship	26,308	-	7,838	(996)	(469)	32,681
Connie R. Reading Scholarship	24,758	4,500	7,781	(461)	(339)	36,239
Newell Remington Scholarship & TLC Support	51,981	75	15,493	(1,906)	(911)	64,732
Skip Renker Award for Creative Writing	22,627	-	6,741	(856)	(403)	28,109
Renee Rookard Scholarship	81,648	-	24,325	(3,088)	(1,455)	101,430
Harold & Norine Rupp Scholarship	21,855	-	6,512	(827)	(390)	27,150
Saginaw County Child Development Centers Program Scholarship	18,646	-	5,555	(705)	(332)	23,164
Cliff & Grace Saladine Scholarship	29,411	-	8,763	(1,112)	(524)	36,538
Linda Ortega Scheall Memorial Scholarship	-	20,215	1,237	-	(38)	21,414
Dawn Schmidt Award for Mathematics	29,659	350	8,865	(1,115)	(528)	37,231
Peggy A. Scott Scholarship	52,944	2,500	16,233	(1,769)	(898)	69,010
Scott & Sandra Seeburger Family Scholarship	20,047	80	5,989	(200)	(218)	25,698
Charlotte Seiler Memorial Scholarship	53,133	-	15,830	(2,040)	(955)	65,968
Ralph I. & Archie M. Selby Family Scholarship	24,357	360	7,309	(899)	(431)	30,696
Gene F. Shrum & Dee Dee (Shrum) Wacksman Scholarship	21,232	-	6,326	(803)	(379)	26,376
Van Dewitt & Ruth Simmons Scholarship	184,107	-	54,851	(6,964)	(3,282)	228,712
John M. Smith & William Wolgast Family Softball Scholarship	23,568	-	7,022	(891)	(420)	29,279
Paul Sowatsky Scholarship & Award	31,709	-	9,446	(1,199)	(565)	39,391
Spittka Family Scholarship	45,830	-	13,655	(1,636)	(793)	57,056
James Stark Scholarship	4,016	-	1,197	(152)	(72)	4,989
Eileen & Hugh Starks Scholarship	35,376	-	10,539	(1,338)	(631)	43,946
Dr. James F. & Elizabeth Stoddard Scholarship	120,431	-	35,879	(3,253)	(1,821)	151,236
Greg Stryker Scholarship	21,475	250	6,421	(824)	(387)	26,935
Sturm Family Broadcast Programming Fund	192,751	-	57,426	(7,291)	(3,436)	239,450
Julius & Irene Sutto Award for Life Sciences	27,579	-	8,217	(1,043)	(492)	34,261

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2021

	Net Assets July 1, 2020	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2021
Endowment Funds - Continued						
Paul & Margaret Thompson Scholarship	\$ 37,060	\$ -	\$ 11,041	\$ (1,402)	\$ (660)	\$ 46,039
Willie E. Thompson Scholarship	34,485	20	10,276	(1,299)	(614)	42,868
Margaret Timm Award for English	37,458	1,000	11,221	(1,246)	(627)	47,806
Wesley Timm Award for Social Science	37,206	1,000	11,146	(1,337)	(647)	47,368
Bernard C. & Lois K. Ulrich Scholarship	23,422	-	6,978	(893)	(419)	29,088
Tina S. & Philip M. Van Dam Scholarship	39,407	5,012	12,124	(1,299)	(669)	54,575
Jeanne M. VanOchten & Wayne W. Adams Scholarship	22,233	-	6,624	(864)	(402)	27,591
Jim & Janis Van Tiflin Award	26,813	-	7,988	(1,014)	(477)	33,310
Lynn & Sandy Weimer Scholarship	24,444	2,000	7,405	(921)	(438)	32,490
Ken & "Miss Mona" White Scholarship	123,353	7,600	38,366	(3,875)	(2,047)	163,397
Lola Bishop Whitney Award for Foreign Language	125,128	-	37,278	(4,733)	(2,230)	155,443
David & Carol Williams Scholarship	40,047	-	11,931	(1,329)	(667)	49,982
Alice & Jack Wirt Scholarship	230,359	-	68,630	(8,714)	(4,106)	286,169
Stephen M. & Dena J. Wirt	52,958	-	15,778	(2,061)	(958)	65,717
Teresa Plackowski-Witucki Scholarship	23,794	-	7,089	(900)	(424)	29,559
Wolverine Bank Scholarship	41,430	-	12,343	(1,567)	(739)	51,467
Robert R. "Dr. Bob" Zimmermann Scholarship	138,993	11,559	42,544	(4,288)	(2,267)	186,541
Robert R. "Dr. Bob" Zimmermann Faculty Professional Development	141,409	17,551	43,202	(3,795)	(2,163)	196,204
Alan & Carol Zombeck Scholarship	21,295	250	6,361	(812)	(382)	26,712
Anton, Sr., Alma & Anton, Jr. Zucker Scholarship	88,035	-	26,229	(3,330)	(1,570)	109,364
Melvin & Hilda Zuehlke Scholarship and Special Needs Assistance Fund	153,322	-	45,678	(5,799)	(2,733)	190,468
Total Endowment Funds	18,967,558	1,060,570	5,827,629	(683,721)	(334,831)	24,837,205
Funds Functioning as Endowments						
Etcyl H. & Ruth Blair CGA	22,059	-	3,021	-	(179)	24,901
Peter & Barbra Boyse Speaker Series	281,641	-	83,909	(10,652)	(5,020)	349,878
Coca-Cola Scholarship	71,803	-	21,392	(2,716)	(1,280)	89,199
Gilbert A. Currie Estate Fund	413,666	-	123,242	(15,647)	(7,374)	513,887
Delta College Public Radio Fund	76,285	-	22,727	(2,924)	(1,369)	94,719
Delta College Foundation Fund	1,210,054	-	360,510	(43,472)	(20,995)	1,506,097
Delta College Foundation Student Scholarships	347,683	12,458	105,036	(11,683)	(5,874)	447,620
Delta College Public TV Fund	613,686	37,794	182,835	(35,356)	(13,975)	784,984
Alden B. Dow Fund	56,122	-	16,721	(2,123)	(1,001)	69,719
Laughner Award	19,736	-	5,880	(747)	(352)	24,517
Possible Dream Program	2,497,977	34,000	744,218	(87,055)	(42,669)	3,146,471
UNUM Projects	385,704	-	114,912	(14,590)	(6,875)	479,151
Macauley & Helen Whiting Fund	975,789	-	290,715	(36,907)	(17,393)	1,212,204
Total Funds Functioning as Endowments	6,972,205	84,252	2,075,118	(263,872)	(124,356)	8,743,347
TOTAL	\$ 25,939,763	\$ 1,144,822	\$ 7,902,747	\$ (947,593)	\$ (459,187)	\$ 33,580,552