



Delta College

**Audited Financial Statements
and Other Financial Information**

June 30, 2022

Delta College

Audited Financial Statements and Other Financial Information

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Audited Financial Statements

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Management's Discussion and Analysis
Delta College
Year Ended June 30, 2022

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, 2022, 2021 and 2020. 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.

Adoption of New Accounting Standard

The GASB issued GASB Statement No. 87, *Leases*, (GASB 87) which requires government lessors to recognize a lease receivable asset and a deferred inflow of resources for leases that were previously classified as operating leases. The College adopted the Statement effective July 1, 2020. The balances were calculated using the facts and circumstances that existed as of July 1, 2020 as prescribed by GASB 87. There was no impact to beginning net position as of July 1, 2020.

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 2021; 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. Approximately 56% of fiscal year 2022 courses were either fully face to face (38%) or a combination of online and face to face (CNET) (18%) with the remaining 44% fully online.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

COVID-19 – Continued

The College is slowly getting back to an increased on-campus presence. For the fall 2022 semester, the College is at 59% face to face with 43% fully face to face and 16% combined CNET courses, with the remaining 41% fully online. Even as things are getting more back to “normal,” demand for online courses has increased since pre COVID-19. Many students were forced into performing their jobs and taking classes online and have now gotten used to the online environment. Many students enjoy the flexibility that online courses allow for fitting school into their busy lives.

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 \$1.5 million in HEERF Title III Strengthening the Institutions Program (SIP) Relief Funding. The College has recognized grant nonoperating revenue of \$15.2 million, \$12.1 million and \$1.9 million during the years ended June 30, 2022, 2021 and 2020, respectively, related to these HEERF grants.

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.

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 (MPSERS).

For the years ended June 30, 2022 and 2021, respectively, the College reported a net MPSERS pension liability of \$76.3 million and \$115.3 million. In addition, the College, reported deferred outflows of resources of \$14.9 million and \$23.6 million, and deferred inflows of resources of \$36.6 million and \$10.1 million, for each of the two respective years. As of June 30, 2022 and 2021, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$98.0 million and \$101.8 million and a negative MPSERS pension expense adjustment of \$3.9 million and a positive MPSERS pension expense adjustment of \$6.1 million.

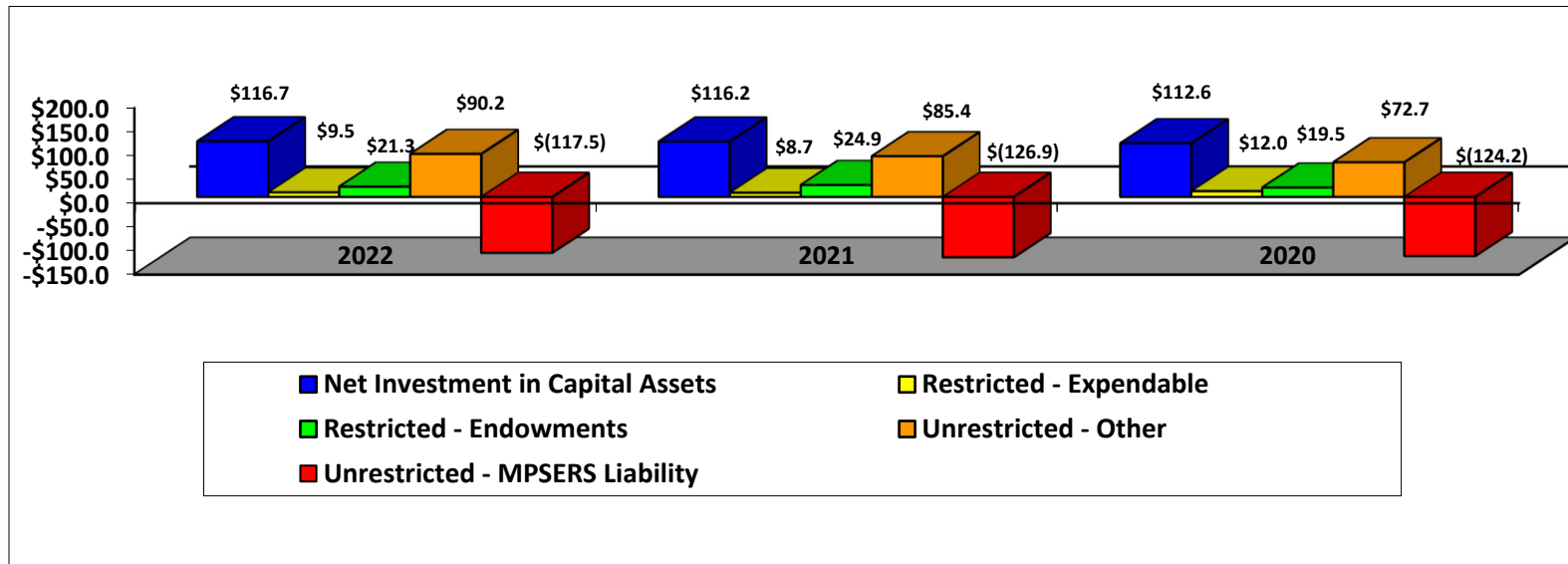
For the years ended June 30, 2022 and 2021, respectively, the College reported a net MPSERS OPEB liability of \$4.8 million and \$17.3 million. In addition, the College reported deferred outflows of resources of \$5.8 million and \$7.7 million, and deferred inflows of resources of \$20.5 million and \$15.5 million, for each of the two respective years. As of June 30, 2022 and 2021, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$19.5 million and \$25.1 million and a negative MPSERS OPEB expense adjustment of \$5.6 million and \$3.4 million.

Management’s Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2022

Financial Highlights – Continued

Excluding the significant and distorting effects of implementing the MPSERS 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, 2022 and 2021, respectively, with net position increasing by \$2.5 million and \$18.4 million. This equates to annual increases of approximately 1.1% and 8.5% for the two respective years. During the year ended June 30, 2022, the College’s total assets increased \$2.5 million, to \$247.2 million. This \$2.5 million increase resulted primarily from a \$3.3 million increase in cash and investments and \$1.5 million increase in state appropriation receivable, prepaid and other assets, and capital assets combined. These increases were offset by a decrease in federal and state grants receivable, mainly related to HEERF grants discussed previously, of \$2.3 million. Additional details resulting in the increases in net position for the two years are further described in the revenue and expense section of this discussion and analysis.

The following chart provides a graphical breakdown of net position by category for the fiscal years ending June 30, 2022, 2021 and 2020, in millions:



Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

Summary of Selected Financial Data

Following is a summary of the major components of the financial position of the College as of June 30, 2022, 2021 and 2020, in millions:

	2022	2021	2022-2021 Change	2020	2021-2020 Change
Current Assets	\$ 79.5	\$ 88.5	\$ (9.0)	\$ 86.7	\$ 1.8
Long-Term Assets:					
Capital Assets, Net of Depreciation	116.7	116.2	.5	112.6	3.6
Other	51.0	40.0	11.0	27.5	12.5
Total Assets	<u>247.2</u>	<u>244.7</u>	<u>2.5</u>	<u>226.8</u>	<u>17.9</u>
Deferred Outflows of Resources	<u>20.7</u>	<u>31.3</u>	<u>(10.6)</u>	<u>39.3</u>	<u>(8.0)</u>
Current Liabilities	8.9	8.7	.2	10.0	(1.3)
Non-Current Liabilities	81.1	132.6	(51.5)	143.3	(10.7)
Total Liabilities	<u>90.0</u>	<u>141.3</u>	<u>(51.3)</u>	<u>153.3</u>	<u>(12.0)</u>
Deferred Inflows of Resources	<u>57.7</u>	<u>26.4</u>	<u>31.3</u>	<u>20.2</u>	<u>6.2</u>
Net Position:					
Net Investment in Capital Assets	116.7	116.2	.5	112.6	3.6
Restricted – Expendable	9.5	8.7	.8	12.0	(3.3)
Restricted – Endowments	21.3	24.9	(3.6)	19.5	5.4
Unrestricted	(27.3)	(41.5)	14.2	(51.5)	10.0
Total Net Position	<u>\$ 120.2</u>	<u>\$ 108.3</u>	<u>\$ 11.9</u>	<u>\$ 92.6</u>	<u>\$ 15.7</u>

June 30, 2022: During the year ended June 30, 2022, total assets increased by \$2.5 million and total liabilities decreased by \$51.3 million. The majority of the increase in assets consisted of a \$3.3 million increase in cash and investments, primarily due to HEERF drawdowns. The majority of the decrease in liabilities consisted of a \$51.5 million decrease in the MPSERS net pension and OPEB liabilities.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

Summary of Selected Financial Data – Continued

June 30, 2021: During the year ended June 30, 2021, total assets increased by \$17.9 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 MPERS net pension and OPEB liabilities.

The following summarizes the major components of the College's operating results for the years ended June 30, 2022, 2021 and 2020, in millions:

	2022	2021	2022-2021 Change	2020	2021-2020 Change
Operating Revenue:					
Tuition and Fees	\$ 20.2	\$ 19.9	\$.3	\$ 23.8	\$ (3.9)
Grants and Contracts	4.9	5.1	(.2)	4.9	.2
Public Broadcasting Gifts	.9	.9	-	.9	-
Auxiliary Services	2.7	2.1	.6	3.3	(1.2)
Other	1.2	1.4	(.2)	1.2	.2
Total Operating Revenue	29.9	29.4	.5	34.1	(4.7)
Operating Expenses:					
Instruction	31.3	38.0	(6.7)	40.7	(2.7)
Public Services	2.7	2.7	-	3.0	(.3)
Information Technology	3.8	3.9	(.1)	3.8	.1
Instructional Support	6.7	6.6	.1	7.9	(1.3)
Student Services	24.8	21.7	3.1	19.4	2.3
Institutional Administration	5.8	7.8	(2.0)	8.5	(.7)
Operation and Maintenance of Facilities	7.4	7.5	(.1)	7.9	(.4)
Depreciation	6.3	5.6	.7	5.3	.3
Total Operating Expenses	88.8	93.8	(5.0)	96.5	(2.7)
Operating Loss	(58.9)	(64.4)	5.5	(62.4)	(2.0)

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2022

Summary of Selected Financial Data – Continued

(continued from previous page)

	2022	2021	2022-2021 Change	2020	2021-2020 Change
Nonoperating Revenue (Expenses)					
State Appropriations	\$ 24.5	\$ 23.2	\$ 1.3	\$ 21.5	\$ 1.7
Property Taxes	23.9	23.4	.5	22.9	.5
Pell Federal Grant Revenue	10.5	10.8	(.3)	13.0	(2.2)
HEERF and CRF	15.2	13.8	1.4	1.9	11.9
Other	(5.9)	7.8	(13.7)	3.4	4.4
Net Nonoperating Revenue (Expenses)	68.2	79.0	(10.8)	62.7	16.3
Other Revenue					
State Capital Appropriations	1.0	-	1.0	1.6	(1.6)
Capital Gifts and Grants	-	-	-	.1	(.1)
Additions to Permanent Endowments	1.6	1.1	.5	.6	.5
Total Other Revenue	2.6	1.1	1.5	2.3	(1.2)
Increase in Net Position	11.9	15.7	(3.8)	2.6	13.1
Net Position					
Net Position – Beginning of Year	108.3	92.6	15.7	90.0	2.6
Net Position – End of Year	\$ 120.2	\$ 108.3	\$ 11.9	\$ 92.6	\$ 15.7

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, 2022

Operating Revenue – Continued

June 30, 2022: Operating revenue changes are highlighted by the following factors for the year ended June 30, 2022:

- The 2022 academic in-district tuition rate increased by \$2.00 to \$119 per contact hour, which represents an increase of 1.7%. The online fee was eliminated for 2022 and the technology fee was increased \$3.00 to \$24. Enrollment totaled 158,500 contact hours for fiscal year 2022, which represents a decrease of 2.6% from 162,800 contact hours for the prior year. The combined net impact of the increase in tuition and technology rates and decrease in contact hours resulted in a \$283,000 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 \$2.9 million, which had offsetting scholarship allowances approximating \$771,000. Bookstore sales compared to the prior year increased by \$259,000, or 10.0%, due in part to an increase in physical visits to the bookstore, which increased sales of non-essentials such as College apparel and supplies. Food services and FRC operating revenues also experienced an increase from the prior year of \$314,000 and \$138,000, respectively, due to the closures of both venues as a result of COVID-19 in the prior year.

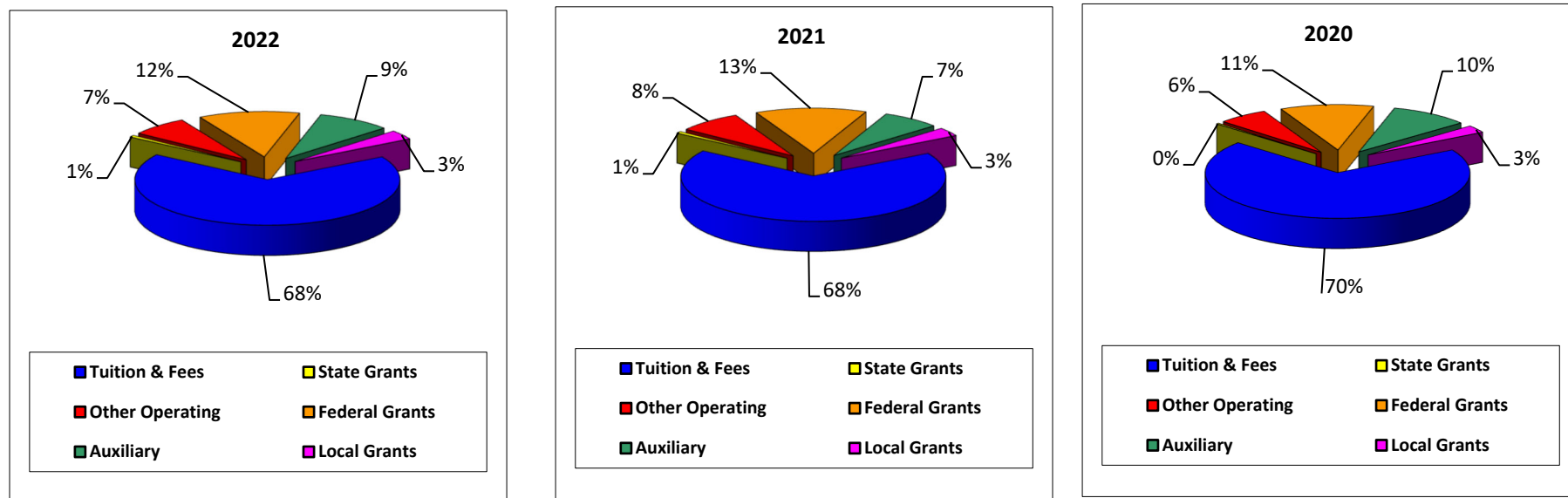
June 30, 2021: Operating revenue changes are highlighted by the following factors for the year ended June 30, 2021:

- 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.

Management’s Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2022

Operating Revenue – Continued

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2022, 2021 and 2020:



Operating Expenses

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

June 30, 2022: Operating expense changes are highlighted by the following factors for the year ended June 30, 2022:

- Base salary increases were 1.5% for 2022 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, in addition to monthly stop-loss and administrative fees. The College’s health insurance costs were \$4.7 million for the year ended June 30, 2022, compared to \$3.9 million for the prior year, due to increased claims. Claims began increasing in the latter part of the prior fiscal year after being held down due to COVID-19.
- 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 2022, the College’s overall benefit expense for MPSERS including adjustments due to GASB 68 and 75, was \$12.1 million, an increase of approximately \$600,000 from the prior year. Of the \$12.1 million total, \$7.7 million was for the College’s contributions to MPSERS, and \$4.4 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 \$4.4 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.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

Operating Expenses – Continued

- Instruction expenses decreased \$6.7 million, or 17.6%, from the prior year. This decrease was mainly due to GASB 68 and 75 pension and OPEB changes from the prior year.
- Student services operating expenses increased \$3.1 million, or 14.3%, over the prior year. This increase was mainly due to an increase in emergency grants in the amount of \$2.5 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.

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 BCBS of Michigan, the College pays for actual claims incurred, up to a maximum \$150,000 per claim, in addition to monthly stop-loss and administrative fees. 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 2021 fiscal year.
- 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 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.

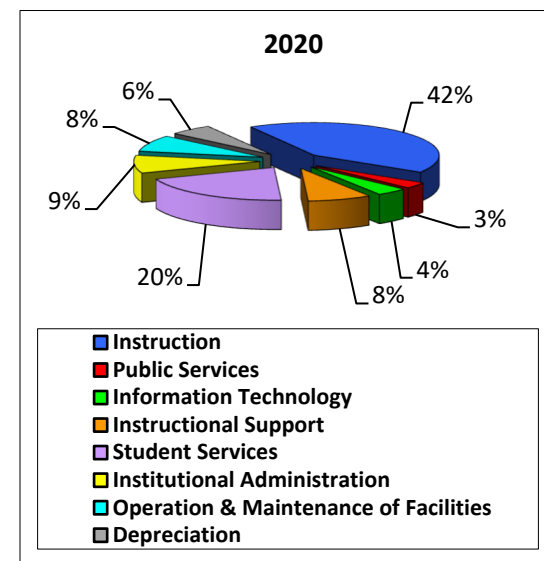
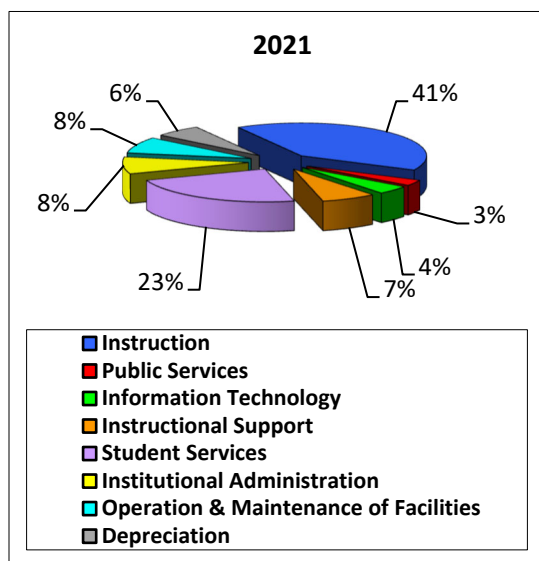
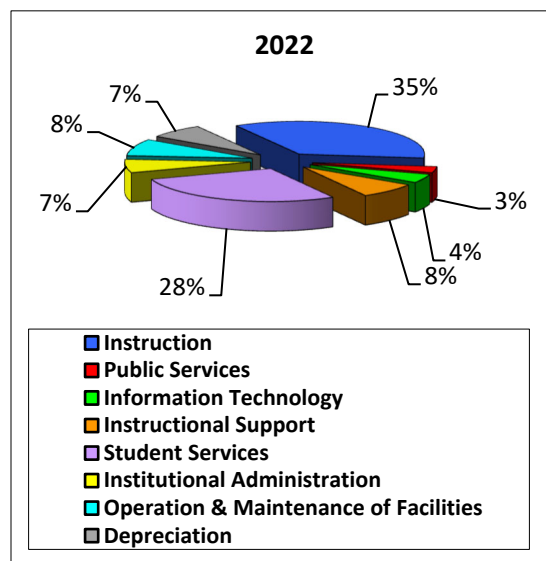
Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

Operating Expenses – Continued

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2022, 2021 and 2020:



Nonoperating Revenue (Expenses)

Nonoperating revenue (expenses) includes all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, investment income (loss) (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, 2022: Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2022:

- Base State appropriations remained unchanged compared to the prior year appropriation of \$15.2 million. The College’s performance funding increased from zero in the prior year to \$143,000 in 2022. The College also received an appropriation during the current year in the amount of \$60,000 for costs associated with the Indian Tuition Waiver, an increase of \$12,000 over the prior year. In addition, the College received a one-time supplemental appropriation of \$595,000.
- Also included in the College’s State Appropriations revenue is MSPERS contributions offsets. During the current year, the College received MSPERS offsets of approximately \$823,000, which represents a decrease of \$21,000 from the prior year. Renaissance Zone property tax reimbursement appropriations amounted to approximately \$84,000, which represents a decrease of \$58,000 from the prior year, which resulted due to phase outs.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

Nonoperating Revenue (Expenses) – Continued

- An additional \$4.7 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 \$4.7 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 \$4.4 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 \$3.2 million. This amount represents a \$200,000, or 6.7%, 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 \$500,000, to \$23.9 million in 2022. The College currently levies property taxes at a rate of 2.0427 mills.
- The College recognized net investment loss of \$6.3 million, which is a \$14.2 million decrease from the prior year. The \$6.3 million loss consisted of a combined net loss on investments and investment fee expenses in the Endowment Fund totaling \$6.0 million, and general investment losses of \$.3 million.
- Pell grants awarded to students were \$10.5 million, a decrease of \$.3 million, or 2.8%, from 2021. The number of students receiving Pell awards decreased by 4.0% from the prior year, while the average award increased \$51, or 1.6%.
- The College recognized \$15.2 million of HEERF grant revenue for the year ended June 30, 2022. This is an increase of \$1.4 million compared to the prior year, which also included \$1.7 million of CRF. More information regarding the HEERF and CRF grant funding can be found in the COVID-19 section of this discussion and analysis.

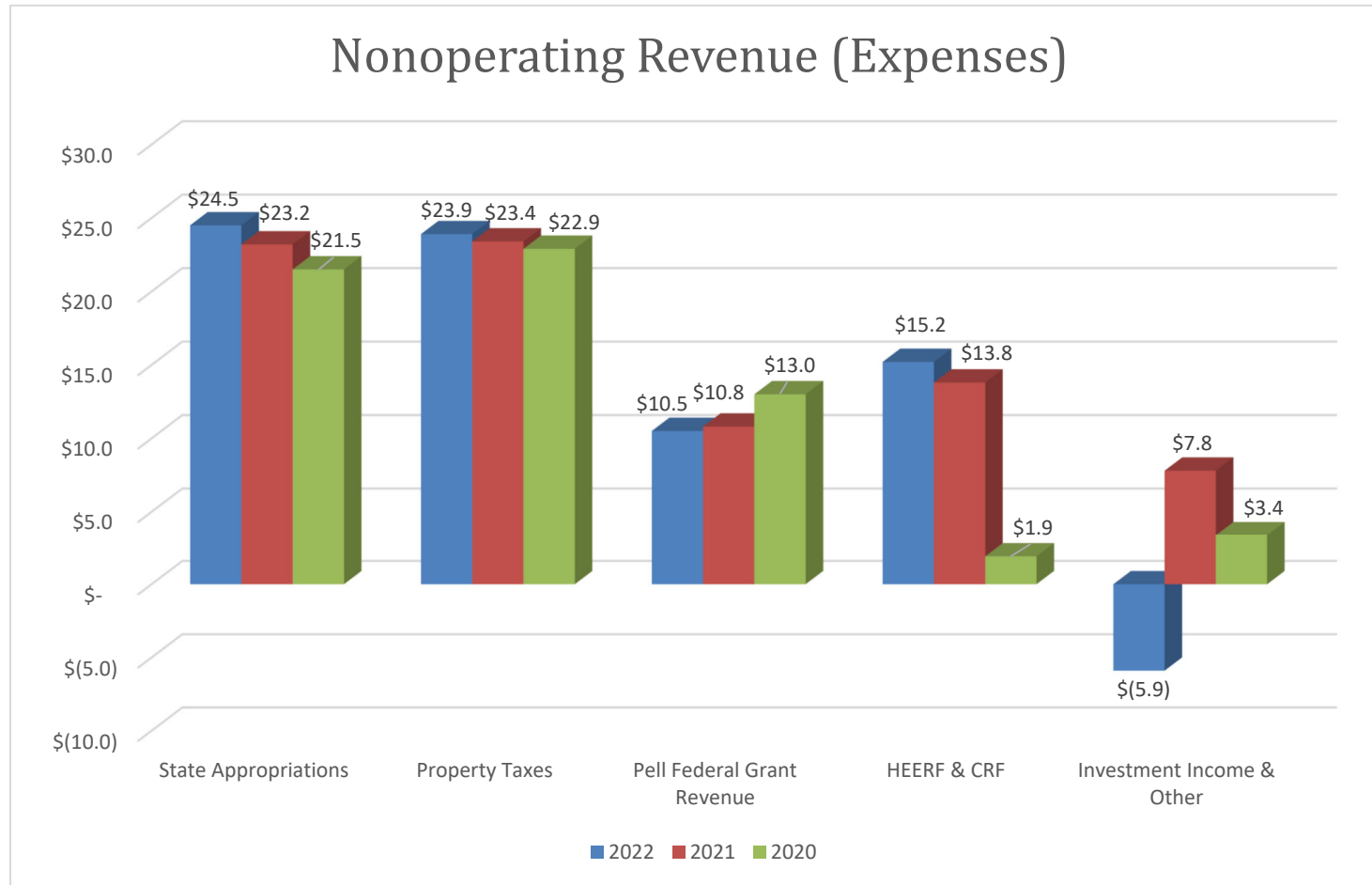
June 30, 2021: Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2021:

- 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.
- 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 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 \$7.9 million, which is a \$4.8 million increase over the prior year. The \$7.9 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 \$1.4 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.

Management’s Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2022

Nonoperating Revenue (Expenses) – Continued

The following is a graphic illustration of nonoperating revenue by source for the years ended June 30, 2022, 2021 and 2020, in millions:



Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

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, 2022: Changes in other revenue are highlighted by the following factors for the year ended June 30, 2022:

- State capital appropriations totaled \$1.0 million for 2022. This revenue represented the State's portion of the Electronic Media Broadcasting project expenses, which is more fully explained in the Capital Asset section of this Management's Discussion and Analysis.
- Additions to permanent endowments increased \$545,000, or 51.5%, to \$1.6 million.

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 was nearly complete as of June 30, 2021. The majority of the revenue for this project was pledged and recognized as revenue in prior years.
- Additions to permanent endowments increased \$469,000, or 79.6%, to \$1.1 million.

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, 2022

Statement of Cash Flows – Continued

The following summarizes the major cash flow components for the College for the years ended June 30, 2022, 2021 and 2020, in millions:

	2022	2021	2022-2021 Change	2020	2021-2020 Change
Cash Provided by (Used in):					
Operating Activities	\$ (63.4)	\$ (56.2)	\$ (7.2)	\$ (52.8)	\$ (3.4)
Noncapital Financing Activities	79.4	67.9	11.5	61.3	6.6
Capital and Related Financing Activities	(6.3)	(5.3)	(1.0)	(3.2)	(2.1)
Investing Activities	(17.8)	(14.5)	(3.3)	(3.5)	(11.0)
Net Increase (Decrease) in Cash	(8.1)	(8.1)	-	1.8	(9.9)
Cash and Cash Equivalents – Beginning of Year	44.8	52.9	(8.1)	51.1	1.8
Cash and Cash Equivalents – End of Year	\$ 36.7	\$ 44.8	\$ (8.1)	\$ 52.9	\$ (8.1)

June 30, 2022: Cash and cash equivalents decreased by \$8.1 million during the year ended June 30, 2022. 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 decrease in cash is also the result of an increase 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 the prior year. The decrease in cash due to more operating expenses was offset by an increase in HEERF grant revenue, some of which was used to reimburse the College for lost revenue as a result of the pandemic.

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 pandemic.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

Capital Assets

At June 30, 2022, the College had \$204.1 million invested in capital assets, which net of accumulated depreciation of \$87.4 million, resulted in a book value of \$116.7 million. Capital assets increased by approximately \$500,000 in 2022, which included net additions of \$6.8 million less annual depreciation charges of \$6.3 million. The table below provides details of these assets, shown net of accumulated depreciation, as of June 30, 2022, 2021 and 2020, in millions:

	2022	2021	2022-2021 Change	2020	2021-2020 Change
Land and Improvements	\$ 7.6	\$ 7.9	\$ (.3)	\$ 7.1	\$.8
Infrastructure	5.3	5.7	(.4)	5.7	-
Buildings	93.3	84.2	9.1	84.2	-
Furniture and Equipment	6.3	6.3	-	6.1	.2
Construction in Progress	4.2	12.1	(7.9)	9.5	2.6
Totals	\$ 116.7	\$ 116.2	\$.5	\$ 112.6	\$ 3.6

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 2022 and 2021:

- 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 included facility improvements to make the lab more functional, energy efficient and safer for students. It included 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. The project was completed and capitalized as of June 30, 2021 at a total cost of \$699,000.
- In April 2019, the College broke ground for its new Downtown Midland Center construction project. This 30,000 square foot facility is 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 were paid for from accumulated reserves in the College's Plant Fund. As of June 30, 2021, the College had recorded construction in progress related to this project in the amount of \$11.9 million. The new Midland Center was completed in August 2021, and the building project was capitalized at total cost of \$12.5. This amount does not include the cost of equipment which is capitalized separately based on the College's capitalization threshold. This new facility held its first classes in the 2021 fall semester.
- The College began its west campus site improvements project in summer 2018. 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 incurred cost of \$3.3 million as of June 30, 2021 and had capitalized \$3.2 million to capital assets, the remaining \$54,000 related to the observatory portion of the project remained recorded in construction in progress at June 30, 2021. No additional work took place on the observatory project during fiscal year 2022 and the construction in project balance remains at \$54,000 as of June 30, 2022.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

Capital Assets – Continued

- At its March 2021 meeting, the Board of Trustees approved the Natatorium HVAC and Pool Equipment Replacement Project, which included replacing the air handler to the natatorium and pool filtration and disinfection equipment. The total budget for this project is \$1.3 million and was paid for through reserves in both the Plant and Auxiliary Funds since the pool is used for academic classes and community patrons. As of June 30, 2021, the College had incurred project costs in the amount of \$93,000, which was included in construction in progress. This project was completed during the year ended June 30, 2022 and was capitalized at a total cost of \$1.1 million.
- In June 2021, the Board approved a combination of HVAC projects identified by the Facilities department related to improving ventilation and air quality at all of its sites. Some of the College's air handlers, terminal units and HVAC controls do not meet the currently recommended COVID-19 mitigation strategies from the ASHRAE (American Society of Heating, Refrigeration, and Air-Conditioning Engineers). College administration felt that addressing these air quality issues in an effort to protect its students and staff was a prudent use of a portion of its HEERF institutional grant allocations to fund this project. The original budget approved by the Board for all of the various project components was \$3.5 million; however, due to supply chain issues and the grant spending deadline, the project has been scaled back and is expected to total approximately \$2.5 million. As of June 30, 2022, the College had incurred project expenses of approximately \$400,000 which has been recorded in construction in progress. This project will be completed by June 30, 2023, which is the current expiration date for spending HEERF award funds.
- During the year ended June 30, 2021, the College commenced work on a project to renovate its Electronic Media Broadcasting area in the lower A Wing on main campus. These facilities were constructed in 1961, and although maintained well, many of the architectural finishes, mechanical and electrical systems were at, or nearing the end of their useful life. When upgraded and revitalized, this area will be the platform for state-of-the-art learning and creation of a wide variety of digital media productions for students and producers. The \$2.8 million of budgeted costs for this project will be covered 50% by the State, with the remaining 50% being paid for out of Plant Fund reserves. The College received official approval from the State in August 2021 to award contracts and commence work on the project. As of June 30, 2022, the project was ongoing with total costs of nearly \$2.2 million included in construction in progress. Once the College expended their 50% of the project, the State began reimbursing the College for the remaining 50% of project expenses. The College has recorded a capital appropriation receivable from the State in the amount of \$497,000 for this project as of June 30, 2022.
- During the year ending June 30, 2022, the College began a project aimed at replacing portions of its roofing on main campus. The total approved budget for this project is \$1.7 million. At June 30, 2022, the College had incurred project costs totaling \$1.5 million, which were included in construction in progress. It is anticipated that this project will be completed before fall 2022 classes begin.

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.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

Economic Factors That Will Affect the Future

As the State of Michigan continues the transformation out of the COVID-19 pandemic, and from a manufacturing-based economy, more and more residents are looking to community colleges to provide education and training for the new economy. This includes students who would otherwise attend a residential four-year university, students who in the past may not have attended college and students seeking retraining for new occupations.

The State recognizes the role of community colleges in workforce and economic development. While state appropriations have had small increases in recent years, an increase was realized in the 2021-22 fiscal year and again in 2022-2023. State equalized value and taxable values are slowly beginning to increase from the prior years. It wasn't until the 2022 taxable valuations that Delta experienced property tax growth in our District that finally exceed the values of 2010.

The economic position of the College is closely tied to our region within Bay, Saginaw and Midland Counties and that of the fiscal budget of the State of Michigan. The State of Michigan held its State Consensus Revenue Estimating Conference (CREC) in May 2022, where representatives from the State Administration, and the House and Senate Fiscal Agencies met 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 2021-22, 2022-23 and 2023-24. At that time, the SAF, which currently funds community colleges, reported significant revenue increases from the initial January 2022 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, the current impact of the accelerated inflation rate, supply chain disruptions, COVID-19 virus mutations, housing market, financial valuations of the current investment markets, and global political developments are examples of existing inherent risks that could impact these projected increases. State appropriations are expected to be stable for the next fiscal year, but future year declines may be inevitable depending on the length of economic disruption due to the COVID-19 pandemic.

Another significant factor that impacts the College's finances is declining student enrollment levels. This is related to many residual factors of the COVID-19 pandemic where adult and student learners are faced with significant challenges: finding affordable housing, food insecurities, childcare costs, or mental health conditions, some or all of which have impacted their ability to attend college, and has been postponed or is no longer an option. Michigan's 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. Enrollment declines are being addressed through student recruitment, retention and completion initiatives.

The Board of Trustees hired Dr. Michael Gavin, its fifth president, in July 2021. Through his leadership the College is developing a new four-year strategic plan that has specific enrollment goals and initiatives. These initiatives affirm what Delta College will continue to focus on and be the direction 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 \$35.9 million of federal aid from the U.S. Department of Education under the 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 COVID-19 related expenses.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2022

Economic Factors That Will Affect the Future – Continued

Management believes the following actions presently being taken will improve the College's financial outlook:

- Delta College's leadership and the Board of Trustees have established a long history of fiscal policies and practices that focus on long-term stability. Those important decisions include having designated savings for the future and setting aside reserves for unexpected contingencies, revenue shortfalls or emergencies. Some examples are as follows:
 - Delta's 10% Fund Balance Policy – It is a current long-term goal of the College to maintain a fund balance in the General Fund of 10% of its operating budget. It is the recommendation that we continue at this level of a 10% reserve. The 2022 ending fund balance exceeds the 10% threshold.
 - We have established a *Reserve for Budget Sustainability* in the Designated Fund, for contingencies or unidentified needs that was established from annual one-time savings, which essentially is an added layer of savings in addition to the 10% fund balance. This reserve would have been an essential cushion during the COVID-19 pandemic, had we not received the level of Federal COVID relief funding that we did.
- We have been fortunate enough to use our Federal COVID grant dollars to offset revenue losses due to enrollment declines over the past two fiscal years.
- Debt policies – The College has established savings, avoiding the need to borrow. This policy is to protect the assets of the College and to maintain the future sustainability of its infrastructure and state-of-the-art facilities. Through the commitment to transfer a portion of any annual General Fund surplus to our Plant Fund, the College has accumulated resources for construction projects and infrastructure needs without incurring debt.
- Our strategic enrollment and retention initiatives have proven very effective for Fall 2022 in comparison to Fall 2021 enrollment. The College has increased its Fall 2022 enrollment by 2% over the actual Fall 2021 enrollment numbers.

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

Opinion

We have audited the accompanying financial statements of Delta College, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Delta College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Delta College, as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Delta College and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Delta College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for pension and other postemployment benefit plans and related notes, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 19, 2022, 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 Delta 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 Delta College's internal control over financial reporting and compliance.

Andrews Hooper Paulik PLC

Saginaw, Michigan
October 19, 2022

Balance Sheets
Delta College

	June 30,	
	2022	2021
Assets		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 36,698,872	\$ 44,799,354
Short-term investments (Note 3)	34,412,738	34,070,035
Property taxes receivable	58,969	137,105
State appropriations receivable (Note 6)	4,339,756	3,720,452
Federal and state grants receivable	2,133,700	4,387,593
Accounts receivable, net of allowance of \$1,510,943 in 2022 and \$2,027,655 in 2021 (Note 9)	478,031	340,538
Pledges receivable (Note 4)	81,887	136,312
Inventories	682,965	662,743
Prepaid expenses and other assets	606,869	266,616
Total Current Assets	79,493,787	88,520,748
Long-Term Investments (Note 3)	50,075,302	38,971,353
Long-Term Accounts Receivable (Note 9)	558,944	676,124
Long-Term Pledges Receivable (Note 4)	292,111	323,308
Capital Assets (Note 5)	116,744,952	116,240,390
Total Assets	247,165,096	244,731,923
Deferred Outflows of Resources (Note 7)	20,726,423	31,292,719
Liabilities		
Current Liabilities		
Accounts payable	1,755,130	1,305,095
Accrued payroll and other compensation	5,753,214	5,686,543
Unearned revenue	1,412,552	1,725,631
Total Current Liabilities	8,920,896	8,717,269
Non-Current Liabilities		
Net pension and OPEB liability (Note 7)	81,124,578	132,632,658
Total Liabilities	90,045,474	141,349,927
Deferred Inflows of Resources (Note 7 and 9)	57,691,404	26,392,880
Net Position		
Net investment in capital assets	116,744,952	116,240,390
Restricted for:		
Donor-restricted endowments	21,272,446	24,869,945
Expendable scholarships and awards	531,095	597,940
Instructional department uses	112,433	152,290
Public broadcasting activities	5,342,346	4,765,622
Other restricted uses	3,482,577	3,177,623
Unrestricted (Note 1)	(27,331,208)	(41,521,975)
Total Net Position	\$ 120,154,641	\$ 108,281,835

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,	
	2022	2021
Operating Revenue		
Tuition and fees, net of scholarship allowance of \$6,883,639 in 2022 and \$6,647,833 in 2021	\$ 20,216,617	\$ 19,933,344
Federal grants and contracts	3,716,438	4,021,473
State grants and contracts	161,599	149,815
Local and nongovernmental grants and contracts	1,039,373	904,497
Michigan New Jobs Training Program	356,216	683,170
Public broadcasting gifts	858,634	911,950
Auxiliary activities, net of scholarship allowance of \$770,603 in 2022 and \$678,865 in 2021	2,689,502	2,040,786
Miscellaneous	<u>868,796</u>	<u>721,193</u>
Total Operating Revenue	29,907,175	29,366,228
Operating Expenses		
Instruction	31,306,263	38,009,448
Public services	2,727,285	2,723,659
Information technology	3,773,086	3,926,431
Instructional support	6,713,672	6,614,552
Student services	24,768,091	21,695,260
Institutional administration	5,755,277	7,744,952
Operation and maintenance of facilities	7,397,046	7,461,469
Depreciation expense	6,331,185	5,548,812
Fundraising expenses	<u>33,013</u>	<u>6,608</u>
Total Operating Expenses	88,804,918	93,731,191
Operating Loss	(58,897,743)	(64,364,963)
Nonoperating Revenue (Expenses)		
State appropriations	24,504,167	23,156,363
Property tax levy	23,915,994	23,420,558
Pell federal grant revenue	10,524,513	10,804,164
Gifts	533,098	86,593
Higher Education Emergency Relief Fund	15,154,543	12,129,520
CARES Act Coronavirus Relief Fund	-	1,699,100
Special events, net of expenses of \$57,446 in 2022 and \$3,153 in 2021	65,528	57,492
Investment income (loss), net of investment expense of \$287,357 in 2022 and \$222,282 in 2021	(6,279,244)	7,870,685
Gain (loss) on disposition of capital assets	16,360	(120,123)
Foundation grants and distributions to or for Delta College	<u>(278,762)</u>	<u>(123,310)</u>
Net Nonoperating Revenue (Expenses)	68,156,197	78,981,042
Net Income Before Other Revenue	9,258,454	14,616,079
Other Revenue		
State capital appropriations	1,011,293	-
Capital gifts and grants	-	3,430
Additions to permanent endowments	<u>1,603,059</u>	<u>1,058,070</u>
Total Other Revenue	2,614,352	1,061,500
Increase in Net Position	11,872,806	15,677,579
Net Position - Beginning of Year	<u>108,281,835</u>	<u>92,604,256</u>
Net Position - End of Year	<u>\$ 120,154,641</u>	<u>\$ 108,281,835</u>

The accompanying notes are an integral part of these statements.

Statements of Cash Flows
Delta College

	Year Ended June 30,	
	2022	2021
Cash Flows from Operating Activities		
Tuition and fees	\$ 20,370,012	\$ 21,428,744
Grants and contracts	3,676,516	4,860,842
Michigan New Jobs Training Program	356,216	683,170
Public broadcasting gifts	846,007	1,011,951
Payments to suppliers	(54,152,341)	(49,731,454)
Payments to employees	(38,240,082)	(37,264,262)
Auxiliary enterprise charges	2,615,778	2,040,786
Other	1,060,814	793,513
Net Cash Used In Operating Activities	(63,467,080)	(56,176,710)
Cash Flows from Noncapital Financing Activities		
State appropriations	24,381,977	21,375,663
Local property taxes	23,994,130	23,430,543
Pell federal grant revenue	10,576,295	10,770,020
Higher Education Emergency Relief Fund revenue	18,522,933	9,578,605
CARES Act Coronavirus Relief Fund revenue	-	1,699,100
Gifts and contributions for other than capital purposes	2,173,680	1,140,552
Foundation special events receipts	75,759	66,111
Foundation grants and distributions to or for Delta College	(278,762)	(123,310)
Custodial fund transactions	(10,191)	11,308
Net Cash Provided by Noncapital Financing Activities	79,435,821	67,948,592
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital gifts, grants and appropriations	564,179	3,968,114
Purchase of capital assets	(6,820,101)	(9,313,154)
Proceeds from disposition of capital assets	714	-
Proceeds from issuance of MNJTP bond:	-	799,106
Principal paid on MNJTP bonds	-	(799,106)
Net Cash Used in Capital and Related Financing Activities	(6,255,208)	(5,345,040)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	56,336,773	78,808,756
Investment income	686,256	528,300
Purchase of investments	(74,837,044)	(93,882,778)
Net Cash Used In Investing Activities	(17,814,015)	(14,545,722)
Net Decrease in Cash and Cash Equivalent:	(8,100,482)	(8,118,880)
Cash and Cash Equivalents - Beginning of Year:	44,799,354	52,918,234
Cash and Cash Equivalents - End of Year:	\$ 36,698,872	\$ 44,799,354

The accompanying notes are an integral part of these statements.

Statements of Cash Flows - Continued
Delta College

	Year Ended June 30,	
	2022	2021
Reconciliation of Operating Loss to		
Net Cash Used in Operating Activities:		
Operating loss	\$ (58,897,743)	\$ (64,364,963)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	6,331,185	5,548,812
Allowance for uncollectible accounts	(516,712)	(976,819)
(Increase) decrease in assets:		
Federal and state grants receivable	(1,166,279)	(217,554)
Accounts receivable	494,498	476,932
Inventories	(20,222)	49,304
Prepaid expenses and other assets	(252,134)	1,082,763
Decrease in deferred outflows of resources	10,566,296	8,010,524
Increase (decrease) in liabilities:		
Accounts payable	460,226	(1,654,038)
Accrued payroll and other compensation	66,671	55,421
Unearned revenue	(323,310)	270,447
Net pension and OPEB liability	(51,508,080)	(10,640,020)
Increase in deferred inflows of resources	31,298,524	6,182,481
Net Cash Used In Operating Activities	\$ (63,467,080)	\$ (56,176,710)

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

Delta College

June 30, 2022

Note 1. Significant Accounting Policies

Reporting Entity

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

Adoption of New Accounting Standard

The GASB issued GASB Statement No. 87, *Leases*, (GASB 87) which requires government lessors to recognize a lease receivable asset and deferred inflow of resources for leases that were previously classified as operating leases. The College adopted the Statement effective July 1, 2020. The balances were calculated using the facts and circumstances that existed as of July 1, 2020 as prescribed by GASB 87. There was no impact to beginning net position as of July 1, 2020. The College reported a lease receivable of \$676,124 and \$801,324 as of June 30, 2022 and 2021, respectively, and a deferred inflow of resources of \$633,387 and \$775,138 as of June 30, 2022 and 2021.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 1. Significant Accounting Policies – Continued

Adoption of New Accounting Standard – Continued

Balances were restated as follows for the effects of the College’s adoption of GASB 87:

	June 30, 2021 As Originally Reported	GASB 87 Impact	June 30, 2021 As Restated
Current assets	\$ 88,395,548	\$ 125,200	\$ 88,520,748
Long-term accounts receivable	-	676,124	676,124
Deferred inflows of resources	(25,617,742)	(775,138)	(26,392,880)
Net position effect	\$ 62,777,806	\$ 26,186	\$ 62,803,992

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, 2022

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, collateralized mortgage obligations, 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, 2022 or 2021. Refer to Note 3 for fair value classification balances for these various types of investments held by the College as of June 30, 2022 and 2021.

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, 2022

Note 1. Significant Accounting Policies – Continued

Leases

The College leases tower space to external parties. Lease receivables and deferred inflows of resources are recorded based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the College's incremental borrowing rate. Deferred inflows of resources and recognized into income over the shorter of the lease term or the underlying asset.

Internal Service Activities

Revenue and expenses related to internal service activities approximating \$378,000 and \$256,000 for 2022 and 2021, 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, 2022, and 2021, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately \$674,000 and \$609,000, respectively. Additionally, advance payments approximating \$185,000 for the fall 2022 semester and approximately \$176,000 for the fall 2021 semester were received before June 30, 2022 and 2021, respectively, and recorded as unearned revenue.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 1. Significant Accounting Policies – Continued

Unrestricted Net Position

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

	<u>2022</u>	<u>2021</u>
Designated for Corporate Services activities	\$ 2,102,263	\$ 1,838,929
Designated for future capital outlay	37,860,210	36,257,373
Designated for funds functioning as endowments	7,021,716	8,743,347
Other designated fund activities	27,457,880	23,040,487
MPSERS pension & OPEB liability	(117,456,172)	(126,957,681)
Unrestricted and unallocated	15,682,895	15,555,570
Total Unrestricted Net Position	<u>\$ (27,331,208)</u>	<u>\$ (41,521,975)</u>

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. 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. Beginning in June 2021, staff returned at 50% capacity with a full staff return to campus in July. During fiscal year 2022 student on campus presence began to increase and all services were available in person and the number of courses being offered face-to-face had also increased over the prior year. Approximately 56% of the 2022 courses were either fully face to face (38%) or a combination of online and face to face (CNET) (18%) with the remaining 44% fully online. The College’s dining services also reopened fully with the Fall 2021 semester and the FRC opened to full capacity in summer of 2021, however, these auxiliary service revenues continued to be impacted since the level of traffic for these services remained much lower than pre-Covid levels.

The following represent some of the impacts of COVID-19 on College operations and the fiscal year 2022, 2021, and 2020 financial statements.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 2. Impact of COVID-19 – Continued

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, 2022	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	3,432,648	4,652,666	-
CRRSAA – SIP	442,926	-	142	-
ARPA – Student	9,490,800	8,090,082	1,400,718	-
ARPA – Institutional	9,157,959	3,631,813		
ARPA - SIP	807,569	-	-	-
Total HEERF Funding	\$ 35,959,061	\$ 15,154,543	\$ 12,129,520	\$ 1,898,499

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, 2022, 2021 and 2020, the College had awarded such grants to students from the student aid HEERF funding totaling \$8.1 million, \$5.6 million and \$942,000, respectively.

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, 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. In total, for the three years combined, the College has spent \$14.3 million of Institutional Relief Funding. The main expenditures recorded were \$5.6 million in lost academic and auxiliary revenue, \$1.0 million for various software, equipment and supplies to support remote instruction, \$1.5 million for COVID related compensation and reimbursement to the College for continuing to pay employees unable to work remotely, \$3.4 million in combined student emergency grants, student online fee refunds, and student debt relief, \$844,000 in vaccine incentives, \$395,000 in HVAC updates, and \$477,000 of indirect cost allocation. As of June 30, 2022, 2021 and 2020, the College recorded a federal grant receivable in the amount of \$194,000, \$3.6 million and \$705,000, respectively, for funding that has not yet been drawn from the U.S. Department of Education.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 2. Impact of COVID-19 – Continued

HEERF - continued – The College recorded no amounts during the year ended June 30, 2022 related to the HEERF SIP funds, \$3,000 during the year ended June 30, 2021 and \$252,000 during the year ended June 30, 2020, to recoup losses of auxiliary revenues. Lost revenue reimbursement was permissible under all three Acts for SIP awards.

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. 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. 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 have occurred between March 1 and March 31, 2021. The entire \$1.7 million of CRF funds is recorded as nonoperating revenue in fiscal year 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:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 36,698,872	\$ 44,799,354
Short-term investments	34,412,738	34,070,035
Long-term investments	50,075,302	38,971,353
Total	<u>\$ 121,186,912</u>	<u>\$ 117,840,742</u>

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

	<u>2022</u>	<u>2021</u>
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 32,557,052	\$ 39,865,112
Investments in securities and similar instruments	88,584,653	77,920,423
Petty cash and cash on hand	45,207	55,207
Total	<u>\$ 121,186,912</u>	<u>\$ 117,840,742</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 3. Cash and Cash Equivalents and Investments – Continued

Bank Deposits

The above bank deposits at June 30, 2022 and 2021 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$33,871,094 and \$40,784,380, respectively. Of these bank deposits at June 30, 2022 and 2021, approximately \$6,400,000 and \$5,800,000, respectively, was covered by federal depository insurance, and the remainder was uninsured and uncollateralized. The College believes that due to the dollar amounts of cash deposits and the limits of the Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all bank deposits. As a result, the College evaluates each financial institution within which it deposits College funds and assesses the level of risk of each. Only those institutions with an acceptable estimated risk level are used as depositories.

Investments – Excluding Endowment Fund Investments

Credit Risk – Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College’s policy for reducing credit risk is to invest surplus funds, excluding endowment fund monies, in accordance with the provisions set forth in Michigan Public Act 331 of 1966, as amended through 2012. 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. While the chart on the following page indicates that the College is holding a significant amount of investments with maturities in excess of three years, the anticipated duration of these investments is under 3 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 formal policy limiting the amount the College is allowed to invest in any one issuer; however, the College follows a practice of investing no more than \$2,000,000 in a single issuer, with the exception of U.S. government or government agency securities. 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 purchased through either PNC Capital Markets LLC or Morgan Stanley Smith Barney LLC (MSSB) were held in safekeeping by those companies for the year ending June 30, 2021. During fiscal year 2022, the College transferred these investments to the Saginaw branch of MSSB, and a short-term fixed income manager, Sage Advisory Services Ltd. Co. (Sage) was contracted to manage this investment portfolio. The College has authorized Sage to make investment decisions on the College’s behalf in order to maximize investment earnings while also managing risk.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 3. Cash and Cash Equivalents and Investments – Continued

Investments – Excluding Endowment Fund Investments – Continued

Custodial Credit Risk - continued – All investment purchases made by Sage must adhere to the parameters set forth under the Michigan Public Act discussed above. MSSB maintains oversight of this relationship with Sage. Custody of these investments resides with Comerica Bank. During the year ended June 30, 2022, the College also began purchasing investments through Fifth Third Securities. Fifth Third Securities maintains custody of the investments purchased through them, which consisted solely of commercial paper as of June 30, 2022.

The following tables present the investments and maturities that the College held at June 30, 2022 and 2021 including certificates of deposit and commercial paper classified as cash equivalents, and excluding the endowment fund investments:

Investment Type	Quality Ratings	Fair Value	By Maturity		
			Less Than One Year	1-5 Years	More Than 5 Years
June 30, 2022:					
Certificates of Deposit	N/A	\$ 2,068,150	\$ 2,068,150	\$ -	\$ -
Commercial Paper	A1/P1 to A2/P2	16,029,364	16,029,364	-	-
Collateralized					
Mortgage Obligations	Aaa to Aa	16,583,109	3,729,596	5,226,225	7,627,288
Municipal Bonds	Aa	963,730	-	963,730	-
U.S. Agency Securities	Aaa	3,793,810	-	3,793,810	-
U.S. Treasury Notes	Aaa	23,267,444	18,175,369	5,092,075	-
Total Investments		<u>\$ 62,705,607</u>	<u>\$ 40,002,479</u>	<u>\$ 15,075,840</u>	<u>\$ 7,627,288</u>
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		<u>\$ 49,094,414</u>	<u>\$ 43,067,234</u>	<u>\$ 6,027,180</u>	<u>\$ -</u>

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.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 3. Cash and Cash Equivalents and Investments – Continued

Endowment Fund Investments – Continued

Credit Risk - continued – 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 Depository Receipts (ADR’s); mutual funds; convertible securities, bonds and preferred stocks; and alternative investments made using mutual funds, exchange traded funds or separately managed accounts to ensure that daily valuations and liquidity are maintained. Alternative investments may not exceed 30% of the total fund measured by market value. The fixed income portfolio shall maintain a weighted average quality of investment grade, 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.

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, 2022 and 2021, 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 carries 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. In the event that Morgan Stanley Smith Barney LLC were to become insolvent, and the College’s investment account assets were not fully accounted for, the account 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.

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, 2022

Note 3. Cash and Cash Equivalents and Investments – Continued

Endowment Fund Investments – Continued

At June 30, 2022 and 2021, 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, 2022:						
Corporate Bonds	AA+ to BBB	\$ 1,126,354	\$ 199,918	\$ -	\$ 758,227	\$ 168,209
Corporate Convertible Bonds *	A to B+	1,876,694	100,442	1,343,091	-	433,161
Corporate Convertible Bonds *	Unrated	578,270	148,621	429,649	-	-
Municipal Bonds	AAA to A	2,218,527	115,128	328,925	-	1,774,474
Government & Agency Bonds	AAA to AA+	1,163,713	-	978,865	116,142	68,706
Government & Agency Bonds	Unrated	586,858	-	-	-	586,858
		<u>7,550,416</u>	<u>\$ 564,109</u>	<u>\$ 3,080,530</u>	<u>\$ 874,369</u>	<u>\$ 3,031,408</u>
Bond Funds	N/A	1,772,680				
Preferred Stock	N/A	466,686				
Equities	N/A	13,495,219				
International Equities	N/A	4,082,892				
Total Investments		<u>\$ 27,367,893</u>				
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
		<u>7,759,005</u>	<u>\$ 1,024,647</u>	<u>\$ 2,359,642</u>	<u>\$ 980,592</u>	<u>\$ 3,394,124</u>
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		<u>\$ 32,944,173</u>				

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

Notes to Financial Statements - Continued

Delta College

June 30, 2022

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, 2022 and 2021 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, 2022:				
Investments excluding endowment fund investments	\$ 62,705,607	\$ -	\$ 62,705,607	\$ -
Endowment Investments:				
Equities	17,578,111	17,578,111	-	-
Bond and bond funds	9,323,096	-	9,323,096	-
Preferred stock	466,686	-	466,686	-
Total investments by fair value	<u>\$ 90,073,500</u>	<u>\$ 17,578,111</u>	<u>\$ 72,495,389</u>	<u>\$ -</u>
June 30, 2021:				
Investments excluding endowment fund investments	\$ 49,094,414	\$ -	\$ 49,094,414	\$ -
Endowment Investments:				
Equities	22,563,235	22,563,235	-	-
Bond and 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>

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 4. Pledges Receivable

As of June 30, 2022 and 2021, donors to the College (including the Delta College Foundation) have made unconditional promises to give (pledges) approximating \$410,100 and \$471,000, respectively. Such pledges are discounted to their present value, assuming their respective terms, at applicable discount rates with total discounts at June 30, 2022 and 2021, respectively, of approximately \$32,300 and \$7,300. Management has also established an allowance for uncollectible pledges approximating \$3,800 and \$3,700, respectively, as of June 30, 2022 and 2021. 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:

	<u>2022</u>	<u>2021</u>
Less than one year	\$ 81,887	\$ 136,312
One to five years	292,111	322,376
Greater than five years	-	932
Total	<u>\$ 373,998</u>	<u>\$ 459,620</u>

Note 5. Capital Assets

The following tables present the changes in the various capital asset class categories for the years ended June 30, 2022 and 2021:

Year Ended June 30, 2022:	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
Depreciable Capital Assets:					
Buildings	40 years	\$ 138,115,536	\$ 12,865,074	\$ -	\$ 150,980,610
Land improvements	20-40 years	11,729,950	255,923	-	11,985,873
Infrastructure	20-25 years	13,379,948	517,034	-	13,896,982
Furniture and equipment	5-20 years	19,871,416	1,087,826	171,342	20,787,900
Non-depreciable Capital Assets:					
Construction in progress		12,116,289	5,732,275	13,638,031	4,210,533
Land		1,968,826	-	-	1,968,826
Fine art collection		322,430	-	-	322,430
Total Capital Assets		<u>197,504,395</u>	<u>20,458,132</u>	<u>13,809,373</u>	<u>204,153,154</u>
Less Accumulated Depreciation:					
Buildings		53,946,834	3,752,599	32,999	57,666,434
Land improvements		5,767,457	546,380	-	6,313,837
Infrastructure		7,693,582	967,601	-	8,661,183
Furniture and equipment		13,856,132	1,064,605	153,989	14,766,748
Total Accumulated Depreciation		<u>81,264,005</u>	<u>\$ 6,331,185</u>	<u>\$ 186,988</u>	<u>87,408,202</u>
Capital Assets, Net		<u>\$ 116,240,390</u>			<u>\$ 116,744,952</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 5. Capital Assets – Continued

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		\$ 112,596,171			\$ 116,240,390

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, 2022 and 2021, respectively, state operating appropriation revenue totaled \$24.5 million and \$23.2 million. The \$24.5 million and \$23.2 million respective balances consist of the following: \$15.2 million in base appropriations for both years, \$143,000 and \$0 performance funding, \$823,000 and \$844,000 MPERS contributions offsets, Unfunded Actuarial Accrued Liability (UAAL) MPERS pass through of \$4.4 million and \$4.0 million, and personal property tax (PPT) loss reimbursements of \$3.2 million and \$3.0 million. In addition, the College received an appropriation of \$60,000 and \$48,000 for Indian Tuition Waiver for the respective years, and \$84,000 and \$142,000 was received from the State for Renaissance Zone property tax reimbursement. For the year ending June 30, 2022, the College also received a one-time supplemental state aid payment in the amount of \$595,000.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 6. Recognition of State Appropriations – Continued

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, 2022 and 2021, respectively, are \$3.8 million and \$3.7 million, and includes \$858,000 and \$807,000, respectively, to be passed through to MPSERS for the UAAL Stabilization payment

State capital appropriation revenue for the State's 50% of the College's Electronic Media Broadcasting renovation construction project totaled \$1.0 million for the year ended June 30, 2022. Of this amount \$497,000 is recorded as a receivable from the State as of June 30, 2022. There was no receivable recorded as of June 30, 2021 since the College had to expend their 50% before the State would commence reimbursing for the remaining 50% of expenses on the project. See Note 13 for further discussion regarding this construction project.

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, 2022

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

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

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

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

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

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

Notes to Financial Statements - Continued

Delta College

June 30, 2022

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, 2020 valuation will be amortized over an 18-year period ending September 30, 2038.

Required contributions to the pension plan from the College were \$9.7 million and \$9.2 million for the years ending June 30, 2022 and 2021, respectively. Required contributions to the OPEB plan from the College were \$2.3 million for the years ending June 30, 2022 and 2021.

Following are the employee and employer contribution rates associated with the MPSERS system for the year ended September 30, 2021:

Benefit Structure	Pension Contribution Rates	
	Member	Non-University Employer
Basic	0.0 – 4.0%	19.78%
Member Investment Plan	3.0 – 7.0%	19.78%
Pension Plus	3.0 – 6.4%	16.82%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

Benefit Structure	OPEB Contribution Rates	
	Member	Non-University Employer
Premium Subsidy	3.0%	8.43%
PHF	0.0%	7.57%

Notes to Financial Statements - Continued

Delta College

June 30, 2022

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	
	2021	2020	2021	2020
Total liability	\$ 86,392,473,395	\$ 85,290,583,799	\$ 12,046,393,511	\$ 13,206,903,534
Plan fiduciary net position	(62,717,060,920)	(50,939,496,006)	(10,520,015,621)	(7,849,636,555)
Net liability	<u>\$ 23,675,412,475</u>	<u>\$ 34,351,087,793</u>	<u>\$ 1,526,377,890</u>	<u>\$ 5,357,266,979</u>
Plan fiduciary net position as a percentage of total liability	72.60%	59.72%	87.33%	59.44%
Net liability as a percentage of covered employee payroll	261.68%	387.25%	16.87%	60.39%

Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense – At June 30, 2022 and 2021, respectively, the College reported a liability of \$76.3 million and \$115.3 million for its proportionate share of the net pension liability of MPSERS. At June 30, 2022 and 2021, respectively, the College reported a liability of \$4.8 million and \$17.3 million for its proportionate share of the net OPEB liability of MPSERS. The 2022 net pension and OPEB liability was measured as of September 30, 2021, and the total liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2020. The College’s portion of the 2022 and 2021 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, 2021, the College’s pension proportionate share was .32250%, a decrease of .01315% from its proportionate share measured as of September 30, 2020, which was .33565%. At September 30, 2021, the College’s OPEB proportionate share was .31258%, a decrease of .01099% from its proportionate share measured as of September 30, 2020, which was .32357%.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

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, 2022 and 2021, respectively, the College recognized MPSERS pension expense of \$5.6 million and \$15.3 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS pension from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,182,747	\$ 449,631	\$ 1,761,663	\$ 246,087
Changes of assumptions	4,813,046	-	12,776,162	-
Net difference between projected and actual earnings on pension plan investments	-	24,547,378	484,432	-
Changes in proportion and differences between College contributions and proportionate share of contributions	28,229	6,837,407	81,452	5,449,163
College contributions subsequent to the measurement date	8,920,686	-	8,497,362	-
Rate stabilization appropriations received after the measurement date	-	4,717,718	-	4,436,370
Total	\$ 14,944,708	\$ 36,552,134	\$ 23,601,071	\$ 10,131,620

For the years ended June 30, 2022 and 2021, respectively, the College recognized MPSERS OPEB expense of a negative \$3.4 million and \$1.0 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,618,943	\$ -	\$ 12,915,726
Changes of assumptions	3,988,455	596,822	5,715,486	-
Net difference between projected and actual earnings on OPEB plan investments	-	3,596,111	144,675	-
Changes in proportion and differences between College contributions and proportionate share of contributions	41,920	2,694,007	34,596	2,570,396
College contributions subsequent to the measurement date	1,751,340	-	1,796,891	-
Total	\$ 5,781,715	\$ 20,505,883	\$ 7,691,648	\$ 15,486,122

Notes to Financial Statements - Continued

Delta College

June 30, 2022

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 \$8.9 million and \$8.5 million, respectively, as of June 30, 2022 and 2021 and \$1.8 million of contributions subsequent to the measurement date related to OPEB as of June 30, 2022 and 2021, 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
2023	\$ (4,635,509)	\$ (4,288,429)
2024	(6,656,747)	(3,986,291)
2025	(7,493,420)	(3,654,445)
2026	(7,024,718)	(3,295,680)
2027	-	(1,105,604)
Thereafter	-	(145,059)
Total	<u>\$ (25,810,394)</u>	<u>\$ (16,475,508)</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, 2021 and 2020 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, 2021 and 2020 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, 2021, the annual money-weighted rate of return on pension plan and OPEB investment, net of pension and OPEB plan investment expense, was 27.30% and 27.14%, 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, 2022

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, 2021 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	25.0%	5.4%
Private Equity Pools	16.0	9.1
International Equity Pools	15.0	7.5
Fixed Income Pools	10.5	(0.7)
Real Estate and Infrastructure Pools	10.0	5.4
Absolute Return Pools	9.0	2.6
Real Return/Opportunistic Pools	12.5	6.1
Short-Term Investment Pools	2.0	(1.3)
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, 2022 and 2021 for the Basic, MIP Plans and the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan for June 30, 2022 and 2021, 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, 2022	\$ 109,164,678	\$ 76,353,416	\$ 49,150,728
Year Ended June 30, 2021	149,234,077	115,298,289	87,173,085

Notes to Financial Statements - Continued

Delta College

June 30, 2022

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, 2022 and 2021, 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, 2022	\$ 8,865,680	\$ 4,771,162	\$ 1,296,379
Year Ended June 30, 2021	22,267,968	17,334,369	13,180,693
Healthcare Cost Trend Rate -			
Year Ended June 30, 2022	\$ 1,161,263	\$ 4,771,162	\$ 8,832,733
Year Ended June 30, 2021	13,021,657	17,334,369	22,239,548

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, 2022

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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
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	Pre-65: 7.75% year 1 graded to 3.50% year 15; 3.00% year 120 Post-65: 5.25% 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, 2018 valuation. The total pension and OPEB liability as of September 30, 2021 is based on the results of an actuarial valuation date of September 30, 2020, 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 4.44367 years for the pension plan and 6.1312 years for the OPEB plan and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2021 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, 2022 and 2021, the College reported \$1,674,000 and \$1,594,000, 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, 2022

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, 2022 and 2021, compensation covered under the ORP approximated \$8.3 million and \$8.0 million, respectively, which resulted in contributions by the College of approximately \$834,000 and \$799,000 for the years ended June 30, 2022 and 2021, 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, the College issued bond principal to the company totaling \$762,000 and repaid bond principal in the same amount. No bond issuances or repayments occurred during the year ended June 30, 2022. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with Xalt Energy as of June 30, 2022 and 2021. As of June 30, 2022, 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, 2022. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with ECO-Bio Plastics as of June 30, 2022 and 2021. During fiscal year 2022, the College received payroll tax payments from ECO-Bio Plastics in the amount of \$18,000 that had not yet been remitted back to ECO-Bio and were reflected in accounts payable as of June 30, 2022. As of June 30, 2022, bonds issued to date under this agreement total \$147,000.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 9. Leases

The College leases tower space to external parties. The College recognized revenue related to lease agreements, including lease interest income, in the amount of \$167,812 for the year ended June 30, 2022 and \$170,890 for the year ended June 30, 2021. The College reported a lease receivable of \$676,124 and \$801,324 as of June 30, 2022 and 2021, respectively, and a deferred inflow of resources of \$633,387 and \$775,138 as of June 30, 2022 and 2021, respectively.

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 \$240,000 beginning in November 2022, for a total contractual commitment of \$18.1 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, 2022

Note 13. Capital Construction Projects

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 came from accumulated reserves in the College’s Plant Fund. In April 2019, the College broke ground on this construction project. As of June 30, 2021, this project was included in construction in progress with a balance of \$11.9 million. The Downtown Midland Center was completed in August 2021, with a total capitalized cost of \$12.5 million, not including equipment capitalized separately. The College held its first classes at the Downtown Midland Center during the fall 2021 semester.

Natorium 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 \$1.3 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. As of June 30, 2021, the College had incurred project costs in the amount of \$93,000, which was included in construction in progress. This project was completed in May of 2022, with a total capitalized cost of \$1.1 million.

Main Campus Roof Replacement Project – At its June 2021 meeting, the Board approved a project to repair portions of the roof on its main campus building. In March 2021, the College experienced a major water leak in its Library Learning Information Center (LLIC) roofing system. The LLIC portion of the roof was installed in 1999, as were other areas of the roof, which were also showing the same signs of deterioration. The replacement of these areas of the roof had been included in the College’s 2020 5-year Capital Outlay Plan as a major maintenance item. The total approved budget for this project is \$1.7 million. At June 30, 2022, the College had incurred project costs totaling \$1.5 million, which were included in construction in progress. It is anticipated that this project will be completed before fall 2022 classes begin.

Electronic Media Broadcasting - A Wing Renovations – Delta College’s Electronic Media Broadcasting – A Wing Renovations project was submitted to the State of Michigan in October 2018 in response to identified structural needs of current programs, learning environments and business and community needs. This scope of this project is upgrading the existing Electronic Media Broadcasting (EMB) in lower A wing on the College’s main campus. These facilities were constructed in 1961, and although maintained well, many of the architectural finishes, mechanical and electrical systems were at, or nearing the end of their useful life. When upgraded and revitalized, this area will be the platform for state-of-the-art learning and creation of a wide variety of digital media productions for students and producers. The EMB project was authorized for planning under Public Act 618 of 2018 and authorized for construction under Public Act 257 of 2020. Delta’s Board approved this \$2.8 million cost share construction project at its November 2019 meeting. This project is being funded 50% by the State, with the remaining 50%, or \$1.4 million, being paid for out of College Plant Fund reserves. The College received official approval from the State in August 2021 to award contracts and commence work on the project.

As of June 30, 2022, the project was ongoing with total costs of nearly \$2.2 million included in construction in progress. Once the College expended their 50% of the project, the State began reimbursing the College for the remaining 50% of project expenses. The College has recorded a capital appropriation receivable from the State in the amount of \$497,000 for this project as of June 30, 2022.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

Note 13. Capital Construction Projects – Continued

HVAC Upgrades - HEERF Funded Project – In June 2021, the Board approved a combination of HVAC projects identified by the Facilities department related to improving ventilation and air quality at all of its sites. Some of the College’s air handlers, terminal units and HVAC controls do not meet the currently recommended COVID-19 mitigation strategies from the ASHRAE (American Society of Heating, Refrigeration, and Air-Conditioning Engineers). These systems primarily provide ventilation and air filtration for the air supplied to classrooms and office areas. College administration felt that addressing these air quality issues in an effort to protect its students and staff was a prudent use of a portion of its HEERF institutional grant allocations. The original budget approved by the Board for all of the various project components was \$3.5 million. Due to supply chain issues and the grant spending deadline, which has been extended to June 30, 2023, the project has been scaled back and is expected to total approximately \$2.5 million. As of June 30, 2022, the College had expended approximately \$400,000 which has been recorded in construction in progress.

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, 2022 and 2021, respectively, the fee distributed to the Foundation amounted to \$262,000 and \$237,000.

Notes to Financial Statements - Continued

Delta College

June 30, 2022

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, 2022	June 30, 2021
Assets		
Current assets	\$ 1,700,644	\$ 1,660,096
Long-term assets	292,111	323,308
Total Assets	1,992,755	1,983,404
Liabilities		
Current liabilities	27,755	16,352
Net Position		
Donor-restricted endowments	19,518	32,740
Restricted expendable	953,116	1,062,089
Unrestricted	992,366	872,223
Total Net Position	\$ 1,965,000	\$ 1,967,052

Notes to Financial Statements - Continued
Delta College
June 30, 2022

Note 15. Delta College Foundation – Continued

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

	Year Ended June 30, 2022	Year Ended June 30, 2021
Operating Revenue	\$ -	\$ -
Operating Expenses		
Institutional administration	122,722	153,773
Fundraising	95,017	65,734
Total Operating Expenses	217,739	219,507
Operating Loss	(217,739)	(219,507)
Nonoperating Revenue (Expenses)		
Gifts	2,134,725	1,144,662
Special events	65,528	57,492
Investment income	418,797	367,855
Foundation grants and distributions to or for Delta College	(2,403,363)	(6,562,978)
Net Nonoperating Revenue (Expenses)	215,687	(4,992,969)
Net Loss Before Other Revenue	(2,052)	(5,212,476)
Other Revenue		
Capital gifts and grants	-	3,430
Decrease in Net Position	(2,052)	(5,209,046)
Net Position		
Beginning of year	1,967,052	7,176,098
End of year	\$ 1,965,000	\$ 1,967,052

Notes to Financial Statements - Continued
Delta College
June 30, 2022

Note 15. Delta College Foundation – Continued

Delta College Foundation
Condensed Statements of Cash Flows

	Year Ended June 30, 2022	Year Ended June 30, 2021
Net Cash Used in Operating Activities	\$ (214,386)	\$ (223,908)
Net Cash Used in Noncapital Financing Activities	(155,363)	(5,356,309)
Net Cash Provided by Capital and Related Financing Activities	50,000	3,617,500
Net Cash Provided by Investing Activities	418,797	1,366,845
Net Increase (Decrease) in Cash and Cash Equivalents	99,048	(595,872)
Cash and Cash Equivalents		
Beginning of year	1,518,559	2,114,431
End of year	\$ 1,617,607	\$ 1,518,559

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, 2022 and 2021, Delta College property tax revenues were reduced by \$292,000 and \$295,000, 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 (MPSERS), and Notes to Required Supplementary Information
Delta College
June 30, 2022

	September 30,							
	2021	2020	2019	2018	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	0.32250%	0.33565%	0.35693%	0.36190%	0.36091%	0.36396%	0.35920%	0.36636%
Amount	\$ 76,353,416	\$ 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	\$ 28,505,705	\$ 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	267.9%	399.5%	385.8%	351.7%	308.3%	298.4%	286.8%	266.7%
MPSERS fiduciary net position, as a percentage of the total non-university net pension liability	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

	June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Contributions for MPSERS</u>								
Delta College's statutorily required contributions	\$ 10,094,529	\$ 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>10,094,529</u>	<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	\$ 28,861,214	\$ 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	35.0%	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, 2021.

Changes of assumptions: The discount rate was reduced to 6.80% for the September 30, 2021, 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, 2022

	September 30,				
	2021	2020	2019	2018	2017
<u>Schedule of Proportionate Share of Net OPEB Liability</u>					
Delta College's proportion of the net OPEB liability:					
As a percentage	0.31258%	0.32357%	0.34926%	0.36226%	0.36214%
Amount	\$ 4,771,162	\$ 17,334,369	\$ 25,069,227	\$ 28,796,063	\$ 32,069,557
Delta College's covered payroll	\$ 28,505,705	\$ 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	16.7%	60.1%	81.8%	93.1%	105.7%
MPSERS fiduciary net position, as a percentage of the total non-university net OPEB liability	87.33%	59.44%	48.46%	42.95%	36.39%

	June 30,				
	2022	2021	2020	2019	2018
<u>Schedule of Contributions for MPSERS</u>					
Delta College's statutorily required contributions	\$ 2,269,524	\$ 2,279,657	\$ 2,312,092	\$ 2,396,998	\$ 2,227,684
Delta College's contributions in relation to statutorily required contribution	<u>2,269,524</u>	<u>2,279,657</u>	<u>2,312,092</u>	<u>2,396,998</u>	<u>2,227,684</u>
Delta College's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Delta College's covered payroll	\$ 28,861,214	\$ 28,224,284	\$ 29,347,350	\$ 30,871,381	\$ 30,883,232
Delta College contributions as a percentage of covered payroll	7.9%	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, 2021.

Changes of assumptions:

The discount rate was reduced to 6.95% for the September 30, 2021, 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, 2022

	Combined Total	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund	Debt Fund	Custodial Fund	Foundation
Assets											
Current Assets											
Cash and cash equivalents	\$ 36,698,872	\$ 3,273,391	\$ 9,677,565	\$ 4,370,276	\$ 4,885,549	\$ 858,964	\$ 11,745,608	\$ -	\$ 18,454	\$ 251,458	\$ 1,617,607
Short-term investments	34,412,738	4,293,938	12,683,594	1,810,412	2,328,546	-	13,296,248	-	-	-	-
Property taxes receivable	58,969	58,969	-	-	-	-	-	-	-	-	-
State appropriations receivable	4,339,756	3,842,642	-	-	-	-	497,114	-	-	-	-
Federal and state grants receivable	2,133,700	873,684	197,249	-	1,062,767	-	-	-	-	-	-
Accounts receivable	478,031	27,738	245,310	74,026	129,807	-	-	-	-	-	1,150
Pledges receivable	81,887	-	-	-	-	-	-	-	-	-	81,887
Inventories	682,965	156,499	-	526,466	-	-	-	-	-	-	-
Prepaid expenses and other assets	606,869	468,313	24,000	-	9,931	47,787	56,838	-	-	-	-
Total Current Assets	79,493,787	12,995,174	22,827,718	6,781,180	8,416,600	906,751	25,595,808	-	18,454	251,458	1,700,644
Long-Term Investments	50,075,302	1,099,342	7,271,613	648,983	1,099,736	27,367,893	12,587,735	-	-	-	-
Long-Term Accounts Receivable	558,944	-	-	-	558,944	-	-	-	-	-	-
Long-Term Pledges Receivable	292,111	-	-	-	-	-	-	-	-	-	292,111
Capital Assets											
Land and improvements	13,954,699	-	-	-	-	-	13,954,699	-	-	-	-
Infrastructure	13,896,982	-	-	-	-	-	13,896,982	-	-	-	-
Buildings	150,980,610	-	-	-	-	-	150,980,610	-	-	-	-
Furniture and equipment	20,787,900	-	-	-	-	-	20,787,900	-	-	-	-
Fine art collection	322,430	-	-	-	-	-	322,430	-	-	-	-
Construction in progress	4,210,533	-	-	-	-	-	4,210,533	-	-	-	-
Allowance for depreciation	(87,408,202)	-	-	-	-	-	(87,408,202)	-	-	-	-
Total Capital Assets	116,744,952	-	-	-	-	-	116,744,952	-	-	-	-
Total Assets	247,165,096	14,094,516	30,099,331	7,430,163	9,516,336	28,274,644	154,928,495	-	18,454	251,458	1,992,755
Deferred Outflows of Resources	20,726,423	-	-	-	-	-	-	20,726,423	-	-	-
Liabilities											
Current Liabilities											
Accounts payable	1,755,130	526,527	40,757	40,366	550,705	-	323,333	-	18,454	251,458	3,530
Accrued payroll and other compensation	5,753,214	5,309,965	170,215	98,468	174,566	-	-	-	-	-	-
Unearned revenue	1,412,552	858,824	328,216	-	201,287	-	-	-	-	-	24,225
Total Current Liabilities	8,920,896	6,695,316	539,188	138,834	926,558	-	323,333	-	18,454	251,458	27,755
Non-Current Liabilities											
Net pension and OPEB liability	81,124,578	-	-	-	-	-	-	81,124,578	-	-	-
Total Liabilities	90,045,474	6,695,316	539,188	138,834	926,558	-	323,333	81,124,578	18,454	251,458	27,755
Deferred Inflows of Resources	57,691,404	-	-	-	633,387	-	-	57,058,017	-	-	-
Net Position											
Net investment in capital assets	116,744,952	-	-	-	-	-	116,744,952	-	-	-	-
Restricted for:											
Donor-restricted endowments	21,272,446	-	-	-	-	21,252,928	-	-	-	-	19,518
Expendable scholarships and awards	531,095	-	-	-	-	-	-	-	-	-	531,095
Instructional department uses	112,433	-	-	-	-	-	-	-	-	-	112,433
Public broadcasting activities	5,342,346	-	-	-	5,342,346	-	-	-	-	-	-
Other restricted uses	3,482,577	-	-	-	3,172,989	-	-	-	-	-	309,588
Unrestricted	(27,331,208)	7,399,200	29,560,143	7,291,329	-	7,021,716	37,860,210	(117,456,172)	-	-	992,366
Total Net Position	\$ 120,154,641	\$ 7,399,200	\$ 29,560,143	\$ 7,291,329	\$ 8,515,335	\$ 28,274,644	\$ 154,605,162	\$ (117,456,172)	\$ -	\$ -	\$ 1,965,000

Supplemental Schedules of Other Financial Information
Consolidating Statement of Revenue, Expenses and Changes in Net Position
Delta College
Year Ended June 30, 2022

	Combined		General	Designated	Auxiliary	Expendable	Endowment	Plant	MPSERS	
	Total	Elimination	Fund	Fund	Activities	Restricted	Fund	Fund	Pension/OPEB	Foundation
					Fund	Fund			GASB 68 & 75	
									Fund	
Operating Revenue										
Tuition and fees, net of scholarship allowance of \$6,883,639	\$ 20,216,617	\$ (6,883,639)	\$ 25,796,214	\$ 1,304,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	3,716,438	-	-	-	-	3,716,438	-	-	-	-
State grants and contracts	161,599	-	-	-	-	161,599	-	-	-	-
Local and nongovernmental grants and contracts	1,039,373	-	-	-	-	1,039,373	-	-	-	-
Michigan New Jobs Training Program	356,216	-	-	-	-	356,216	-	-	-	-
Public broadcasting gifts	858,634	-	-	-	-	858,634	-	-	-	-
Auxiliary activities, net of scholarship allowance of \$770,603	2,689,502	(770,603)	-	-	3,460,105	-	-	-	-	-
Current year expenditures for capital equipment and facility improvements	-	(6,820,101)	-	-	-	-	-	6,820,101	-	-
Miscellaneous	868,796	(714)	249,183	156,505	-	430,801	-	33,021	-	-
Total Operating Revenue	29,907,175	(14,475,057)	26,045,397	1,460,547	3,460,105	6,563,061	-	6,853,122	-	-
Operating Expenses										
Instruction	31,306,263	(431,984)	33,349,680	713,514	-	3,427,909	-	73,097	(5,825,953)	-
Public services	2,727,285	(27,421)	1,224,377	1,349	-	1,820,328	-	-	(291,348)	-
Information technology	3,773,086	-	3,795,458	-	-	-	-	-	(22,372)	-
Instructional support	6,713,672	-	5,924,637	134,118	-	1,364,060	-	27,104	(736,247)	-
Student services	24,768,091	(8,036,252)	7,599,413	111,149	3,926,362	22,317,836	-	81,108	(1,231,525)	-
Institutional administration	5,755,277	(109,144)	5,911,841	379,857	-	208,122	-	130,731	(888,852)	122,722
Operation and maintenance of facilities	7,397,046	(5,962,548)	6,800,025	-	-	322,435	-	7,023,694	(786,560)	-
Depreciation expense	6,331,185	-	-	-	-	-	-	6,331,185	-	-
Fundraising expenses	33,013	(62,004)	-	-	-	-	-	-	-	95,017
Other expenses	-	(1,043,122)	-	-	-	-	1,043,122	-	-	-
Total Operating Expenses	88,804,918	(15,672,475)	64,605,431	1,339,987	3,926,362	29,460,690	1,043,122	13,666,919	(9,782,857)	217,739
Operating Income (Loss)	(58,897,743)	1,197,418	(38,560,034)	120,560	(466,257)	(22,897,629)	(1,043,122)	(6,813,797)	9,782,857	(217,739)
Nonoperating Revenue (Expenses)										
State appropriations	24,504,167	-	24,785,515	-	-	-	-	-	(281,348)	-
Property tax levy	23,915,994	-	23,915,994	-	-	-	-	-	-	-
Pell federal grant revenue	10,524,513	-	-	-	-	10,524,513	-	-	-	-
Gifts	533,098	(2,335,020)	155,010	39,278	-	314,637	106,537	117,931	-	2,134,725
Higher Education Emergency Relief Fund	15,154,543	-	-	-	-	15,154,543	-	-	-	-
Special events, net of expenses of \$57,446	65,528	-	-	-	-	-	-	-	-	65,528
Investment income, net of investment expense of \$287,357	(6,279,244)	(1,004,379)	(260,484)	117,192	-	718,446	(5,972,382)	(296,434)	-	418,797
Loss on disposition of capital assets	16,360	714	-	-	-	-	-	15,646	-	-
Foundation grants and distributions to or for Delta College	(278,762)	2,202,070	-	-	-	-	-	-	-	(2,480,832)
Net Nonoperating Revenue (Expenses)	68,156,197	(1,136,615)	48,596,035	156,470	-	26,712,139	(5,865,845)	(162,857)	(281,348)	138,218
Net Income (Loss) Before Other Revenue	9,258,454	60,803	10,036,001	277,030	(466,257)	3,814,510	(6,908,967)	(6,976,654)	9,501,509	(79,521)
Other Revenue										
State capital appropriations	1,011,293	-	-	-	-	-	-	1,011,293	-	-
Capital gifts and grants	-	(60,803)	-	-	-	-	-	60,803	-	-
Additions to permanent endowments	1,603,059	-	-	-	-	-	1,603,059	-	-	-
Total Other Revenue	2,614,352	(60,803)	-	-	-	-	1,603,059	1,072,096	-	-
Increase (Decrease) in Net Position	11,872,806	-	10,036,001	277,030	(466,257)	3,814,510	(5,305,908)	(5,904,558)	9,501,509	(79,521)
Transfers In (Out)	-	-	(9,889,900)	4,403,697	327,338	(2,930,561)	-	8,011,957	-	77,469
Net Increase (Decrease) in Net Position	11,872,806	-	146,101	4,680,727	(138,919)	883,949	(5,305,908)	2,107,399	9,501,509	(2,052)
Net Position - Beginning of Year	108,281,835	-	7,253,099	24,879,416	7,430,248	7,631,386	33,580,552	152,497,763	(126,957,681)	1,967,052
Net Position - End of Year	\$ 120,154,641	\$ -	\$ 7,399,200	\$ 29,560,143	\$ 7,291,329	\$ 8,515,335	\$ 28,274,644	\$ 154,605,162	\$ (117,456,172)	\$ 1,965,000

Supplemental Schedules of Other Financial Information
Details of Certain General Fund Revenues
Delta College
Year Ended June 30, 2022

Tuition and Fees

Tuition	\$	21,101,080
Registration fees		719,313
Course and program fees:		
Technology fees		3,816,761
Health program fees		150,136
Lifelong wellness course fees		4,358
Auto course fees		<u>4,566</u>
Total Tuition and Fees	\$	<u>25,796,214</u>

Miscellaneous Revenue

Collegiate ads	\$	825
Credit by exam		4,135
Live scan fees		19,175
Transcript revenue		39,740
Miscellaneous		77,207
Parking fines		254
Planetarium ticket sales		28,199
Rental of college facilities		45,735
Reserve parking		3,360
Testing		<u>30,553</u>
Total Miscellaneous Revenue	\$	<u>249,183</u>

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses
Delta College
Year Ended June 30, 2022

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instruction						
Social Sciences	\$ 3,119,187	\$ 1,770,887	\$ 6,928	\$ -	\$ 27,000	\$ 4,924,002
Humanities	1,957,854	1,029,849	20,390	-	17,000	3,025,093
English	2,289,668	1,354,218	6,111	-	19,000	3,668,997
Mathematics & Computer Science	1,786,063	1,041,642	19,661	-	16,000	2,863,366
Sciences	3,091,325	1,690,051	98,590	-	25,579	4,905,545
Business & Information Technology	2,446,084	1,284,876	22,409	-	19,000	3,772,369
Health & Wellness	4,020,032	2,300,022	214,462	-	36,837	6,571,353
Technical Trades & Manufacturing	1,971,203	1,223,033	232,312	-	15,490	3,442,038
Instructional Equipment	-	-	70,362	106,555	-	176,917
Total Instruction	20,681,416	11,694,578	691,225	106,555	175,906	33,349,680
Public Services						
Television	355,593	233,632	-	-	2,550	591,775
Public Radio	118,540	70,359	-	-	955	189,854
Planetarium and Learning Center	230,375	142,433	51,817	-	3,092	427,717
President's Speakers Series	-	-	15,031	-	-	15,031
Total Public Services	704,508	446,424	66,848	-	6,597	1,224,377
Information Technology						
Communications Technology	51,473	38,720	33,078	-	875	124,146
Instructional Support Information Technology	74,021	812	1,636,235	-	-	1,711,068
Student Services Support Information Technology	-	-	755,332	-	-	755,332
Administrative Support Information Technology	11,613	7,210	1,185,319	-	770	1,204,912
Total Information Technology	137,107	46,742	3,609,964	-	1,645	3,795,458
Instructional Support						
Office of Vice President of Instruction & Learning Services	203,700	77,327	13,491	-	3,100	297,618
Associate Deans	866,820	439,880	63,938	-	8,076	1,378,714
Academic Deans	378,057	158,625	8,401	-	3,046	548,129
Faculty Secretarial & Instructional Support	69,883	39,598	365,542	-	321	475,344
Multimedia Laboratories	139,857	80,215	6,424	-	775	227,271
Library & Learning Resources Center	425,825	256,615	159,750	-	3,602	845,792
Teaching Learning and WRIT Centers	354,861	206,200	3,740	-	2,410	567,211
Academic Testing Center	133,235	80,122	2,355	-	250	215,962
Fitness & Aquatics Center Instructional Support	93,850	51,214	20,378	-	388	165,830
Teaching Enhancement Centers	19,636	12,346	22,433	-	1,146	55,561

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2022

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instructional Support (continued)						
Center for Organizational Success	\$ 49,912	\$ 39,268	\$ 24,507	\$ -	\$ 375	\$ 114,062
Accreditation & Assessment	-	-	25,136	-	400	25,536
Community Development & Strategic Partnerships	261,128	176,071	5,121	-	1,882	444,202
Service Learning & Community Engagement	1,508	83	12,314	-	2,422	16,327
Honors Program	45,458	38,893	4,128	-	275	88,754
eLearning	154,973	118,546	181,300	-	3,505	458,324
Total Instructional Support	3,198,703	1,775,003	918,958	-	31,973	5,924,637
Student Services						
Office of Vice President of Student & Education Services	183,620	102,589	16,107	-	2,453	304,769
Dean of Students	109,978	70,643	146,420	-	2,391	329,432
Dean of Enrollment Services	116,359	34,693	16	-	775	151,843
Admissions	442,049	281,526	43,277	-	4,899	771,751
Records & Registration	414,903	279,914	15,364	-	3,952	714,133
Counseling & Advising	1,053,014	670,117	7,959	-	9,355	1,740,445
Financial Aid	483,370	333,466	8,066	-	4,633	829,535
Enrollment Management & Student Goodwill	-	-	109,533	-	8,792	118,325
Student Engagement, Conduct, Leadership, & Organizations	129,036	72,044	39,842	6,110	1,000	248,032
Career & Employment Services	66,069	44,934	26,675	-	900	138,578
Marketing & Publications	-	-	432,082	-	-	432,082
Veteran Services	48,039	23,477	1,127	-	750	73,393
Collegiate Student Newspaper	19,914	5,405	1,624	-	125	27,068
Disability Resources	90,565	60,687	5,121	-	563	156,936
Commencement & Student Awards	-	-	12,683	-	-	12,683
Possible Dream Program	50,215	29,979	392	-	500	81,086
Student Testing & Assessment	23,366	19,189	9,086	-	250	51,891
Scholarships & Grants	-	-	271,625	-	-	271,625
Midland Center	92,996	56,140	46,426	-	1,000	196,562
Saginaw Center	153,320	99,813	26,315	-	-	279,448
Athletic Programs	240,793	129,480	134,479	11,932	153,112	669,796
Total Student Services	3,717,606	2,314,096	1,354,219	18,042	195,450	7,599,413
Institutional Administration						
Board of Trustees	-	-	9,313	-	1,706	11,019
Development Office	329,632	218,694	14,602	-	2,807	565,735
Diversity & Inclusion Office	-	-	250	-	-	250

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2022

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Institutional Administration (continued)						
Equity Office	\$ 55,009	\$ 50,810	\$ 1,667	\$ -	\$ 400	\$ 107,886
President's Office	423,178	175,338	14,349	-	14,878	627,743
Memberships	-	-	123,197	-	-	123,197
Miscellaneous	-	-	74,302	-	6,885	81,187
Strategic Planning	-	-	5,961	-	16,282	22,243
Legal	-	-	165,458	-	-	165,458
Audit	-	-	62,571	-	-	62,571
Bank Fees, Collection Expenses & Bad Debts	-	-	(7,320)	-	-	(7,320)
Insurance, Unemployment & Other	-	(190,322)	402,660	-	-	212,338
Business Services	217,204	135,203	7,769	-	1,450	361,626
Finance Office	736,413	525,187	43,331	-	4,691	1,309,622
Human Resources & Staff Recruitment	447,786	277,262	65,101	-	2,775	792,924
Senate	30,364	23,218	2,435	-	138	56,155
Post Office	58,579	49,489	5,347	-	275	113,690
Institutional Advancement	329,229	230,081	1,780	-	2,766	563,856
Institutional Research	410,074	230,164	52,915	-	2,000	695,153
Covid 19 Non-grant Covered Costs	14,804	3,677	6,070	-	-	24,551
Wellness & Professional Development	-	2,341	17,612	-	2,004	21,957
Total Institutional Administration	3,052,272	1,731,142	1,069,370	-	59,057	5,911,841
Operation and Maintenance of Facilities						
Public Safety	454,994	255,983	55,989	9,450	5,309	781,725
Facilities Management	605,968	299,769	5,035	-	3,994	914,766
Facility Operations	1,493,719	1,151,839	173,121	-	2,420	2,821,099
Utilities	-	-	1,337,596	-	-	1,337,596
Facility Maintenance & Improvements	-	-	379,330	-	-	379,330
Off-Campus Centers & President's House	-	-	565,509	-	-	565,509
Total Operation and Maintenance of Facilities	2,554,681	1,707,591	2,516,580	9,450	11,723	6,800,025
Total General Fund Operating Expenses	\$ 34,046,293	\$ 19,715,576	\$ 10,227,164	\$ 134,047	\$ 482,351	\$ 64,605,431

Supplemental Schedules of Other Financial Information
Details of Designated Fund
Delta College
Year Ended June 30, 2022

Instruction	Revenues						Expenses						Net Increase (Decrease) In Net Assets	Net Position June 30, 2022	
	Net Position July 1, 2021	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	\$ 1,838,929	\$ 699,615	\$ -	\$ -	\$ -	\$ 699,615	\$ 93,658	\$ 32,975	\$ 142,841	\$ -	\$ 875	\$ 270,349	\$ (165,932)	\$ 263,334	\$ 2,102,263
Criminal Justice Training Programs	388,310	590,686	3,167	-	-	593,853	202,092	89,620	129,172	16,138	1,944	438,966	(84,044)	70,843	459,153
Lifelong Learning Programs	16,025	6,399	-	-	-	6,399	2,268	804	1,127	-	-	4,199	-	2,200	18,225
Total Instruction	2,243,264	1,296,700	3,167	-	-	1,299,867	298,018	123,399	273,140	16,138	2,819	713,514	(249,976)	336,377	2,579,641
Public Services															
Global Awareness	24,071	-	-	-	1,670	1,670	-	-	-	-	-	-	-	1,670	25,741
Delta Productions	14,083	-	-	820	-	820	-	-	485	-	-	485	-	335	14,418
Dental Hygiene Powerbrush Program	(676)	-	1,540	-	-	1,540	-	-	864	-	-	864	-	676	-
Michigan MATYC Conference	2,453	-	-	-	-	-	-	-	-	-	-	-	-	-	2,453
Telelearning Network	9,216	-	-	-	-	-	-	-	-	-	-	-	-	-	9,216
Total Public Services	49,147	-	1,540	820	1,670	4,030	-	-	1,349	-	-	1,349	-	2,681	51,828
Instructional Support															
Corporate Services Instructional Support	-	7,342	-	-	-	7,342	-	-	1,290	-	-	1,290	(6,052)	-	-
Criminal Justice Training Instructional Support	-	-	-	-	-	-	51,437	32,120	137	-	350	84,044	84,044	-	-
President's Scholarship Program	591,376	-	-	-	85,991	85,991	-	-	31,000	-	11,033	42,033	-	43,958	635,334
President's Innovation Projects	223,053	-	-	-	-	-	100	8	3,023	-	-	3,131	-	(3,131)	219,922
Prison Program	-	-	-	-	-	-	-	-	(1,775)	-	-	(1,775)	-	1,775	1,775
MEDC MAT2 Project	15,653	-	-	-	-	-	-	-	-	-	-	-	-	-	15,653
Faculty & Instructional Development	236,729	-	12,920	-	-	12,920	-	-	-	-	229	229	-	12,691	249,420
Developmental Education	4,156	-	-	-	-	-	-	-	-	-	-	-	-	-	4,156
Library Resource Replacement	13,948	-	5,017	-	-	5,017	-	-	3,781	-	-	3,781	-	1,236	15,184
Photography Lab Printing	2,429	-	-	-	-	-	-	-	-	-	-	-	-	-	2,429
Kenya Partnership	154	-	-	-	-	-	-	-	-	-	-	-	-	-	154
Art & Archive Projects	77,755	-	-	-	13,980	13,980	-	-	1,385	-	-	1,385	-	12,595	90,350
Total Instructional Support	1,165,253	7,342	17,937	-	99,971	125,250	51,537	32,128	38,841	-	11,612	134,118	77,992	69,124	1,234,377
Student Services															
Student Engagement & Service Learning Activities	7,886	-	-	612	-	612	-	-	-	-	-	-	-	612	8,498
Computer Rental Program	7,267	-	-	-	-	-	-	-	-	-	-	-	-	-	7,267
Girls Day Out Events	10,679	-	-	500	-	500	-	-	4,362	-	-	4,362	-	(3,862)	6,817
Math Calculator Rental Program	7,907	-	-	-	-	-	-	-	4,200	-	-	4,200	-	(4,200)	3,707
Math Placement Booster	4,699	-	-	-	-	-	-	-	-	-	-	-	-	-	4,699
Bit Calculator Rental Program	950	-	-	-	-	-	-	-	-	-	-	-	-	-	950
Student Skills Achievement Programs	5,621	-	-	-	-	-	-	-	-	-	-	-	-	-	5,621
President's Honors Scholarship	237,337	-	-	-	-	-	-	-	-	-	-	-	43,512	43,512	280,849
Pioneer Athletic Fundraisers	45,255	-	62,968	1,677	-	64,645	-	-	76,537	-	26,050	102,587	2,269	(35,673)	9,582
Total Student Services	327,601	-	62,968	2,789	-	65,757	-	-	85,099	-	26,050	111,149	45,781	389	327,990
Institutional Administration															
Corporate Services Administration	-	-	11,586	-	-	11,586	141,505	49,823	25,922	-	1,705	218,955	207,369	-	-
Whiting Projects	77,469	-	-	-	-	-	-	-	-	-	-	-	(77,469)	(77,469)	-
UNUM Projects	764,221	-	-	-	15,551	15,551	-	-	-	-	-	-	-	15,551	779,772
Flexible Spending & Healthcare Reform Administration	117,547	-	-	-	-	-	-	-	2,042	-	-	2,042	-	(2,042)	115,505
Administrative Reserve for Budget Sustainability	11,635,000	-	-	-	-	-	-	-	-	-	-	-	2,200,000	2,200,000	13,835,000
Administrative Reserve for Innovative Initiatives	787,500	-	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000	3,787,500
Administrative Development & Technology Projects	168,062	-	59,307	-	-	59,307	-	-	123,191	-	-	123,191	-	(63,884)	104,178
Reserve for Strategic Initiatives	800,000	-	-	-	-	-	-	-	-	-	-	-	(800,000)	(800,000)	-
Self Insurance	6,744,352	-	-	-	-	-	-	-	-	-	-	-	-	-	6,744,352
Gifts In Kind	-	-	-	35,669	-	35,669	-	-	35,669	-	-	35,669	-	-	-
Total Institutional Administration	21,094,151	-	70,893	35,669	15,551	122,113	141,505	49,823	186,824	-	1,705	379,857	4,529,900	4,272,156	25,366,307
Total Designated Fund	\$ 24,879,416	\$ 1,304,042	\$ 156,505	\$ 39,278	\$ 117,192	\$ 1,617,017	\$ 491,060	\$ 205,350	\$ 585,253	\$ 16,138	\$ 42,186	\$ 1,339,987	\$ 4,403,697	\$ 4,680,727	\$ 29,560,143

Supplemental Schedules of Other Financial Information
Details of Auxiliary Activities Fund
Delta College
Year Ended June 30, 2022

	Net Position July 1, 2021	Operating Revenues	Expenses				Total Expenses	Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2022
			Salaries	Fringe Benefits	Supplies and Services	Capital Expenses				
Auxiliary Activities										
Bookstore	\$ 5,385,767	\$ 2,872,206	\$ 393,279	\$ 151,674	\$ 2,303,806	\$ -	\$ 2,848,759	\$ 23,447	\$ (250,417)	\$ 5,158,797
Food Services	356,312	343,707	45,052	15,553	819,376	-	879,981	(536,274)	334,594	154,632
Fitness & Recreation Center	722,716	178,224	143,618	48,795	29,674	-	222,087	(43,863)	168,614	847,467
Carlyon Farmhouse	5,325	-	-	-	-	-	-	-	(5,325)	-
Planetarium Gift Shop & Conference Services	4,566	8,014	-	-	7,135	-	7,135	879	-	5,445
Learning Resources Vending	16,973	-	-	-	-	-	-	-	(16,973)	-
Total Auxiliary Activities	6,491,659	3,402,151	\$ 581,949	\$ 216,022	\$ 3,159,991	\$ -	3,957,962	(555,811)	230,493	6,166,341
Internal Service Operations										
Internal Service Operations	938,589	436,313	\$ 88,949	\$ 44,050	\$ 203,997	\$ 9,763	346,759	89,554	96,845	1,124,988
Elimination of Rebilled Charges	-	(378,359)	-	-	-	-	(378,359)	-	-	-
Net Internal Service Operations	938,589	57,954					(31,600)	89,554	96,845	1,124,988
Total	\$ 7,430,248	\$ 3,460,105					\$ 3,926,362	\$ (466,257)	\$ 327,338	\$ 7,291,329

Supplemental Schedules of Other Financial Information
Details of Expendable Restricted Fund
Delta College
Year Ended June 30, 2022

	Revenues								Expenses								Transfers In (Out)	Net Increase (Decrease) In Net Assets	Net Position June 30, 2022
	Net Position July 1, 2021	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				
Instruction																			
Corporate Services Grants	\$ -	\$ 1,990,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,990,576	\$ 1,163,205	\$ 612,617	\$ 204,545	\$ -	\$ 10,209	\$ 1,990,576	\$ -	\$ -	\$ -	\$ -	
HEERF - Institutional Aid	-	2,065,568	-	-	-	-	-	2,065,568	88,041	28,600	675	-	-	117,316	(1,948,252)	-	-	-	
Michigan New Jobs Training Programs	-	-	968	-	356,216	-	-	357,184	103,234	40,147	211,650	-	2,153	357,184	-	-	-	-	
Motorcycle Safety Training Programs	197	-	88,916	-	-	36,597	-	125,513	82,235	29,099	14,376	-	-	125,710	-	(197)	-	-	
Endowed Teaching Chair Program	123,852	-	-	-	-	-	32,152	32,152	12,646	2,863	5,418	-	-	20,927	-	11,225	135,077	-	
League for Innovation Global Skills Grants	2,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,728	
Wickes Diesel Program Startup	308,255	-	-	-	-	-	-	-	-	-	16,745	27,592	-	44,337	-	(44,337)	263,918	-	
Haas Foundation CNC Grant	-	-	-	8,450	-	-	-	8,450	-	-	-	-	-	-	-	-	8,450	8,450	
Dow Foundation STEM Explorer Program	572,442	-	-	-	-	-	10,200	97,093	107,293	57,212	36,927	5,995	300	117,053	-	(9,760)	562,682	-	
Perkins Voc Ed Grant - Instructional Equipment	-	654,806	-	-	-	-	-	654,806	-	-	362,964	291,842	-	654,806	-	-	-	-	
Total Instruction	1,007,474	4,710,950	89,884	8,450	356,216	36,597	10,200	129,245	5,341,542	1,506,573	729,945	853,300	325,429	12,662	3,427,909	(1,948,252)	(34,619)	972,855	
Public Service																			
HEERF - Institutional Aid	-	131,646	-	-	-	-	-	131,646	-	-	51,874	20,718	-	72,592	(59,054)	-	-	-	
Possible Dream Program	216,638	-	-	-	-	-	-	99,728	99,728	4,384	28,995	-	-	33,379	-	66,349	282,987	-	
Humanties Learning Center	4,104	-	-	-	-	1,490	-	1,490	-	-	1,141	-	-	1,141	500	849	4,953	-	
CoVAC Initiative Mini Grant	-	2,999	-	-	-	-	-	2,999	-	-	2,999	-	-	2,999	-	-	-	-	
Planetarium Be A Star	245,560	-	-	-	-	-	-	31,335	31,335	-	-	-	-	-	-	31,335	276,895	-	
Public Broadcasting - Television	4,541,536	-	-	1,029,231	-	390,250	660,144	4,112	2,083,737	266,152	135,744	1,163,118	6,703	5,366	1,577,083	-	506,654	5,048,190	
Public Broadcasting - Radio	224,086	-	-	-	-	-	198,490	4,714	203,204	20,859	7,495	104,327	-	453	133,134	-	70,070	294,156	
Total Public Service	5,231,924	134,645	-	1,029,231	-	391,740	858,634	139,889	2,554,139	291,395	143,239	1,352,454	27,421	5,819	1,820,328	(58,554)	675,257	5,907,181	
Instructional Support																			
HEERF - Institutional Aid	-	1,180,809	-	-	-	-	-	1,180,809	203,581	78,513	544,510	354,205	-	1,180,809	-	-	-	-	
ALL-IN Campus Democracy Challenge Grant	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	-	
Midwest Inst. for International/Intercultural Education Grant	2,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500	-	
AACC Expanding Community College Apprenticeships	-	57,222	-	-	-	-	-	57,222	23,242	11,793	17,256	-	4,931	57,222	-	-	-	-	
Water Treatment Instruction Development	2,576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,576	-	
Perkins Voc Ed Grant - Professional & Curriculum Dev	-	125,008	-	-	-	-	-	125,008	75,220	40,090	8,600	-	1,098	125,008	-	-	-	-	
ATD Engaging Adjunct Faculty Grant	13,906	-	-	-	-	-	-	-	750	271	-	-	-	1,021	-	(1,021)	12,885	-	
Total Instructional Support	19,182	1,363,039	-	-	-	-	-	1,363,039	302,793	130,667	570,366	354,205	6,029	1,364,060	-	(1,021)	18,161		
Student Services																			
AT&T Becoming a Pioneer Grant	4,097	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,097	-	
Perkins Voc Ed Grant - Special Needs	-	131,708	-	-	-	-	-	131,708	111,756	63,840	217	-	777	176,590	44,882	-	-	-	
MICUP STEP/CMU Partnership Grant	-	-	1,671	-	-	-	-	1,671	1,037	634	-	-	-	1,671	-	-	-	-	
MICUP/MTU Partnership Grant	-	-	1,357	-	-	-	-	1,357	-	-	1,357	-	-	1,357	-	-	-	-	
Michigan Nursing Board Scholarships Grant	-	-	10,419	-	-	-	-	10,419	-	-	10,419	-	-	10,419	-	-	-	-	
Access & Equity E-Sports Camp Grant	-	-	-	1,692	-	-	-	1,692	-	-	1,692	-	-	1,692	-	-	-	-	
Michigan M-46 Talent Consortium Grant	-	-	57,328	-	-	-	-	57,328	41,150	15,678	-	-	500	57,328	-	-	-	-	
Pell Grants	-	10,524,513	-	-	-	-	-	10,524,513	-	-	10,524,513	-	-	10,524,513	-	-	-	-	
Supplemental Educational Opportunity Grant	-	441,157	-	-	-	-	-	441,157	-	-	441,157	-	-	441,157	-	-	-	-	
TRIO Educational Opportunity Grant	-	267,067	-	-	-	-	-	267,067	164,668	68,470	28,115	-	5,814	267,067	-	-	-	-	
Federal Workstudy Grant	-	31,011	-	-	-	-	-	31,011	41,348	-	-	-	-	41,348	10,337	-	-	-	
Job Locator and Development Grant	-	14,884	-	-	-	-	-	14,884	10,311	4,473	-	-	100	14,884	-	-	-	-	
VA Program Support	8,171	-	-	-	-	2,464	-	2,464	-	-	-	-	-	-	-	2,464	10,635	-	
HEERF - Institutional Aid	-	2,755,151	-	-	-	-	-	2,755,151	234,386	104,267	1,832,667	-	750	2,172,070	(583,081)	-	-	-	
HEERF - Student Aid	-	8,090,082	-	-	-	-	-	8,090,082	-	-	8,090,082	-	-	8,090,082	-	-	-	-	
Scholarships & Awards	1,359,025	-	-	-	-	-	304,437	449,312	753,749	6,100	508	511,050	-	517,658	7,000	243,091	1,602,116	-	
Total Student Services	1,371,293	22,255,573	70,775	1,692	-	2,464	304,437	449,312	23,084,253	610,756	257,870	21,441,269	-	7,941	22,317,836	(520,862)	245,555	1,616,848	

Supplemental Schedules of Other Financial Information
 Details of Expendable Restricted Fund - Continued
 Delta College
 Year Ended June 30, 2022

	Revenues								Expenses							Net Increase (Decrease) In Net Assets	Net Position June 30, 2022
	Net Position July 1, 2021	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	\$ -	\$ 208,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,122	\$ 144,737	\$ 47,080	\$ 16,305	\$ -	\$ -	\$ 208,122	\$ -	\$ -	
Total Institutional Administration	-	208,122	-	-	-	-	-	208,122	144,737	47,080	16,305	-	-	208,122	-	-	
Operation and Maintenance of Facilities																	
HEERF - Institutional Aid	-	723,165	-	-	-	-	-	723,165	120,272	44,968	155,032	-	-	320,272	(402,893)	-	
Sustainability Grants	425	-	-	-	-	-	-	-	-	-	278	-	-	278	-	(278)	
Michigan Justice Training & Drug Enforcement Grants	1,088	-	940	-	-	-	-	940	-	-	1,885	-	-	1,885	-	(945)	
Total Operation and Maintenance of Facilities	1,513	723,165	940	-	-	-	-	724,105	120,272	44,968	157,195	-	-	322,435	(402,893)	(1,223)	
Total Expendable Restricted Fund	\$ 7,631,386	\$ 29,395,494	\$ 161,599	\$ 1,039,373	\$ 356,216	\$ 430,801	\$ 1,173,271	\$ 33,275,200	\$ 2,976,526	\$ 1,353,769	\$ 24,390,889	\$ 707,055	\$ 32,451	\$ 29,460,690	\$ (2,930,561)	\$ 883,949	\$ 8,515,335

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund
Delta College
Year Ended June 30, 2022

	Net Assets July 1, 2021	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2022
Endowment Funds						
Margaret Adams Scholarship	\$ 14,599	\$ -	\$ (2,335)	\$ (474)	\$ (223)	\$ 11,567
Charleen T. Adcock Scholarship	74,123	-	(11,856)	(2,403)	(1,134)	58,730
M. Andersen & Donna Rapp Public Media	-	25,000	(4,836)	-	(83)	20,081
Anderson Family Delta Sculpture Walk	140,479	-	(22,469)	(4,562)	(2,151)	111,297
Andrew F. & Mary H. Anderson Scholarship	67,426	-	(10,785)	(2,048)	(997)	53,596
Kurt W. Anderson Agricultural Scholarship	29,749	35	(4,765)	(1,032)	(472)	23,515
Athletic Scholarship	489,140	-	(78,237)	(15,873)	(7,486)	387,544
M. Seth Babcock Scholarship	22,062	-	(3,528)	(716)	(338)	17,480
Mary Ann (McGregor) Badour Scholarship	52,871	-	(8,457)	(1,716)	(809)	41,889
James & Joy Baker Scholarship	53,532	-	(8,562)	(1,737)	(819)	42,414
Barney & Gerry Ballor Family Scholarship	49,207	1,000	(7,999)	-	(674)	41,534
Ormond Barstow/Ludo Frevel Award for Scholarly Achievement	41,077	-	(6,570)	(1,333)	(628)	32,546
Adeline Barth Scholarship	51,045	48	(8,165)	-	(495)	42,433
Baxandall Scholarship	1,112,173	-	(177,888)	(15,331)	(11,833)	907,121
Bay City Central Class of '41 Scholarship	109,705	-	(17,547)	(3,524)	(1,670)	86,964
Elzie & Muriel Beaver Scholarship	188,822	-	(30,201)	(6,128)	(2,890)	149,603
Eric "Q" Beckman Memorial Scholarship	-	43,035	(8,131)	-	(140)	34,764
Bergstein Award for Teaching Excellence	81,112	-	(12,974)	(2,063)	(1,099)	64,976
Leonard & Esther Bergstein Scholarship	123,095	1,000	(19,846)	(3,500)	(1,766)	98,983
Darrell R. Berry Scholarship	41,099	-	(6,573)	(1,334)	(629)	32,563
Alfred J. Bladecki Scholarship	20,094	250	(3,259)	(524)	(276)	16,285
Martin & Emma Block Scholarships	632,786	-	(101,211)	(20,537)	(9,686)	501,352
Peter & Barbra Boyse Speaker Series (Restricted)	51,331	-	(8,210)	(1,526)	(751)	40,844
Peter D. Boyse President's Scholar Program	2,651,822	2,800	(424,509)	(85,991)	(40,578)	2,103,544
Louise K. Brentin Scholarship	74,226	-	(11,872)	(1,934)	(1,018)	59,402
Business Division Scholarship	202,405	-	(32,374)	(6,552)	(3,094)	160,385
Carlyon Farmhouse Maintenance	295,299	-	(47,232)	(9,584)	(4,520)	233,963
Donald & Betty Carlyon Scholarship	264,843	12,624	(43,982)	(7,764)	(3,868)	221,853
Donald & Betty Carlyon Endowed Teaching Chair	279,979	775	(44,878)	(9,076)	(4,285)	222,515
DeeMona Chatman Scholarship	31,875	-	(5,099)	(1,034)	(488)	25,254
Scott Clemons Scholarship	22,079	3,635	(4,187)	-	(327)	21,200
William R. Collings Award for Outstanding Service & Academic Achievement	51,229	-	(8,195)	(1,663)	(784)	40,587
Lynn Conway Athletic Scholarship	37,848	260	(6,087)	(1,201)	(573)	30,247
Mary Jane Cooper Scholarship & TLC	36,227	10,654	(7,189)	-	(522)	39,170
Gilbert A. Currie Estate Scholarship	420,274	-	(67,221)	(13,640)	(6,433)	332,980
Ilau & Phillip Dean Scholarship	93,477	10,000	(16,885)	(2,393)	(1,304)	82,895
Keith DeLong Scholarship	-	40,970	(6,483)	-	(219)	34,268
Delta College Employee-Sponsored Scholarship	155,971	-	(24,947)	(5,062)	(2,388)	123,574
Delta College Planetarium Fund	946,321	30	(151,365)	(30,159)	(14,347)	750,480
Delta Deltah's Scholarship	7,929	-	(1,268)	(257)	(121)	6,283
Robert DeVinney Endowed Teaching Chair	191,709	60	(30,675)	(6,214)	(2,933)	151,947
Dixon Family Scholarship	91,732	-	(14,672)	(2,977)	(1,404)	72,679
Herbert Doan Scholarship	72,506	-	(11,596)	(1,602)	(923)	58,385
B. Joe & Margery (Knepp) Dodson Scholarship	144,085	-	(23,047)	(4,355)	(2,125)	114,558
Frances Dolinski Scholarship	120,044	2,500	(19,684)	(3,625)	(1,778)	97,457

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2022

	Net Assets July 1, 2021	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2022
Endowment Funds - Continued						
Henry Dolinski Scholarship	\$ 129,658	\$ 2,500	\$ (21,222)	\$ (3,937)	\$ (1,925)	\$ 105,074
Dr. Louis W. Doll & Patricia Drury Scholarship	57,584	-	(9,211)	(1,855)	(878)	45,640
Tom Dostal Memorial Scholarship	42,548	350	(6,850)	(1,315)	(636)	34,097
Dow Chemical Company Michigan Operations Award for Physical Science	34,756	-	(5,559)	(1,128)	(532)	27,537
The Herbert H. & Grace A. Dow Foundation Science Education	3,010,174	-	(481,467)	(96,129)	(45,684)	2,386,894
Herbert H. & Barbara C. Dow Fund	58,561	-	(9,367)	(1,901)	(896)	46,397
Jerry & Terry Drake Scholarship & Broadcasting Program Support	320,282	-	(51,228)	(10,395)	(4,903)	253,756
Draper Family Scholarship	20,599	-	(3,295)	(669)	(315)	16,320
Gene R. Duckworth Scholarship	41,731	-	(6,675)	(1,354)	(638)	33,064
Fred E. Dulmage Award for Engineering & Technology	30,531	-	(4,883)	(991)	(468)	24,189
Ellucian Higher Education Endowed Teaching Chair	195,115	-	(31,208)	(6,332)	(2,986)	154,589
Ellucian Higher Education Possible Dream Program	119,604	-	(19,130)	(3,870)	(1,827)	94,777
Dr. Robert & Carol Emrich Scholarship	24,164	-	(3,865)	-	(397)	19,902
Eldon Enger & Fred Ross Scholarship	34,379	200	(5,537)	(1,097)	(522)	27,423
English Division Guest Lecturer	33,879	-	(5,418)	(1,099)	(519)	26,843
James E. & Leanne Lutz Erickson Scholarship	33,759	-	(5,399)	(1,082)	(513)	26,765
Faculty Executive Committee Award	6,914	-	(1,106)	(224)	(106)	5,478
Fettig Family Scholarship	52,468	3,000	(8,392)	(1,406)	(728)	44,942
Arthur J. & Bette L. Fisher Scholarship	391,342	-	(62,594)	(12,700)	(5,990)	310,058
Isabella M. Flynn Scholarship	395,172	-	(63,206)	(12,805)	(6,044)	313,117
Peter & Suzanne Frantz Award for Art	35,414	-	(5,664)	(1,149)	(542)	28,059
Dr. John & Joanne Fuller Scholarship	47,751	-	(7,638)	(1,489)	(715)	37,909
Gakstatter Family Scholarship	59,346	-	(9,492)	(1,965)	(918)	46,971
David R. & Vivian S. Gamez Scholarship	102,955	-	(16,467)	(3,341)	(1,576)	81,571
Gerace Construction Scholarship	185,187	-	(29,620)	(6,010)	(2,835)	146,722
Gerity Broadcasting Company Scholarship	146,293	-	(23,399)	(4,748)	(2,239)	115,907
Gerstacker Faculty Recognition Award	45,927	-	(7,346)	(1,491)	(703)	36,387
Global Education Program	51,469	-	(8,233)	(1,670)	(788)	40,778
Robert M. Gohlke Scholarship	44,117	-	(7,057)	(1,431)	(675)	34,954
Dr. Jean Goodnow Scholarship	47,009	10,815	(9,232)	(1,403)	(747)	46,442
Gougeon Brothers, Inc. Award for Applied Industrial/Technical	33,880	-	(5,419)	(1,099)	(519)	26,843
Gougeon Employees Foundation Business & Technology Scholarship	10,593	12,500	(3,300)	-	(149)	19,644
Lynda V. & James M. Grant Scholarship	373,813	1,000	(59,983)	(12,983)	(5,938)	295,909
Patricia L. & Robert W. Grant Jr. Scholarship & Humanities Program	367,147	-	(58,724)	(11,906)	(5,618)	290,899
Great Lakes Bay Manufacturers' Association Scholarship	56,039	327	(9,015)	(1,819)	(860)	44,672
Russell B. & Grace H. Green Scholarship	59,954	-	(9,590)	(1,945)	(917)	47,502
Priscilla Bogi Guritza Memorial Scholarship	34,111	-	(5,457)	(1,107)	(522)	27,025
Clarence & June Hackbarth Scholarship	31,881	1,000	(5,227)	(1,057)	(495)	26,102
Beki Gray Hadley Scholarship	60,130	-	(9,617)	(1,951)	(921)	47,641
David & Jackie Hall Scholarship	30,480	500	(4,940)	(989)	(467)	24,584
Hammond Family Scholarship	30,193	-	(4,829)	(977)	(461)	23,926
Sarah Hansen Scholarship	17,177	-	(2,747)	(549)	(261)	13,620
William J. Hargreaves Scholarship	31,701	-	(5,071)	(1,050)	(490)	25,090
Joan B. Harry Scholarship	71,291	5,817	(12,528)	(1,497)	(906)	62,177
Harry Hawkins Scholarship	24,507	-	(3,920)	(795)	(375)	19,417

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2022

	Net Assets July 1, 2021	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2022
Endowment Funds - Continued						
Robert & Joyce Hetzler Family Award for Outstanding Service & Leadership	\$ 34,349	\$ -	\$ (5,494)	\$ (1,115)	\$ (526)	\$ 27,214
Hilde & Walter Heyman Scholarship	27,434	-	(4,388)	(890)	(420)	21,736
Ada E. Hobbs Scholarship	17,341	-	(2,773)	(563)	(266)	13,739
Don Holzhei Memorial Scholarship	35,235	-	(5,636)	(1,143)	(539)	27,917
Home Builders Association of Bay, Midland & Saginaw Counties	29,059	-	(4,648)	(943)	(445)	23,023
Honors Student Scholarship	115,180	-	(18,422)	(3,738)	(1,764)	91,256
Kimberly R. Houston Leadership & Service Learning Award	29,070	-	(4,650)	(964)	(450)	23,006
Richard Paul Hunter Scholarship	66,870	-	(10,696)	(2,258)	(1,045)	52,871
Ruby T. Iwamasa Scholarship	33,129	1,005	(5,454)	-	(452)	28,228
Dr. Martin & Ruth Jaffe Scholarship	-	31,333	-	-	-	31,333
James R. & Anita H. Jenkins Family Scholarship	173,123	-	(27,691)	(5,604)	(2,646)	137,182
Phyllis E. Jones Memorial Scholarship	29,231	-	(4,676)	(949)	(447)	23,159
S. Preston & Dr. Betty B. Jones International Scholarship	168,371	2,000	(27,187)	(5,025)	(2,471)	135,688
Dan E. Karn Memorial Scholarship	5,885	-	(941)	(191)	(90)	4,663
Kaufmann Family Scholarship	28,074	-	(4,490)	(904)	(428)	22,252
Robert F. Keicher Memorial Scholarship	33,754	60	(5,411)	(1,079)	(513)	26,811
Dale & Alma Keyser Scholarship	47,197	500	(7,646)	(1,482)	(712)	37,857
Walter J. & Sophia M. Kilar Scholarship	33,424	-	(5,347)	(1,085)	(511)	26,481
International Order of King's Daughters & Sons Scholarship	38,478	-	(6,154)	(1,249)	(589)	30,486
Oscar W. Kloha Scholarship	55,706	-	(8,909)	(1,808)	(853)	44,136
Robert I. & Marjorie H. Knepp Scholarship	305,379	-	(48,844)	(9,910)	(4,674)	241,951
W.R. & Edith Knepp Scholarship	314,902	-	(50,368)	(10,219)	(4,820)	249,495
W.R. Knepp, Jr. Scholarship	238,284	-	(38,113)	(7,734)	(3,647)	188,790
John L. & Margaret H. Krawczyk Scholarship	37,341	5,200	(5,998)	(828)	(515)	35,200
Daniel P. Kubiak Scholarship	28,622	40,830	(9,822)	(929)	(509)	58,192
Gary Laatsch Scholarship	55,279	200	(8,873)	(1,790)	(847)	43,969
Jack LaBreck Scholarship	8,577	-	(1,372)	(278)	(132)	6,795
Ilene M. Lane Nursing Scholarship	81,034	-	(12,961)	(2,629)	(1,240)	64,204
Dr. Thomas H. Lane & Janis E. Landry-Lane Scholarship	115,489	-	(18,472)	(3,747)	(1,768)	91,502
Edward & Kathryn (Dunn) Langenburg Award for Education	43,376	-	(6,938)	(1,296)	(636)	34,506
Thomas & Rose Mary Laur Scholarship	123,239	-	(19,712)	(3,968)	(1,878)	97,681
Professor Marjorie M. Leeson Scholarship	103,933	7,000	(17,978)	(2,781)	(1,466)	88,708
Leo & Evelyn Levy Scholarship	33,151	-	(5,303)	(1,073)	(506)	26,269
Denise Lovay-Gravlin Memorial Scholarship	39,291	115	(6,305)	(1,150)	(570)	31,381
Edward & Kathleen Lunt Scholarship	219,122	100,000	(47,893)	(7,074)	(3,518)	260,637
Karen MacArthur Endowed Teaching Chair	180,963	1,000	(29,073)	(5,800)	(2,753)	144,337
Thomas & Brenda Mahar Scholarship	35,679	-	(5,706)	(1,158)	(546)	28,269
William & Susan Marklewitz for Health Professions	215,223	-	(34,424)	(7,038)	(3,307)	170,454
Gracia E. Marsh Memorial Nursing Scholarship	-	20,160	(3,192)	-	(108)	16,860
Ruth Mast Fox Scholarship	26,961	100	(4,329)	(897)	(418)	21,417
Margaret McAlear Scholarship	56,537	-	(9,043)	(1,806)	(859)	44,829
James R. McIntyre Award for Health Sciences	35,044	-	(5,605)	(1,137)	(536)	27,766
Dr. Murlene E. McKinnon Public Media	125,661	5,000	(21,066)	(3,080)	(1,691)	104,824
Marlene Mehlhose Scholarship	26,107	-	(4,175)	(864)	(404)	20,664
Aceie & Thelma Micho Scholarship	213,571	12,806	(35,804)	(5,721)	(2,989)	181,863

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2022

	Net Assets July 1, 2021	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2022
Endowment Funds - Continued						
Rhea Miller Scholarship	\$ 64,611	\$ -	\$ (10,334)	\$ (2,097)	\$ (989)	\$ 51,191
Richard & Gloria Miller Scholarship	57,635	1,000	(9,412)	(1,693)	(841)	46,689
Frances Goll Mills Award for Nursing	39,139	-	(6,259)	(1,270)	(600)	31,010
Dorothy & Robert Monica Scholarship	183,785	10,000	(30,680)	(4,692)	(2,512)	155,901
Monitor Sugar Scholarship	27,638	-	(4,420)	(897)	(423)	21,898
Paul Moore Social Science Award	32,723	-	(5,234)	(1,032)	(493)	25,964
Morley Family Foundation Scholarship	36,794	4,000	(6,398)	(1,138)	(556)	32,702
Morley Foundation Award for Business Management	35,873	-	(5,737)	(1,164)	(549)	28,423
Virginia Morrison Scholarship	57,312	-	(9,167)	(1,844)	(873)	45,428
Wendell & Ethel Mullison Scholarship	34,840	-	(5,572)	(1,131)	(534)	27,603
James E. Murphy Scholarship	-	42,000	(8,124)	-	(140)	33,736
W. Brock Neely Scholarship	72,064	2,000	(11,843)	(2,198)	(1,079)	58,944
William H. "Buddy" Oates Scholarship	42,316	-	(6,769)	(1,373)	(647)	33,527
Oscar P. & Louise H. Osthelder Scholarship	203,868	5,000	(33,575)	(6,162)	(3,023)	166,108
Jesse J. Oswald Scholarship	47,815	200	(7,680)	(1,472)	(713)	38,150
Marguerite Scull Parker Scholarship	37,742	-	(6,038)	(1,197)	(570)	29,937
Otto C. Pressprich Fund	146,293	-	(23,400)	(4,748)	(2,239)	115,906
Cecelia Randall Scholarship	30,241	-	(4,836)	(981)	(463)	23,961
Alfonso Rasch-Isla Scholarship	32,681	-	(5,227)	(1,061)	(500)	25,893
Connie R. Reading Scholarship	36,239	1,100	(5,983)	(1,181)	(559)	29,616
Newell Remington Scholarship & TLC Support	64,732	1,060	(10,493)	(2,065)	(984)	52,250
Skip Renker Award for Creative Writing	28,109	-	(4,496)	(912)	(430)	22,271
Robinson Family Scholarship	-	23,030	(3,644)	-	(123)	19,263
Renee Rookard Scholarship	101,430	-	(16,223)	(3,292)	(1,553)	80,362
Harold & Norine Rupp Scholarship	27,150	-	(4,343)	(881)	(415)	21,511
Saginaw County Child Development Centers Program Scholarship	23,164	-	(3,704)	(752)	(355)	18,353
Cliff & Grace Saladine Scholarship	36,538	-	(5,844)	(1,186)	(559)	28,949
Linda Ortega Scheall Memorial Scholarship	21,414	45	(3,433)	-	(258)	17,768
Ronnie & Christopher Scheall Scholarship	-	28,000	(5,416)	-	(93)	22,491
Dawn Schmidt Award for Mathematics	37,231	390	(6,009)	(1,193)	(567)	29,852
Peggy A. Scott Scholarship	69,010	2,000	(11,355)	(2,004)	(1,008)	56,643
Scott & Sandra Seeburger Family Scholarship	25,698	-	(4,110)	(925)	(416)	20,247
Charlotte Seiler Memorial Scholarship	65,968	-	(10,551)	(2,195)	(1,024)	52,198
Ralph I. & Archie M. Selby Family Scholarship	30,696	-	(4,910)	(969)	(463)	24,354
Gene F. Shrum & Dee Dee (Shrum) Wacksman Scholarship	26,376	-	(4,218)	(856)	(404)	20,898
Van Dewitt & Ruth Simmons Scholarship	228,712	-	(36,582)	(7,423)	(3,501)	181,206
John M. Smith & William Wolgast Family Softball Scholarship	29,279	-	(4,683)	(950)	(449)	23,197
Paul Sowatsky Scholarship & Award	39,391	-	(6,301)	(1,278)	(603)	31,209
Spittka Family Scholarship	57,056	-	(9,127)	(1,746)	(847)	45,336
James Stark Scholarship	4,989	-	(798)	(162)	(76)	3,953
Eileen & Hugh Starks Scholarship	43,946	-	(7,029)	(1,426)	(673)	34,818
Dr. James F. & Elizabeth Stoddard Scholarship	151,236	-	(24,189)	(4,118)	(2,117)	120,812
Greg Stryker Scholarship	26,935	-	(4,308)	(880)	(414)	21,333
Sturm Family Broadcast Programming Fund	239,450	-	(38,300)	(7,772)	(3,665)	189,713
Julius & Irene Sutto Award for Life Sciences	34,261	-	(5,480)	(1,112)	(524)	27,145

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2022

	Net Assets July 1, 2021	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2022
Endowment Funds - Continued						
Paul & Margaret Thompson Scholarship	\$ 46,039	\$ -	\$ (7,364)	\$ (1,494)	\$ (705)	\$ 36,476
Willie E. Thompson Scholarship	42,868	255	(6,906)	(1,388)	(656)	34,173
Margaret Timm Award for English	47,806	1,000	(7,775)	(1,401)	(696)	38,934
Wesley Timm Award for Social Science	47,368	1,000	(7,705)	(1,451)	(705)	38,507
Bernard C. & Lois K. Ulrich Graham Scholarship	29,088	-	(4,653)	(970)	(451)	23,014
Tina S. & Philip M. Van Dam Scholarship	54,575	-	(8,729)	(1,575)	(787)	43,484
Jeanne M. VanOchten & Wayne W. Adams Scholarship	27,591	-	(4,413)	(907)	(425)	21,846
Jim & Janis Van Tiflin Award	33,310	-	(5,327)	(1,081)	(510)	26,392
Lynn & Sandy Weimer Scholarship	32,490	-	(5,196)	(989)	(481)	25,824
Walter G. & Carol A Weinlander Scholarship	-	1,000,000	-	-	-	1,000,000
Ken & "Miss Mona" White Scholarship	163,397	10,100	(28,082)	(4,532)	(2,342)	138,541
Lola Bishop Whitney Award for Foreign Language	155,443	-	(24,862)	(5,045)	(2,379)	123,157
David & Carol Williams Scholarship	49,982	-	(7,994)	(1,499)	(735)	39,754
Alice & Jack Wirt Scholarship	286,169	-	(45,772)	(9,288)	(4,380)	226,729
Stephen M. & Dena J. Wirt	65,717	-	(10,511)	(2,176)	(1,017)	52,013
Teresa Plackowski-Witucki Scholarship	29,559	-	(4,728)	(959)	(453)	23,419
Wolverine Bank Scholarship	51,467	-	(8,232)	(1,670)	(788)	40,777
Christopher Alen Yagiela Scholarship Endowment	-	25,000	(3,211)	-	(44)	21,745
Robert R. "Dr. Bob" Zimmermann Scholarship	186,541	7,269	(29,836)	(5,006)	(2,593)	156,375
Robert R. "Dr. Bob" Zimmermann Faculty Professional Development	196,204	18,616	(32,024)	(4,730)	(2,603)	175,463
Alan & Carol Zombeck Scholarship	26,712	-	(4,273)	(910)	(420)	21,109
Anton, Sr., Alma & Anton, Jr. Zucker Scholarship	109,364	-	(17,492)	(3,549)	(1,674)	86,649
Melvin & Hilda Zuehlke Scholarship and Special Needs Assistance Fund	190,468	-	(30,464)	(6,182)	(2,915)	150,907
Total Endowment Funds	24,837,205	1,603,059	(4,057,743)	(758,281)	(371,312)	21,252,928
Funds Functioning as Endowments						
Etcyl H. & Ruth Blair CGA	24,901	-	(5,328)	-	(119)	19,454
Peter & Barbra Boyse Speaker Series	349,878	-	(55,961)	(11,355)	(5,356)	277,206
Coca-Cola Scholarship	89,199	-	(14,267)	(2,895)	(1,366)	70,671
Gilbert A. Currie Estate Fund	513,887	-	(82,195)	(16,678)	(7,866)	407,148
Delta College Public Radio Fund	94,719	-	(15,150)	(3,097)	(1,455)	75,017
Delta College Foundation Fund	1,506,097	-	(240,895)	(47,765)	(22,774)	1,194,663
Delta College Foundation Student Scholarships	447,620	17,994	(74,531)	(13,098)	(6,547)	371,438
Delta College Public TV Fund	784,984	38,743	(125,556)	(36,144)	(14,682)	647,345
Alden B. Dow Fund	69,719	-	(11,152)	(2,263)	(1,067)	55,237
Laughner Award	24,517	-	(3,922)	(796)	(375)	19,424
Possible Dream Program	3,146,471	49,800	(509,663)	(95,858)	(46,685)	2,544,065
UNUM Projects	479,151	-	(76,638)	(15,551)	(7,335)	379,627
Macauley & Helen Whiting Fund	1,212,204	-	(193,888)	(39,341)	(18,554)	960,421
Total Funds Functioning as Endowments	8,743,347	106,537	(1,409,146)	(284,841)	(134,181)	7,021,716
TOTAL	\$ 33,580,552	\$ 1,709,596	\$ (5,466,889)	\$ (1,043,122)	\$ (505,493)	\$ 28,274,644