



Delta College

**Audited Financial Statements
and Other Financial Information**

June 30, 2024

Delta College

Audited Financial Statements and Other Financial Information

June 30, 2024

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Management's Discussion and Analysis
Delta College
Year Ended June 30, 2024

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, 2024, 2023 and 2022. 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* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. 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 Statement of Net Position 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 other supplementary 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.

Restatement

During the year ended June 30, 2024, management of the College and the Delta College Foundation (Foundation) determined that it was the intent of the Foundation to have the College manage the Endowment Fund but not to transfer ownership of the Endowment Fund to the College. Prior to this determination, the College was reporting the Endowment Fund in their financial statements. During fiscal year 2024, the reporting was corrected and the ownership of the Endowment Fund was properly reported in the Foundation's financial statements and the Foundation has assumed responsibility for managing the funds. In so doing, the addition of the Endowment Fund with the Foundation (collectively Foundation) caused the Foundation to be considered a material component unit of the College. In accordance with GASB 39, the Foundation should be discretely presented in the College's financial statements rather than blended as previously reported, due to immateriality.

The restatement was classified as a correction of error in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*.

Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Restatement – Continued

The management’s discussion and analysis was restated for the correction of error regarding the Endowment Fund and the Foundation no longer being reported in the College’s financial statements for both fiscal year 2023 and 2022, in millions, as follows:

Statement of Net Position

	June 30, 2023			June 30, 2022		
	As Previously Reported	Correction of Error	June 30, 2023 As Restated	As Previously Reported	Correction of Error	June 30, 2022 As Restated
Current Assets	\$ 80.3	\$ (1.8)	\$ 78.5	\$ 79.5	\$ (2.6)	\$ 76.9
Long-Term Assets:						
Other	63.2	(25.3)	37.9	50.9	(22.6)	28.3
Current Liabilities	11.6	(.1)	11.5	9.7	-	9.7
Net Position:						
Restricted – Expendable	10.2	(1.1)	9.1	9.4	(.9)	8.5
Restricted - Endowments	22.9	(22.9)	-	21.3	(21.3)	-
Unrestricted	(13.1)	(3.0)	(16.1)	(27.3)	(3.0)	(30.3)

Statement of Revenues, Expenses and Changes in Net Position

	June 30, 2023			June 30, 2022		
	As Previously Reported	Correction of Error	June 30, 2023 As Restated	As Previously Reported	Correction of Error	June 30, 2022 As Restated
Nonoperating Revenue (Expenses)						
Other	\$ 2.7	\$ (1.4)	\$ 1.3	\$ (6.0)	\$ 5.7	\$ (.3)
Other Revenue						
Additions to permanent endowments	.4	(.4)	-	1.6	(1.6)	-
Net Position – Beginning of Year	120.1	(25.2)	94.9	108.3	(29.3)	79.0
Net Position – End of Year	132.2	(27.0)	105.2	120.1	(25.2)	94.9

Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Financial Highlights

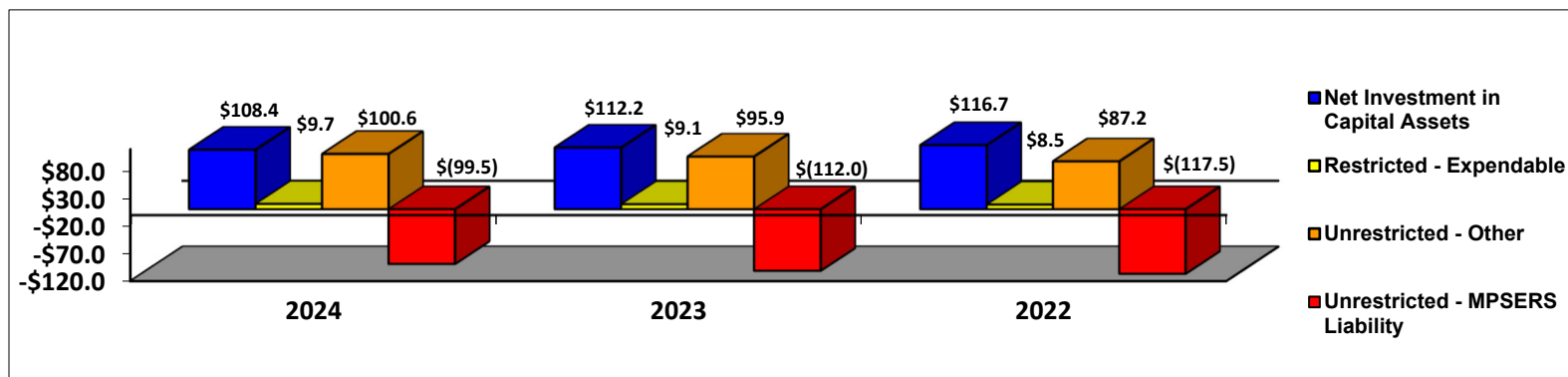
The College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 75, *Postemployment Benefits Other Than Pensions (OPEB)* in prior years. The provisions 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, 2024 and 2023, respectively, the College reported a net MPSERS pension liability of \$96.3 million and \$114.3 million. In addition, the College, reported deferred outflows of resources of \$26.7 million and \$33.4 million, and deferred inflows of resources of \$22.1 million and \$17.1 million, for each of the two respective years. As of June 30, 2024 and 2023, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$91.7 million for 2024 and \$98.0 million for 2023 and a negative MPSERS pension expense adjustment of \$6.3 million for the year ended June 30, 2024 (there was no pension expense impact for the year ended June 30, 2023).

For the years ended June 30, 2024 and 2023, respectively, the College reported a net MPSERS OPEB liability of negative \$1.7 million and positive \$6.5 million. In addition, the College reported deferred outflows of resources of \$5.7 million and \$8.1 million, and deferred inflows of resources of \$15.2 million and \$15.6 million, for each of the two respective years. As of June 30, 2024 and 2023, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$7.8 million and \$14.0 million and a negative MPSERS OPEB expense adjustment of \$6.2 million and \$5.5 million.

Excluding the significant and distorting effects of recording 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, 2024 and 2023, respectively, with net position increasing by \$7.6 million and \$4.8 million. This equates to annual increases of approximately 3.5% and 2.3% for the two respective years. During the year ended June 30, 2024, the College’s total assets increased \$7.1 million, to \$237.2 million. This \$7.1 million increase resulted primarily from a \$10.6 million increase in cash and investments offset by a decrease in capital assets of \$4.0 million. Total liabilities at June 30, 2024 remained unchanged from the June 30, 2023 balance. 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, 2024, 2023 (restated) and 2022 (restated), in millions:



Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Summary of Selected Financial Data

Following is a summary of the major components of the financial position of the College as of June 30, 2024, 2023 and 2022, in millions:

	2024	2023	2024-2023 Change	2022	2023-2022 Change
Current Assets (2023 and 2022 restated)	\$ 83.0	\$ 78.5	\$ 4.5	\$ 76.9	\$ 1.6
Long-Term Assets:					
Capital Assets, Net of Depreciation and Amortization	109.7	113.7	(4.0)	118.8	(5.1)
Other (2023 and 2022 restated)	44.5	37.9	6.6	28.3	9.6
Total Assets	237.2	230.1	7.1	224.0	6.1
Deferred Outflows of Resources	32.4	41.5	(9.1)	20.7	20.8
Current Liabilities (2023 restated)	11.6	11.5	.1	9.7	1.8
Non-Current Liabilities	94.9	121.6	(26.7)	82.4	39.2
Total Liabilities	106.5	133.1	(26.6)	92.1	41.0
Deferred Inflows of Resources	37.8	33.3	4.5	57.7	(24.4)
Net Position:					
Net Investment in Capital Assets	108.4	112.2	(3.8)	116.7	(4.5)
Restricted – Expendable (2023 and 2022 restated)	9.8	9.1	.7	8.5	.6
Unrestricted (2023 and 2022 restated)	7.1	(16.1)	23.2	(30.3)	14.2
Total Net Position	\$ 125.3	\$ 105.2	\$ 20.1	\$ 94.9	\$ 10.3

June 30, 2024: During the year ended June 30, 2024, total assets increased by \$7.1 million and total liabilities decreased by \$26.6 million. The majority of the increase in assets consisted of a \$10.6 million increase in cash and investments, primarily due to investment earnings resulting from increases in interest rates and market value gains. Also contributing to the increase in cash and investments was the College’s increase in enrollment. This increase was offset by a \$4.0 million dollar decrease in capital assets due to current year net capital purchases of \$2.9 million offset by depreciation and amortization charges of \$6.9 million. The majority of the decrease in liabilities consisted of a \$26.2 million decrease in the MPSERS net pension and OPEB liabilities.

June 30, 2023 (restated): During the year ended June 30, 2023, total assets increased by \$6.1 million and total liabilities increased by \$41.0 million. The majority of the increase in assets consisted of a \$10.1 million increase in cash and investments, primarily due to investment earnings resulting from increases in interest rates and market value gains. Also contributing to the increase in cash and investments was the College’s increase in enrollment and an influx of payments during fiscal year 2023 for MNJTP training agreements, that the College was holding as of June 30, 2023. This increase was offset by a \$5.1 million dollar decrease in capital assets due to the sale of land and a building and current year depreciation and amortization charges. The majority of the increase in liabilities consisted of a \$39.7 million increase in the MPSERS net pension and OPEB liabilities.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2024

Summary of Selected Financial Data – Continued

The following summarizes the major components of the College's operating results for the years ended June 30, 2024, 2023 and 2022, in millions:

	2024	2023	2024-2023 Change	2022	2023-2022 Change
Operating Revenue:					
Tuition and Fees	\$ 23.2	\$ 22.1	\$ 1.1	\$ 20.2	\$ 1.9
Grants and Contracts	6.0	5.2	.8	4.9	.3
Public Broadcasting Gifts	.8	.8	-	.9	(.1)
Auxiliary Services	3.5	3.2	.3	2.7	.5
Other	1.4	1.3	.1	1.2	.1
Total Operating Revenue	34.9	32.6	2.3	29.9	2.7
Operating Expenses:					
Instruction	35.4	35.3	.1	31.3	4.0
Public Services	3.2	3.0	.2	2.7	.3
Information Technology	4.0	4.0	-	3.3	.7
Instructional Support	5.8	6.7	(.9)	6.5	.2
Student Services	20.1	19.3	.8	24.6	(5.3)
Institutional Administration	8.2	8.0	.2	5.7	2.3
Operation and Maintenance of Facilities	8.3	8.0	.3	7.4	.6
Depreciation and Amortization	6.9	7.0	(.1)	7.2	(.2)
Total Operating Expenses	91.9	91.3	.6	88.7	2.6
Operating Loss	(57.0)	(58.7)	1.7	(58.8)	.1
Nonoperating Revenue (Expenses)					
State Appropriations	29.9	24.5	5.4	24.5	-
Property Taxes	26.5	25.2	1.3	23.9	1.3
Pell Federal Grant Revenue	14.0	11.1	2.9	10.5	.6
HEERF	.2	6.5	(6.3)	15.1	(8.6)
Other (2023 and 2022 restated)	6.5	1.3	5.2	(.3)	1.6
Net Nonoperating Revenue (Expenses)	77.1	68.6	8.5	73.7	(5.1)

Management’s Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2024

Summary of Selected Financial Data – Continued

(continued from previous page)

	2024	2023	2024-2023 Change	2022	2023-2022 Change
Other Revenue					
State Capital Appropriations	\$ -	\$.4	\$ (.4)	\$ 1.0	\$ (.6)
Total Other Revenue	-	.4	(.4)	1.0	(.6)
Increase in Net Position	20.1	10.3	9.8	15.9	(5.6)
Net Position					
Net Position – Beginning of Year (2023 and 2022 restated)	105.2	94.9	10.3	79.0	15.9
Net Position – End of Year (2023 and 2022 restated)	\$ 125.3	\$ 105.2	\$ 20.1	\$ 94.9	\$ 10.3

Operating Revenue

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

June 30, 2024: Operating revenue changes are highlighted by the following factors for the year ended June 30, 2024:

- The 2024 academic in-district tuition rate increased by \$6.00 to \$127 per contact hour, which represents an increase of 5.0% while the technology fee remained consistent at \$25. Enrollment totaled 176,600 contact hours for fiscal year 2024, which represents an increase of 5.9% from 166,800 contact hours for the prior year. The combined net impact of the increase in tuition and technology rates and increase in contact hours resulted in a \$1.1 million increase in tuition and fee revenues generated by academic programs, net of scholarship allowances.
- Auxiliary services revenue consists primarily of sales in the Bookstore of \$3.5 million, which had offsetting scholarship allowances approximating \$942,000. Bookstore sales compared to the prior year increased by \$280,000, or 8.8%, due to an increase in enrollment over the prior year. Food services and FRC operating revenues also experienced an increase from the prior year of \$119,000 and \$17,000, respectively. These Auxiliary operations have benefitted from an increase in enrollment and slight increases in the amounts charged for services when compared to the prior year.

June 30, 2023: Operating revenue changes are highlighted by the following factors for the year ended June 30, 2023:

- The 2023 academic in-district tuition rate increased by \$2.00 to \$121 per contact hour, which represents an increase of 1.7% and the technology fee was increased \$1.00 to \$25. Enrollment totaled 166,800 contact hours for fiscal year 2023, which represents an increase of 5.2% from 158,500 contact hours for the prior year. The combined net impact of the increase in tuition and technology rates and increase in contact hours resulted in a \$1.9 million increase in tuition and fee revenues generated by academic programs, net of scholarship allowances.

Management’s Discussion and Analysis - Continued

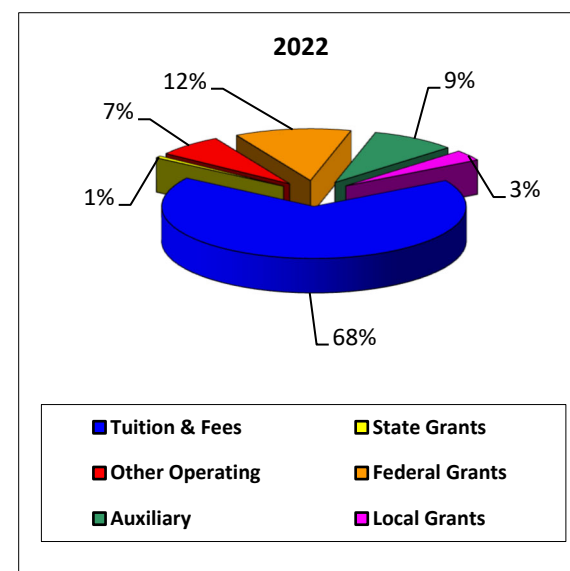
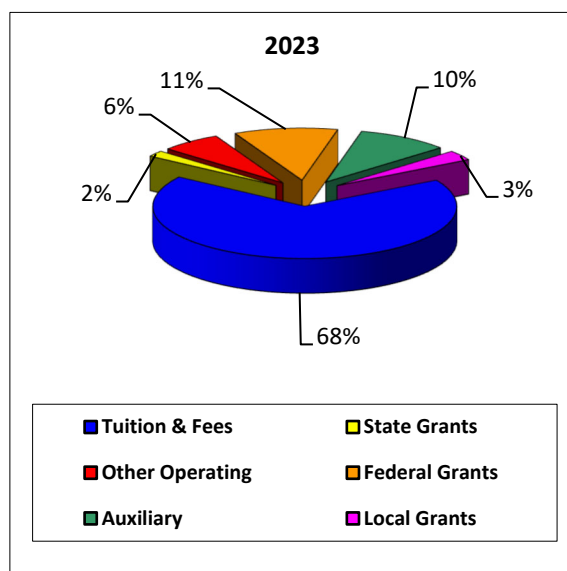
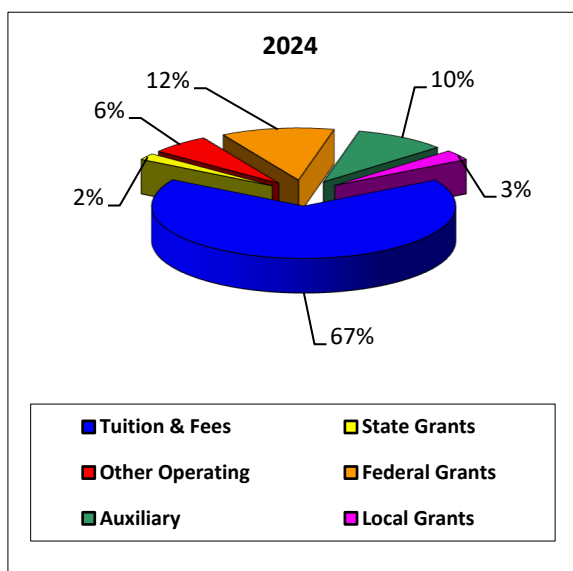
Delta College

Year Ended June 30, 2024

Operating Revenue – Continued

- June 30, 2023 – continued:** Auxiliary services revenue consists primarily of sales in the Bookstore of \$3.2 million, which had offsetting scholarship allowances approximating \$795,000. Bookstore sales compared to the prior year increased by \$304,000, or 10.6%, due in part to an increase in enrollment over the prior year, coupled with an increase in students attending on campus courses, who are more likely to frequent the campus bookstore than those whose classes are fully online. Food services and FRC operating revenues also experienced an increase from the prior year of \$130,000 and \$77,000, respectively. These Auxiliary operations have benefitted from an increase in students, staff and community members returning to campus in higher numbers over the prior year. However, revenue continues to lag pre-Pandemic levels, and accordingly, the College was able to offset lost revenues for the FRC, Food Services and Printing Services operations by a total of \$262,000 from its HEERF COVID-19 relief grants.

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2024, 2023 and 2022:



Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Operating Expenses

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

June 30, 2024: Operating expense changes are highlighted by the following factors for the year ended June 30, 2024:

- Base salary increases were 2.0% for 2024 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 \$200,000 per claim, in addition to monthly stop-loss and administrative fees. The College's health insurance costs were \$6.1 million for the year ended June 30, 2024, compared to \$5.4 million for the prior year, primarily due to an increase in actual claims.
- Public Act 300 of 2012 enacted by the State of Michigan legislature made significant reforms to the MPERS 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 2024, the College's overall benefit expense for MPERS including adjustments due to GASB 68 and 75, was \$17.6 million, an increase of approximately \$4.2 million from the prior year. Of the \$17.6 million total, \$9.5 million was for the College's contributions to MPERS, and \$8.1 million was due to the annual Unfunded Actuarial Accrued Liability (UAAL) Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment is paid to the College for pass-through to MPERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$8.1 million UAAL benefit expense was directly offset by the same amount in state appropriations non-operating revenue, as noted in the non-operating revenue section, of which \$3.1 million was a one-time additional pass-through payment.
- Instructional support expenses decreased \$886,000, or 13.2%, from the prior year. This decrease was mainly due to the reduction in Higher Education Emergency Relief Funding (HEERF) spending related to the Covid-19 pandemic.
- Student services operating expenses increased \$839,000, or 4.4%, from the prior year. This increase was mainly due to an increase in dual enrollment, counseling and advising, admissions and marketing spending.

June 30, 2023: Operating expense changes are highlighted by the following factors for the year ended June 30, 2023:

- Base salary increases were 2.5% for 2023 and the employee contribution toward medical insurance remained at 20.0%. The College's health insurance costs were \$5.4 million for the year ended June 30, 2023, compared to \$4.7 million for the prior year, primarily due to increased claims. The College had increased the amount budgeted per person by 5% for fiscal year 2023, and increased this amount by an additional 7% in its fiscal year 2024 budget.
- During 2023, the College's overall benefit expense for MPERS including adjustments due to GASB 68 and 75, was \$13.3 million, an increase of approximately \$600,000 from the prior year. Of the \$13.3 million total, \$8.6 million was for the College's contributions to MPERS, and \$4.7 million was due to the annual UAAL Rate Stabilization Payment that was appropriated by the legislature. The \$4.7 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.
- Instruction expenses increased \$4.0 million, or 12.8%, from the prior year. This increase was partially due to GASB 68 and 75 pension and OPEB changes and additional increases in salaries and fringe benefits. The increase in instructional salaries was due both to increases in pay rates and additional compensation necessary to add course sections to meet student demand resulting from the increase in enrollment.
- Student services operating expenses decreased \$5.3 million, or 21.5%, from the prior year. This decrease was mainly due to a decrease in emergency grants in the amount of \$8.1 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.

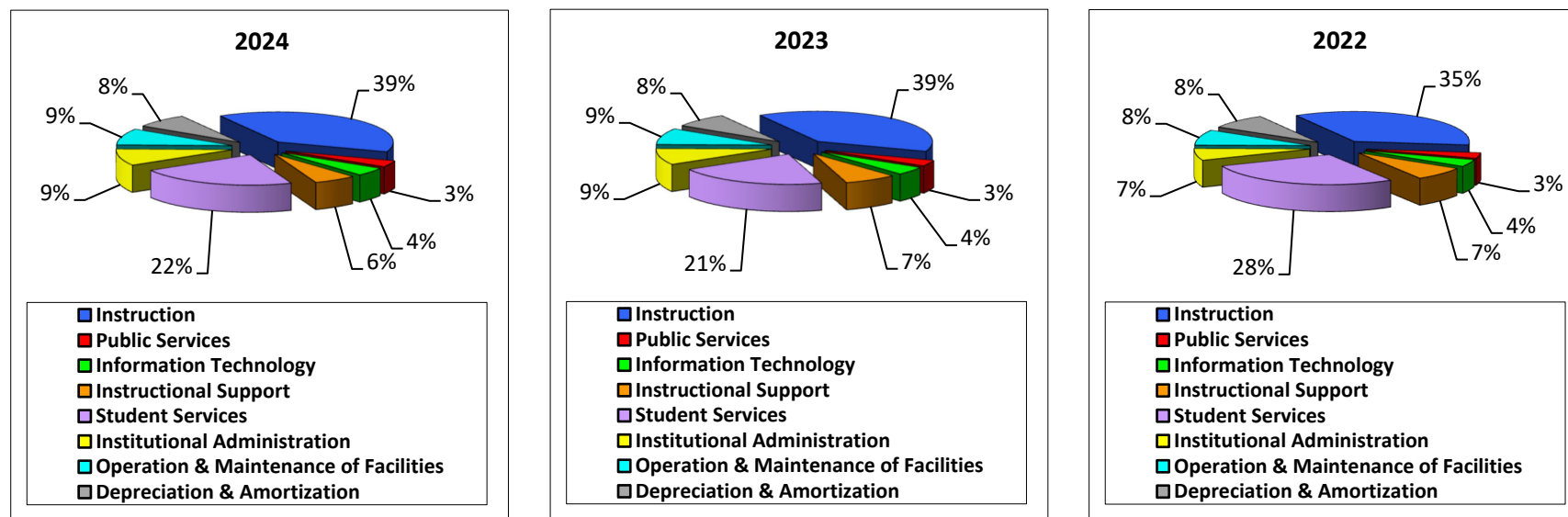
Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Operating Expenses – Continued

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2024, 2023 and 2022:



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 grants received from the federal government in response to the Covid-19 pandemic. Nonoperating expenses are those that are not primarily incurred for operating purposes.

June 30, 2024: Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2024:

- Base State appropriations increased to \$15.9 million compared to the prior year appropriation of \$15.2 million. The College’s performance funding increased from \$728,000 in the prior year to \$754,000 in 2024. 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 \$8,000 from 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 \$1.9 million, which represents an increase of \$1.1 from the prior year. Renaissance Zone property tax reimbursement appropriations amounted to approximately \$9,000, which represents a decrease of \$35,000 from the prior year, which resulted due to phase outs.
- An additional \$5.8 million was received specifically for pass-through to the MSPERS for purpose of the UAAL Rate Stabilization payment. The \$5.8 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 \$8.1 million was recognized during the current year and is included in the State Appropriation line item.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Nonoperating Revenue (Expenses) – Continued

June 30, 2024 – continued:

- 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 \$244,000, or 8.2%, increase from the prior year.
- The total taxable value of property within the district increased approximately 6.0% from the prior year, which resulted in an increase in property tax revenues of approximately \$1.3 million, to \$26.5 million in 2024. The College currently levies property taxes at a rate of 2.0427 mills.
- The College recognized net investment income of \$6.1 million, which is a \$2.7 million increase over the prior year. The \$6.1 million investment income consisted of net general College investment earnings and gains of \$5.7 million and net endowment earnings of \$413,000.
- Pell grants awarded to students were \$14.0 million, an increase of \$2.9 million, or 26.1%, over 2023. The number of students receiving Pell awards increased by 15.3%, or 498 students over 2023, while the average award increased \$321, or 9.4%.
- 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 HEERF Grants specifically for student financial assistance, \$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 fully expended and recognized grant nonoperating revenue of \$35.9 million over the course of the last five years related to these HEERF grants, including \$229,300 of HEERF grant revenue for the year ended June 30, 2024.

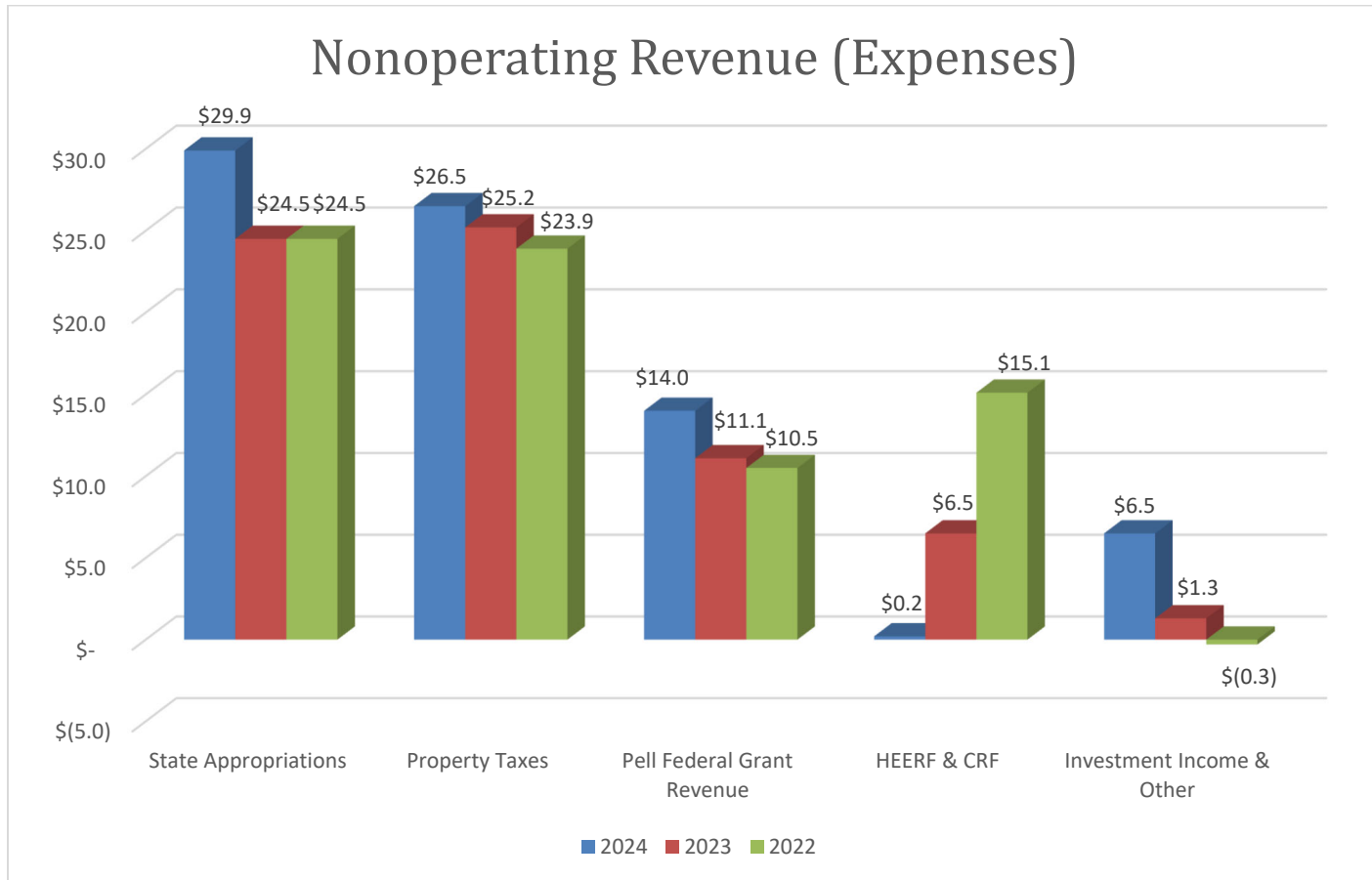
June 30, 2023 (restated): Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2023:

- Base State appropriations remained unchanged compared to the prior year appropriation of \$15.2 million. The College's performance funding increased from \$143,000 in the prior year to \$728,000 in 2023. The College also received an appropriation during the current year in the amount of \$40,000 for costs associated with the Indian Tuition Waiver, a decrease of \$20,000 from 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 \$837,000, which represents an increase of \$14,000 from the prior year. Renaissance Zone property tax reimbursement appropriations amounted to approximately \$44,000, which represents a decrease of \$40,000 from the prior year, which resulted due to phase outs.
- An additional \$5.0 million and a one-time supplement of \$3.1 million were received specifically for pass-through to the MSPERS for purpose of the UAAL Rate Stabilization payment. The entire \$8.1 million of the UAAL Rate Stabilization Payment and supplement 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 \$4.7 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 6.3%, decrease from the prior year.
- The total taxable value of property within the district increased approximately 5.0% from the prior year, which resulted in an increase in property tax revenues of approximately \$1.3 million, to \$25.2 million in 2023. The College currently levies property taxes at a rate of 2.0427 mills.
- The College recognized net investment income of \$3.4 million, which is a \$4.5 million increase over the prior year. The \$3.4 million investment income consisted of net general College investment earnings and gains of \$3.1 million and net endowment earnings of \$252,000.
- Pell grants awarded to students were \$11.1 million, an increase of \$.6 million, or 5.7%, over 2022. The number of students receiving Pell awards remained unchanged from the prior year, while the average award increased \$173, or 5.4%.
- The College recognized \$6.5 million of HEERF grant revenue for the year ended June 30, 2023. This is a decrease of \$8.6 million compared to the prior year.

Management’s Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2024

Nonoperating Revenue (Expenses) – Continued

The following is a graphic illustration of nonoperating revenue (expenses) by source for the years ended June 30, 2024, 2023 (restated) and 2022 (restated), in millions:



Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

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, and transfers from related entities.

June 30, 2024: There were no significant other revenues for the year ended June 30, 2024.

June 30, 2023 (restated): Changes in other revenue are highlighted by the following factors for the year ended June 30, 2023:

- State capital appropriations totaled \$.4 million for 2023. This revenue represented the State's remaining 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.

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

The following summarizes the major cash flow components for the College for the years ended June 30, 2024, 2023 and 2022, in millions:

	2024	2023	2024-2023 Change	2022	2023-2022 Change
Cash Provided by (Used in):					
Operating Activities (2023 and 2022 restated)	\$ (63.1)	\$ (55.8)	\$ (7.3)	\$ (62.6)	\$ 6.8
Noncapital Financing Activities (2023 and 2022 restated)	71.4	67.5	3.9	78.2	(10.7)
Capital and Related Financing Activities	(3.3)	(4.6)	1.3	(7.1)	2.5
Investing Activities (2023 and 2022 restated)	(8.2)	(5.9)	(2.3)	(17.0)	11.1
Net Increase (Decrease) in Cash	(3.2)	1.2	(4.4)	(8.5)	9.7
Cash and Cash Equivalents – Beginning of Year (2023 and 2022 restated)	35.4	34.2	1.2	42.7	(8.5)
Cash and Cash Equivalents – End of Year	\$ 32.2	\$ 35.4	\$ (3.2)	\$ 34.2	\$ 1.2

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Statement of Cash Flows – Continued

June 30, 2024: Cash and cash equivalents decreased by \$3.2 million during the year ended June 30, 2024. The decrease in cash is due to the College continuing to invest excess cash in investment securities.

June 30, 2023: Cash and cash equivalents increased by \$1.2 million during the year ended June 30, 2023. The increase in cash is due to the College continuing to invest excess cash in investment securities.

Capital Assets

At June 30, 2024, the College had \$206.3 million invested in capital assets, which net of accumulated depreciation and amortization of \$96.6 million, resulted in a book value of \$109.7 million. Capital assets decreased by approximately \$4.0 million in 2024, which included net additions of \$2.9 million less annual depreciation and amortization charges of \$6.9 million. The table below provides details of these assets, shown net of accumulated depreciation and amortization, as of June 30, 2024, 2023 and 2022, in millions:

	2024	2023	2024-2023 Change	2022	2023-2022 Change
Land and Improvements	\$ 6.0	\$ 6.5	\$ (.5)	\$ 7.6	\$ (1.1)
Infrastructure	4.2	4.7	(.5)	5.3	(.6)
Buildings	90.7	93.9	(3.2)	93.3	.6
Furniture and Equipment	6.2	6.5	(.3)	6.4	.1
SBITAs	1.2	1.5	(.3)	2.0	(.5)
Construction in Progress	1.4	.6	.8	4.2	(3.6)
Totals	\$ 109.7	\$ 113.7	\$ (4.0)	\$ 118.8	\$ (5.1)

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 2024 and 2023:

- 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 capitalized \$3.2 million to capital assets in fiscal year 2021 while the remaining \$54,000 related to the observatory portion of the project remained recorded in construction in progress at June 30, 2021. Construction resumed during fiscal year 2023 and 2024 and an additional \$56,000 and \$401,000 of costs were incurred, respectively. Construction in progress at June 30, 2024 for this project totaled \$511,000.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Capital Assets – Continued

- 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 did 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 the various project components was \$3.5 million; however, due to supply chain issues and the grant spending deadline, the project was scaled back to approximately \$2.5 million. As of June 30, 2022, the College had incurred project expenses of approximately \$400,000 which had been recorded in construction in progress. An additional \$1.8 million of costs were incurred during fiscal year 2023 and the asset was capitalized at a total cost of \$2.2 million.
- 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 was 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. The project was completed and capitalized during fiscal year 2023 at a total asset value of \$2.5 million.
- 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 was \$1.7 million. At June 30, 2022, the College had incurred project costs totaling \$1.5 million, which were included in construction in progress. The project was completed and capitalized in fiscal year 2023 in the amount of \$1.6 million.
- At its February 2023 meeting, the College's Board of Trustees approved a project to replace the roof, skylights and roof deck on the Delta College Planetarium in downtown Bay City. The existing roof was original to the building, which was completed in 1996, and was at the end of the useful life, and the skylights were cracked and compromised. The approved budget for this project was approximately \$664,000. As of June 30, 2023, this project was completed and capitalized at a total cost of \$693,000. The Board approved a \$445,000 project at its August 2022 meeting to replace the Planetarium's chiller system that was also original to the building. It had reached its life expectancy and had been requiring frequent repairs and was no longer reliable. At June 30, 2023, this project was included in construction in progress with spending to date of approximately \$378,000. During fiscal year 2024, an additional \$208,000 of costs were incurred, and the project was completed and capitalized in the amount of \$586,000.
- Various other projects having a total cost of \$838,000 as of June 30, 2024 are included in construction and progress. These projects include the Hotchkiss Drive Lighting Upgrade, Controls Upgrade, K-Wing Renovations, Main Campus Chiller Plant Upgrade, and TV Broadcasting Tower Repairs with total cost to date ranging from \$111,000 to \$226,000 per project.

Refer to Note 11 to the financial statement for additional information related to the above capital projects.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

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. Beginning in fiscal year 2022, the College has entered into additional MNJTP training agreements that no longer use the bond model, but rather a prepayment model. The College had two agreements under the bond model, ECO-Bio Plastics and Xalt Energy MI, LLC that both ended during fiscal year 2023. The ECO-Bio contract reached its expiration date and the remaining funding the College was holding was returned to ECO-Bio who is responsible to remit the funds to Treasury. The Xalt training agreement was terminated during fiscal year 2023 due to a change in company ownership that occurred, when the company was acquired by Freudenberg Battery Systems. At June 30, 2023, the College was working on finalizing the details of the Xalt agreement closeout, and was still holding approximately \$1.1 million of unused training and program administration funds, which was recorded as accounts payable. During fiscal year 2024, the College remitted the \$1.1 million to Xalt who is responsible to return these funds to Treasury. At June 30, 2024 and 2023, there were no bonds issued or outstanding.

Economic Factors That Will Affect the Future

The forecast for the U.S. economy predicts a deceleration in growth for 2024, with a projected recovery by 2025. Michigan's economy is expected to lag behind the national average due to its reliance on manufacturing, which is undergoing substantial transformation. The state's growth is anticipated to be modest through 2026, and key risks include persistent inflation, supply chain issues, and ongoing labor market disruptions. Despite low unemployment, Michigan faces labor shortages and skills gaps in advanced manufacturing, healthcare, and technology sectors. Community colleges are pivotal in addressing these gaps by providing essential workforce development programs and retraining opportunities.

It is crucial to acknowledge the critical economic factors that will shape the operations, funding, and success of community colleges as we look into the future of higher education in Michigan. Community colleges have historically provided accessible, affordable education and training opportunities to Michigan residents and will continue to play an essential role in the State's evolving economic landscape. Programs like Michigan Reconnect and Futures for Frontliners have increased accessibility to community college education, boosting enrollment and providing vital pathways to higher education.

The economic position of the College is closely linked to the region within Bay, Saginaw, and Midland counties and the fiscal budget of the State of Michigan. State appropriations have seen minimal increases in recent years, with more substantial increases realized in 2022, 2023, and a 2.5% increase to the base in 2024. Equalized valuations across the state have significantly increased, with an average increase of 6.72% between the three counties for 2024.

According to Michigan economists and fiscal analysts from the State Revenue Estimating Conference (CREC), Michigan is projected to experience slower economic growth than the national average. However, the State's General Fund and School Aid Fund (SAF) are expected to remain stable, by consistent income and sales tax collections. Inflation remains a significant force in Michigan's economy, resulting in elevated costs for businesses and consumers alike. While some moderation in inflation is anticipated, its impact on purchasing power and state revenues is expected to persist into 2024-2025. Higher interest rates are also becoming a critical factor, likely slowing growth as borrowing costs rise.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Economic Factors That Will Affect the Future – Continued

The CREC report underscores the automotive industry's transition to electric vehicles (EVs) as pivotal for Michigan's economic future. Short-term challenges include labor shortages and persistent inflation, while long-term risks center around the state's manufacturing competitiveness as the industry pivots to EVs. Although light vehicle sales are projected to increase in 2024-2025, rising financing costs could dampen these sales, impacting Michigan's economic momentum.

State appropriations are forecasted to stay stable in the upcoming fiscal year. The Senate Fiscal Agency's Monthly Revenue Report showed that SAF revenue collections were \$126.5 million below January 2024 consensus estimates, though this still represents a slight 0.2% increase over 2023 levels. Projections for SAF revenue in fiscal years 2025 and 2026 indicate slight growth in gross income tax revenue, sales tax revenue, and the State education tax, which together constitute over 80% of SAF revenue. Community colleges continue to receive state aid appropriations from the SAF, ensuring ongoing support for post-secondary education across the state.

Student enrollment significantly impacts the College's finances. Competition for students among institutions has intensified, and Delta College has implemented successful enrollment strategies and initiatives. Despite overall contact hours remaining lower than pre-pandemic levels, there has been growth in new student enrollments and retention rates. This has led to an increase in contact hours budgeted from the 2023-2024 budget to the 2024-2025 budget, marking the first significant increase in over a decade. Actual General Fund contact hours for 2023-2024 totaled approximately 176,000, 6.7% higher than the budgeted target of 165,000. Over the past two years, Delta College has developed strategies to improve student retention rates, including better program management and reorganization of the Student and Educational Services division to provide additional support to students outside of the classroom. With a robust enrollment plan in place, the budget enrollment target for 2024-2025 is set at 174,000 contact hours.

In July 2021, the Board of Trustees appointed Dr. Michael Gavin as the fifth president. Under his leadership, the College implemented a new four-year strategic plan (2023-2027). The plan's strategic initiatives offer a comprehensive, goal-oriented description of the way in which the College will work to achieve success in each of the four Strategic Plan Pillars: Student Engagement, Retention and Completion, People Focus, and Community-Centered.

Delta College's leadership and the Board of Trustees have established a longstanding commitment to fiscal policies and practices that prioritize long-term stability. These pivotal decisions include earmarking savings for future needs and setting aside reserves for unforeseen contingencies, revenue shortfalls, or emergencies. Notable examples include:

- Delta's 10% Fund Balance Policy: The College's current long-term objective is to maintain a fund balance in the General Fund equivalent to 10% of its operating budget. It is recommended to uphold this 10% reserve level, with the 2024 ending fund balance surpassing this threshold.
- The establishment of a Reserve for Budget Sustainability in the Designated Fund, funded by annual one-time savings, which serves as an additional layer of savings in addition to the 10% fund balance. This reserve would have been a vital cushion during the COVID-19 pandemic, if not for the substantial Federal COVID relief funding the College received.

We remain committed to achieving a balanced financial approach in maintaining the lifecycles of academic equipment, IT, overall infrastructure, and equipment. The College has diligently built savings, thus averting the necessity to borrow. This policy aims to safeguard the College's assets and ensure the future sustainability of its infrastructure and cutting-edge facilities. Through the commitment to allocate a portion of any annual General Fund surplus to our Plant Fund, the College has amassed resources for construction projects and infrastructure needs without incurring debt.

Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2024

Delta College Foundation

The Foundation was formed in 1979 for the purpose of receiving and administering funds for the support or benefit of the College.

The Foundation is an independent tax-exempt 501(c)(3) corporation formed in 1979 for the purpose of receiving funds for the sole benefit of the College. Donors are predominately from the College’s district which includes Bay, Midland and Saginaw counties. 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, 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 at no charge. The amount of such assistance for the years ended June 30, 2024, 2023, and 2022, was approximately \$641,000, \$609,000, and \$609,000 respectively. In addition, the Foundation transferred payments to the College for student scholarships and support totaling approximately \$1.5 million, \$1.7 million, and \$2.4 million for the year ended June 30, 2024, 2023, and 2022, respectively.

The Foundation maintains variance power of agency endowment funds and, as such, reports the funds as assets of the Foundation. A liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the College who is the ultimate recipient and established the funds. All asset transfers of this type and the activity associated with those assets are recognized as agency transactions in the financial statements. Agency endowment funds as of June 30, 2024, 2023, and 2022 approximated \$6.0 million, \$5.5 million, and \$5.1 million, respectively.

The net assets of the Foundation are as follows as of June 30, 2024, 2023 and 2022, in millions:

	2024	2023	2022
Without Donor Restriction	\$ 2.9	\$ 2.6	\$ 2.5
With Donor Restriction	27.3	24.4	22.6
Total Net Assets	<u>\$ 30.2</u>	<u>\$ 27.0</u>	<u>\$ 25.1</u>

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, and the Delta College Foundation (Foundation), a discretely presented component unit of Delta College, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Delta College's 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 and its discretely presented component unit, Delta College Foundation, as of June 30, 2024 and 2023, and the respective changes in financial position and Delta College's cash flows 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 opinions.

Correction of Error

As discussed in Note 1 to the financial statements, certain errors resulting in overstatement of amounts previously reported for various assets, unearned revenue, net position, various revenue, and various expenses as well as the blending of the Foundation, which is a component unit of Delta College, in Delta College's financial statements as of June 30, 2023, were discovered by management of Delta College during the current year. Accordingly, amounts reported for the aforementioned accounts have been restated in the 2023 financial statements now presented, and an adjustment has been made to beginning net position as of July 1, 2022, to correct the error. Our opinions are not modified with respect to that matter.

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 opinions. 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 28, 2024, 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 Pavlik PLC

Saginaw, Michigan
October 28, 2024

**Statements of Net Position
Delta College**

	June 30,	
	2024	2023
Assets		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 32,219,805	\$ 35,396,252
Short-term investments (Note 3)	41,772,625	34,165,254
Property taxes receivable	24,630	58,405
State appropriations receivable (Note 5)	4,427,181	4,003,278
Federal and state grants receivable	2,060,158	2,400,225
Accounts receivable, net of allowance of \$2,048,357 in 2024 and \$1,319,254 in 2023 (Note 8)	438,775	425,165
Inventories	715,099	705,026
Prepaid expenses and other assets	1,383,446	1,354,386
Total Current Assets	83,041,719	78,507,991
Long-Term Investments (Note 3)	38,005,261	31,860,391
Long-Term Accounts Receivable (Note 8)	483,125	583,130
Beneficial Interest in Endowments Held by the Foundation (Note 3)	5,984,997	5,465,397
Capital Assets (Note 4)	109,674,058	113,703,339
Total Assets	237,189,160	230,120,248
Deferred Outflows of Resources (Note 6)	32,447,183	41,480,226
Liabilities		
Current Liabilities		
Accounts payable	2,162,226	3,100,480
Accrued payroll and other compensation	6,263,444	6,023,574
Unearned revenue	2,234,701	1,669,465
Subscription-based information technology arrangements (Note 4)	974,240	771,532
Total Current Liabilities	11,634,611	11,565,051
Non-Current Liabilities		
Long-term subscription-based information technology arrangements (Note 4)	312,791	771,996
Net pension and OPEB liability (Note 6)	94,549,427	120,763,952
Total Non-Current Liabilities	94,862,218	121,535,948
Total Liabilities	106,496,829	133,100,999
Deferred Inflows of Resources (Note 6 and 8)	37,850,902	33,311,043
Net Position		
Net investment in capital assets	108,387,027	112,159,811
Restricted for:		
Expendable scholarships and awards	2,080,763	1,839,591
Instructional department uses	845,389	929,876
Public broadcasting activities	6,303,319	5,748,625
Other restricted uses	526,107	604,384
Unrestricted (deficit) (Note 1)	7,146,007	(16,093,855)
Total Net Position	\$ 125,288,612	\$ 105,188,432

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,	
	2024	2023
Operating Revenue		
Tuition and fees, net of scholarship allowance of \$8,141,865 in 2024 and \$6,775,855 in 2023	\$ 23,250,995	\$ 22,075,240
Federal grants and contracts	4,193,853	3,604,947
State grants and contracts	728,613	603,700
Local and nongovernmental grants and contracts	1,066,993	1,023,419
Michigan New Jobs Training Program	336,536	250,202
Public broadcasting gifts	830,221	854,221
Auxiliary activities, net of scholarship allowance of \$942,200 in 2024 and \$795,378 in 2023	3,454,940	3,167,581
Miscellaneous	1,038,058	1,020,155
Total Operating Revenue	<u>34,900,209</u>	<u>32,599,465</u>
Operating Expenses		
Instruction	35,468,735	35,351,257
Public services	3,173,380	2,993,900
Information technology	3,982,942	4,014,338
Instructional support	5,803,445	6,689,830
Student services	20,117,958	19,279,097
Institutional administration	8,179,205	7,978,772
Operation and maintenance of facilities	8,332,903	7,978,967
Depreciation and amortization	6,868,062	7,005,615
Total Operating Expenses	<u>91,926,630</u>	<u>91,291,776</u>
Operating Loss	(57,026,421)	(58,692,311)
Nonoperating Revenue (Expenses)		
State appropriations	29,888,769	24,500,383
Property tax levy	26,481,887	25,170,166
Pell federal grant revenue	13,964,272	11,102,588
Gifts	649,473	826,130
Higher Education Emergency Relief Fund	229,300	6,547,198
Investment income, net of investment expense of \$205,364 in 2024 and \$185,912 in 2023	6,137,054	3,401,090
Interest expense on subscription assets	(113,951)	(104,018)
Loss on disposition of capital assets	(150,228)	(2,863,412)
Net Nonoperating Revenue (Expenses)	<u>77,086,576</u>	<u>68,580,125</u>
Net Income Before Other Revenue	20,060,155	9,887,814
Other Revenue		
State capital appropriations	-	356,724
Capital gifts and grants	40,025	-
Total Other Revenue	<u>40,025</u>	<u>356,724</u>
Increase in Net Position	20,100,180	10,244,538
Net Position - Beginning of Year (restated - Note 1)	<u>105,188,432</u>	<u>94,943,894</u>
Net Position - End of Year	<u>\$ 125,288,612</u>	<u>\$ 105,188,432</u>

The accompanying notes are an integral part of these statements.

Statements of Cash Flows
Delta College

	Year Ended June 30,	
	2024	2023
Cash Flows from Operating Activities		
Tuition and fees	\$ 22,837,879	\$ 22,567,529
Grants and contracts	6,020,857	5,384,194
Michigan New Jobs Training Program	336,536	250,202
Public broadcasting gifts	827,016	866,848
Payments to suppliers	(56,549,162)	(50,032,387)
Payments to employees	(40,904,491)	(39,195,719)
Auxiliary enterprise charges	3,394,704	3,193,722
Other	964,230	1,186,172
Net Cash Used In Operating Activities	(63,072,431)	(55,779,439)
Cash Flows from Noncapital Financing Activities		
State appropriations	29,464,866	24,339,747
Local property taxes	26,515,662	25,170,730
Pell federal grant revenue	13,983,878	11,111,027
Higher Education Emergency Relief Fund revenue	863,160	6,107,613
Gifts and contributions for other than capital purposes	649,473	716,062
Custodial fund transactions	(62,383)	17,799
Net Cash Provided by Noncapital Financing Activities	71,414,656	67,462,978
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital gifts, grants and appropriations	40,025	853,838
Purchase of capital assets	(3,367,532)	(5,779,781)
Proceeds from disposition of capital assets	8,075	317,056
Net Cash Used in Capital and Related Financing Activities	(3,319,432)	(4,608,887)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	72,993,493	78,467,223
Investment income	2,852,911	2,012,161
Purchase of investments	(84,045,644)	(86,380,085)
Net Cash Used In Investing Activities	(8,199,240)	(5,900,701)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,176,447)	1,173,951
Cash and Cash Equivalents - Beginning of Year	35,396,252	34,222,301
Cash and Cash Equivalents - End of Year	\$ 32,219,805	\$ 35,396,252

The accompanying notes are an integral part of these statements.

Statements of Cash Flows - Continued
Delta College

	Year Ended June 30,	
	2024	2023
Reconciliation of Operating Loss to		
Net Cash Used in Operating Activities:		
Operating loss	\$ (57,026,421)	\$ (58,692,311)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	6,868,062	7,005,615
Allowance for uncollectible accounts	729,103	(191,689)
(Increase) decrease in assets:		
Federal and state grants receivable	(313,399)	148,872
Accounts receivable	(642,708)	234,968
Inventories	(10,073)	(22,061)
Prepaid expenses and other assets	35,393	(650,622)
(Increase) decrease in deferred outflows of resources	9,033,043	(20,753,803)
Increase (decrease) in liabilities:		
Accounts payable	(875,871)	1,331,081
Accrued payroll and other compensation	239,870	270,360
Unearned revenue	565,236	281,138
Net pension and OPEB liability	(26,214,525)	39,639,374
Increase (decrease) in deferred inflows of resources	4,539,859	(24,380,361)
Net Cash Used In Operating Activities	\$ (63,072,431)	\$ (55,779,439)

The accompanying notes are an integral part of these statements.

**Statements of Financial Position
Delta College Foundation**

	June 30,	
	2024	2023
Assets		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 1,867,233	\$ 1,604,154
Accounts receivable	-	110
Pledges receivable	108,665	100,364
Prepaid expenses and other assets	93,841	75,284
Total Current Assets	2,069,739	1,779,912
Long-Term Investments (Note 3)	33,808,602	30,391,681
Long-Term Pledges Receivable	342,154	335,081
Total Assets	\$ 36,220,495	\$ 32,506,674
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 46,043	\$ -
Unearned revenue	23,126	47,140
Total Current Liabilities	69,169	47,140
Funds Held as Agency Endowments (Note 3)	5,984,997	5,465,397
Total Liabilities	6,054,166	5,512,537
Net Assets		
Without donor restrictions	2,853,807	2,611,875
With donor restrictions (Note 14)	27,312,522	24,382,262
Total Net Assets	30,166,329	26,994,137
Total Liabilities and Net Assets	\$ 36,220,495	\$ 32,506,674

The accompanying notes are an integral part of these statements.

**Statements of Activities
Delta College Foundation**

	Year Ended June 30,	
	2024	2023
Revenues and Other Support		
Contributions	\$ 2,121,456	\$ 1,815,950
Nonfinancial assets	71,377	218,799
Support services/facility use from Delta College	641,016	608,836
Special events, net of expenses	51,004	63,111
Investment return, net	4,066,586	2,979,093
	<u>6,951,439</u>	<u>5,685,789</u>
Less: Change in funds held as agency endowments	(519,600)	(361,679)
Less: Amount raised on behalf of others	(830,221)	(854,221)
	<u>(830,221)</u>	<u>(854,221)</u>
Total Revenues and Other Support	5,601,618	4,469,889
Expenses and Other Deductions		
Program:		
Endowment distributions	816,320	908,130
Grants and distributions to or for Delta College	705,102	833,625
Fundraising	104,754	114,073
Management and general	162,234	147,014
Total support services from Delta College	641,016	608,836
	<u>2,429,426</u>	<u>2,611,678</u>
Total Expenses and Other Deductions	2,429,426	2,611,678
Change in Net Assets	3,172,192	1,858,211
Net Assets - Beginning of Year	26,994,137	25,135,926
Net Assets - End of Year	\$ 30,166,329	\$ 26,994,137

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

Delta College

June 30, 2024

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 accounting principles generally accepted in the United States of America (U.S. GAAP) 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.

As required by U.S. GAAP, these financial statements present the College and its discretely presented component unit, Delta College Foundation (Foundation), described below. A component unit is a separate legal entity that is included in the College’s reporting entity because of the significance of its operational and financial relationship with the College.

The Foundation is discretely reported as a part of the College’s reporting entity (although it is a separate legal entity established as a 501(c)(3) not-for-profit corporation and governed by its own board of directors). Separate financial statements of the Foundation are available by contacting Delta College Foundation, 1961 Delta Road, University Center, MI 48710

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

Restatement

During the year ended June 30, 2024, management of the College and the Foundation determined that it was the intent of the Foundation to have the College manage the Endowment Fund but not to transfer ownership of the Endowment Fund to the College. Prior to this determination, the College was reporting the Endowment Fund in their financial statements. During fiscal year 2024, the reporting was corrected and the ownership of the Endowment Fund was properly reported in the Foundation’s financial statements and the Foundation has assumed responsibility for managing the funds. In so doing, the addition of the Endowment Fund with the Foundation (collectively Foundation) caused the Foundation to be considered a material component unit of the College. In accordance with GASB 39, the Foundation should be discretely presented in the College’s financial statements rather than blended as previously reported, due to immateriality.

The restatement was classified as a correction of error in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 1. Significant Accounting Policies – Continued

Restatement – Continued

The accompanying 2023 financial statements have been restated as shown below for the correction of error regarding the Endowment Fund and the Foundation no longer being reported in the College’s financial statements:

Statement of Net Position

	June 30, 2023 As Previously Reported	Correction of Error	June 30, 2023 As Restated
Assets			
Current Assets			
Cash and cash equivalents	\$ 37,000,406	\$ (1,604,154)	\$ 35,396,252
Accounts receivable	425,275	(110)	425,165
Pledges receivable	100,364	(100,364)	-
Prepaid expenses and other assets	1,429,670	(75,284)	1,354,386
Long-Term Investments	62,252,072	(30,391,681)	31,860,391
Long-Term Pledges Receivable	335,081	(335,081)	-
Beneficial Interest in Endowments Held by the Foundation	-	5,465,397	5,465,397
Liabilities			
Current Liabilities			
Unearned revenue	1,716,605	(47,140)	1,669,465
Net Position			
Restricted for:			
Donor-restricted endowments	22,941,520	(22,941,520)	-
Expendable scholarships and awards	2,435,626	(596,035)	1,839,591
Instructional department uses	1,029,970	(100,094)	929,876
Other restricted uses	927,264	(322,880)	604,384
Unrestricted	(13,060,247)	(3,033,608)	(16,093,855)

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 1. Significant Accounting Policies – Continued

Restatement – Continued

Statement of Revenues, Expenses and Changes in Net Position

	June 30, 2023		June 30, 2023
	As Previously	Correction of	As Restated
	Reported	Error	
Operating Expenses			
Public services	\$ 2,968,900	\$ 25,000	\$ 2,993,900
Institutional administration	8,024,114	(45,342)	7,978,772
Fundraising expenses	46,425	(46,425)	-
Nonoperating Revenue (Expenses)			
Gifts	719,748	106,382	826,130
Special events, net of expenses	63,111	(63,111)	-
Investment Income	5,220,442	(1,819,352)	3,401,090
Foundation grants and distributions to or for Delta College	(299,828)	299,828	-
Other Revenue			
Additions to permanent endowments	448,725	(448,725)	-
Net Position – Beginning of Year	120,079,820	(25,135,926)	94,943,894
Net Position – End of Year	132,182,569	(26,994,137)	105,188,432

Statement of Cash Flows

	June 30, 2023		June 30, 2023
	As Previously	Correction of	As Restated
	Reported	Error	
Cash Flows from Operating Activities			
Payments to suppliers	\$ (50,116,980)	\$ 84,593	\$ (50,032,387)
Cash Flows from Noncapital Financing Activities			
Gifts and contributions for other than capital purposes	1,108,066	(392,004)	716,062
Foundation special events receipts	86,026	(86,026)	-
Foundation grants and distributions to or for Delta College	(299,828)	299,828	-

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 1. Significant Accounting Policies – Continued

Restatement – Continued

Statement of Cash Flows – continued

	June 30, 2023		June 30, 2023
	As Previously	Correction of	As Restated
	Reported	Error	
Cash Flow from Investing Activities			
Proceeds from sales and maturities of investments	\$ 86,678,226	\$ (8,211,003)	\$ 78,467,223
Investment income	1,585,102	427,059	2,012,161
Purchases of investments	(95,130,055)	8,749,970	(86,380,085)
Cash and Cash Equivalents – Beginning of Year	36,698,872	(2,476,571)	34,222,301
Cash and Cash Equivalents – End of Year	37,000,406	(1,604,154)	35,396,252
Reconciliation of Operating Loss to			
Net Cash Used in Operating Activities			
Operating Loss	(58,759,078)	66,767	(58,692,311)
Increase in assets:			
Prepaid expenses and other assets	(664,918)	14,296	(650,622)
Increase in liabilities:			
Accounts payable	1,327,551	3,530	1,331,081

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.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 1. Significant Accounting Policies – Continued

Investments, Beneficial Interest in Endowments Held by the Foundation, and 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:

- College 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.
- College Beneficial Interest in Endowments Held by the Foundation – These investments consist of amounts held and invested by the Foundation under an agency account agreement. The account contains donations approved and directed by the Board of Trustees to the Foundation from unrestricted net position. The beneficial interest is reported at fair value based on information provided by the Foundation, classifying them as a level 3 valuation.
- Foundation 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, 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, 2024 or 2023. Refer to Note 3 for fair value classification balances for these various types of investments held by the College and Foundation as of June 30, 2024 and 2023.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense when necessary and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

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 are recognized into income over the shorter of the lease term or the life of the underlying asset.

Inventories

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

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.

Subscription-based information technology arrangements (SBITAs) are recorded at the present value of the subscription liability plus payments made at the commencement of the subscription term and implementation costs, less incentives received at the commencement of the subscription term. SBITAs are amortized systematically over the shorter of the subscription term or the useful life of the underlying IT asset.

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.

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.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 1. Significant Accounting Policies – Continued

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net positions will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements, represent a consumption or acquisition of net position, respectively, that applies to one or more future periods and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The College reports deferred outflows and inflows of resources for certain pension and OPEB related amounts, such as changes in expected and actual investment returns, changes in assumptions, and the pension portion of Sec 147c state aid revenue received subsequent to the measurement date. In addition, the College also reports deferred inflows of resources for tower space it leases to third parties. More detailed information on deferred outflows and inflows of resources can be found in Note 6 and Note 7.

Unrestricted Net Position

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

	<u>2024</u>	<u>2023 (Restated)</u>
Designated for Workforce Strategies activities	\$ 2,160,464	\$ 2,322,990
Designated for future capital outlay	54,566,775	44,451,471
Other designated fund activities	28,648,676	28,926,227
Designated as endowments	5,984,997	5,465,397
MPSERS pension & OPEB liability	(99,432,771)	(111,946,279)
Unrestricted and unallocated	15,217,866	14,686,339
Total Unrestricted Net Position (Deficit)	<u>\$ 7,146,007</u>	<u>\$ (16,093,855)</u>

Revenue Recognition

State appropriations for operations are recognized as revenue on a proportionate basis over the period for which they are appropriated (see Note 5). 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, 2024, and 2023, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately \$932,000 and \$695,000, respectively. Additionally, advance payments approximating \$165,000 for the fall 2024 semester and approximately \$194,000 for the fall 2023 semester were received before June 30, 2024 and 2023, respectively, and recorded as unearned revenue.

Internal Service Activities

Revenue and expenses related to internal service activities approximating \$616,000 and \$558,000 for 2024 and 2023, 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.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 2. Impact of COVID-19

The College has now gone through four full fiscal year cycles since the onset of the COVID-19 pandemic in March of 2020, and the College, along with the rest of the Nation, is still dealing with its effects. 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, 2024	Recorded Year Ended June 30, 2023	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	-	442,784	-	142	-
ARPA – Student	9,490,800	-	-	8,090,082	1,400,718	-
ARPA – Institutional	9,157,959	-	5,526,146	3,631,813	-	-
ARPA - SIP	807,568	229,300	578,268	-	-	-
Total HEERF Funding	\$ 35,959,060	\$ 229,300	\$ 6,547,198	\$ 15,154,543	\$ 12,129,520	\$ 1,898,499

The HEERF student funds were provided to colleges to use specifically for emergency financial assistance grants to help alleviate the financial impacts due to Coronavirus. The College had fully awarded the entire \$14.6 million to students as of June 30, 2022.

The HEERF institutional funds that the College was awarded were 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 was also allowed to use Institutional Relief funding to provide additional emergency grants to students. In total, the College spent \$19.8 million of Institutional Relief Funding. The main expenditures recorded were \$5.6 million in lost academic and auxiliary revenue, \$5.0 million in combined student emergency grants, student online fee refunds, and student debt relief, \$2.6 million for various software, equipment and supplies to support remote instruction, \$2.0 million in HVAC updates, \$1.9 million for COVID related compensation and reimbursement to the College for continuing to pay employees unable to work remotely, \$.8 million in vaccine incentives, and \$.8 million of indirect cost allocation. The College had fully expended the entire \$19.8 million as of June 30, 2023.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 2. Impact of COVID-19 – Continued

The College has recorded \$1.5 million related to the HEERF SIP funds, primarily to recoup losses of auxiliary revenues, improve the HVAC systems throughout the campus and to provide for the basic needs of students including food, transportation and mental health services. Lost revenue reimbursement was permissible under all three Acts for SIP awards. The last of the SIP funds were spent during the year ending June 30, 2024.

Note 3. Cash and Cash Equivalents, Investments, Beneficial Interest in Endowments Held by the Foundation, and Fair Value Measurement of Investments

College Cash and Cash Equivalents, Investments and Beneficial Interest in Endowments Held by the Foundation *(the 2023 cash and long-term investments were restated as a result of the correction of error)*

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 statement of net position date to be short-term. The College’s deposits and investments are included on the Statement of Net Position at June 30 under the following classifications:

	2024	2023
Cash and cash equivalents	\$ 32,219,805	\$ 35,396,252
Short-term investments	41,772,625	34,165,254
Long-term investments	38,005,261	31,860,391
Beneficial interest in endowments held by the Foundation	5,984,997	5,465,397
Total	<u>\$ 117,982,688</u>	<u>\$ 106,887,294</u>

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

	2024	2023
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 32,622,739	\$ 28,193,675
Investments in securities and similar instruments	79,330,295	73,183,015
Petty cash and cash on hand	44,657	45,207
Beneficial interest in endowments held by the Foundation	5,984,997	5,465,397
Total	<u>\$ 117,982,688</u>	<u>\$ 106,887,294</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 3. Cash and Cash Equivalents, Investments, Beneficial Interest in Endowments Held by the Foundation, and Fair Value Measurement of Investments – Continued

College Cash and Cash Equivalents, Investments and Beneficial Interest in Endowments Held by the Foundation *(the 2023 cash and long-term investments were restated as a result of the correction of error)* – Continued

Bank Deposits – The above bank deposits at June 30, 2024 and 2023 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$32,947,319 and \$29,213,312, respectively. Of these bank deposits at June 30, 2024 and 2023, approximately \$5,600,000 and \$5,700,000, 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

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 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.

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 three years.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the organization’s investment in a single issuer. The College does not have a 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 the Saginaw branch of MSSB, and a short-term fixed income manager, Sage Advisory Services Ltd. Co. (Sage) manages 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, 2024

Note 3. Cash and Cash Equivalents, Investments, Beneficial Interest in Endowments Held by the Foundation, and Fair Value Measurement of Investments – Continued

College Cash and Cash Equivalents, Investments and Beneficial Interest in Endowments Held by the Foundation (the 2023 cash and long-term investments were restated as a result of the correction of error) – Continued

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. The College also purchases 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, 2024 and 2023.

The following tables present the investments and maturities that the College held at June 30, 2024 and 2023 including certificates of deposit and commercial paper classified as cash equivalents:

Investment Type	Quality Ratings	Fair Value	By Maturity		
			Less Than One Year	1-5 Years	More Than 5 Years
June 30, 2024:					
Certificates of Deposit	N/A	\$ 3,401,739	\$ 3,401,739	\$ -	\$ -
Commercial Paper	A1/P1 to A2/P2	31,575,305	31,575,305	-	-
Collateralized					
Mortgage Obligations	Aaa to Aa	3,399,803	-	2,056,514	1,343,289
U.S. Agency Securities	Aaa	2,963,940	2,963,940	-	-
U.S. Treasury Bills	Aa	1,173,896	1,173,896	-	-
U.S. Treasury Notes	Aaa	39,738,903	6,283,240	33,455,663	-
Total Investments		\$ 82,253,586	\$ 45,398,120	\$ 35,512,177	\$ 1,343,289
June 30, 2023:					
Certificates of Deposit	N/A	\$ 3,371,851	\$ 3,371,851	\$ -	\$ -
Commercial Paper	A1/P1 to A2/P2	27,456,718	27,456,718	-	-
Collateralized					
Mortgage Obligations	Aaa to Aa	7,696,125	1,985,166	3,219,862	2,491,097
Municipal Bonds	Aa	964,750	964,750	-	-
U.S. Agency Securities	Aaa	3,785,960	963,850	2,822,110	-
U.S. Treasury Notes	Aaa	32,532,678	9,205,356	23,327,322	-
Total Investments		\$ 75,808,082	\$ 43,947,691	\$ 29,369,294	\$ 2,491,097

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 3. Cash and Cash Equivalents, Investments, Beneficial Interest in Endowments Held by the Foundation, and Fair Value Measurement of Investments – Continued

College Cash and Cash Equivalents, Investments and Beneficial Interest in Endowments Held by the Foundation (the 2023 cash and long-term investments were restated as a result of the correction of error) – Continued

Beneficial Interest in Endowments Held by the Foundation (restated) – The College has a beneficial interest in endowments held by the Foundation of \$5,984,997 at June 30, 2024 and \$5,465,397 at June 30, 2023. These assets represent the College’s portion of net position that were approved by the College President to be transferred to the Foundation for endowment purposes. Investment income of the endowments, net of expenses, and any net realized and unrealized gains and losses are included in investment income, net, on the statements of revenues, expenses and changes in net position.

Changes in the endowments were as follows for the years ended June 30:

	2024	2023
Endowment balance at beginning of year	\$ 5,465,397	\$ 5,103,718
Contributions and transfers	106,363	110,068
Investment earnings	735,219	568,437
Distributions	(224,379)	(222,641)
Investment and administrative fees	(97,603)	(94,185)
Endowment balance at end of year	<u>\$ 5,984,997</u>	<u>\$ 5,465,397</u>

Foundation Cash and Cash Equivalents and Investments (the 2023 cash and long-term investments were restated as a result of the correction of error)

Bank Deposits – The Foundation’s bank deposits at June 30, 2024 and 2023 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$1,341,384 and \$1,593,852, respectively. Of these bank deposits at June 30, 2024 and 2023, approximately \$500,000 and \$690,000, respectively, was covered by federal depository insurance, and the remainder was uninsured and uncollateralized. The Foundation believes that due to the dollar amounts of cash deposits and the limits of the FDIC insurance, it is impractical to insure all bank deposits. As a result, the Foundation evaluates each financial institution within which it deposits Foundation funds and assesses the level of risk of each. Only those institutions with an acceptable estimated risk level are used as depositories.

Investments

Credit Risk – The Foundation has attempted to mitigate credit risk associated with the Delta College Foundation Endowment Fund (The Fund) investments by contracting with Morgan Stanley Wealth Management LLC to manage the investments of The Fund. The Foundation 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 Foundation’s Investment Advisory Committee, which reports directly to the Foundation Board of Directors.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 3. Cash and Cash Equivalents, Investments, Beneficial Interest in Endowments Held by the Foundation, and Fair Value Measurement of Investments – Continued

Foundation Cash and Cash Equivalents and Investments *(the 2023 cash and long-term investments were restated as a result of the correction of error)* – Continued

Investments – continued

Credit Risk – continued – The Delta College Foundation 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 Foundation 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, 2024 and 2023, the Fund did not hold any securities of any one issuer in excess of these limits.

Custodial Credit Risk – The Delta College Foundation 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 Foundation 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 Foundation’s investments outside of The Fund. In the event that Morgan Stanley Smith Barney LLC were to become insolvent, and the Foundation’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, 2024

Note 3. Cash and Cash Equivalents, Investments, Beneficial Interest in Endowments Held by the Foundation, and Fair Value Measurement of Investments – Continued

Foundation Cash and Cash Equivalents and Investments (the 2023 cash and long-term investments were restated as a result of the correction of error) – Continued

Investment Composition – At June 30, 2024 and 2023, The 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, 2024:						
Corporate Bonds	AA+ to BBB	\$ 2,353,953	\$ -	\$ 850,163	\$ 1,276,916	\$ 226,874
Corporate Convertible Bonds *	A to B+	1,556,089	320,973	1,056,889	-	178,227
Corporate Convertible Bonds *	Unrated	884,081	149,067	614,211	-	120,803
Municipal Bonds	AAA to A	1,621,828	145,470	108,887	169,647	1,197,824
Municipal Bonds	Unrated	135,000	135,000	-	-	-
Government & Agency Bonds	AAA to AA+	2,353,663	-	1,144,798	585,993	622,872
Government & Agency Bonds	Unrated	887,442	-	-	-	887,442
		9,792,056	\$ 750,510	\$ 3,774,948	\$ 2,032,556	\$ 3,234,042
Bond Funds	N/A	2,608,098				
Preferred Stock	N/A	283,838				
Equities	N/A	16,690,197				
International Equities	N/A	4,434,413				
Total Investments		<u>\$ 33,808,602</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, 2024

Note 3. Cash and Cash Equivalents, Investments, Beneficial Interest in Endowments Held by the Foundation, and Fair Value Measurement of Investments – Continued

Foundation Cash and Cash Equivalents and Investments (the 2023 cash and long-term investments were restated as a result of the correction of error) – Continued

Investments – continued

Investment Composition – continued

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, 2023:						
Corporate Bonds	AA+ to BBB	\$ 1,436,561	\$ -	\$ 288,138	\$ 929,022	\$ 219,401
Corporate Convertible Bonds *	A to B+	1,785,291	636,725	890,786	-	257,780
Corporate Convertible Bonds *	Unrated	792,494	-	621,503	-	170,991
Municipal Bonds	AAA to A	2,059,219	-	430,703	172,146	1,456,370
Municipal Bonds	Unrated	134,128	-	134,128	-	-
Government & Agency Bonds	AAA to AA+	1,261,523	-	926,786	79,553	255,184
Government & Agency Bonds	Unrated	846,989	-	-	-	846,989
		8,316,205	\$ 636,725	\$ 3,292,044	\$ 1,180,721	\$ 3,206,715
Bond Funds	N/A	2,112,808				
Preferred Stock	N/A	470,279				
Equities	N/A	14,903,299				
International Equities	N/A	4,589,090				
Total Investments		\$ 30,391,681				

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

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 3. Cash and Cash Equivalents, Investments, Beneficial Interest in Endowments Held by the Foundation, and Fair Value Measurement of Investments – Continued

Fair Value Measurement of Investments *(the 2023 investments were restated as a result of the correction of error)*

The fair value of assets measured on a recurring basis at June 30, 2024 and 2023 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, 2024:				
College Investments	\$ 82,253,586	\$ -	\$ 82,253,586	\$ -
College Beneficial Interest in Endowments Held by the Foundation	5,984,997	-	-	5,984,997
Foundation Investments:				
Equities	21,124,610	21,124,610	-	-
Bond funds	12,400,154	-	12,400,154	-
Preferred stock	283,838	-	283,838	-
Total investments by fair value	<u>\$ 122,047,185</u>	<u>\$ 21,124,610</u>	<u>\$ 94,937,578</u>	<u>\$ 5,984,997</u>
June 30, 2023:				
College Investments	\$ 75,808,082	\$ -	\$ 75,808,082	\$ -
College Beneficial Interest in Endowments Held by the Foundation	5,465,397	-	-	5,465,397
Foundation Investments:				
Equities	19,492,389	19,492,389	-	-
Bond funds	10,429,013	-	10,429,013	-
Preferred stock	470,279	-	470,279	-
Total investments by fair value	<u>\$ 111,665,160</u>	<u>\$ 19,492,389</u>	<u>\$ 86,707,374</u>	<u>\$ 5,465,397</u>

Included in the Foundation investment composition and fair value measurement tables above is \$5,984,997 and \$5,465,397, as of June 30, 2024 and 2023, respectively, of endowment funds held as agency accounts. These endowments are being held for Delta College. A liability of the fair value of these endowments is included on the Foundation's statements of financial position. Because the Foundation endowments are pooled, it is not practical to determine what type of investment the endowment funds held as agency accounts relate to and therefore, they have been included in the investment composition and fair value measurement totals above.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 4. Capital Assets and Subscription-based Information Technology Arrangements

The following tables present the changes in the various capital asset class categories for the years ended June 30, 2024 and 2023:

	Estimated Useful Life	Beginning Balance	Additions/ Depreciation and Amortization	Deletions	Ending Balance
June 30, 2024:					
Depreciable and Amortizable Capital Assets:					
Buildings	40 years	\$ 151,537,125	\$ 698,031	\$ 361,753	\$ 151,873,403
Land improvements	20-40 years	11,985,873	-	-	11,985,873
Infrastructure	20-25 years	13,896,982	-	-	13,896,982
Furniture and equipment	5-20 years	21,640,682	892,707	362,274	22,171,115
SBITAs	2-5 years	2,808,647	719,679	342,016	3,186,310
Non-depreciable Capital Assets:					
Construction in progress		613,903	1,433,260	698,031	1,349,132
Land		1,421,401	-	-	1,421,401
Fine art collection		390,325	-	-	390,325
Total Capital Assets		204,294,938	3,743,677	1,764,074	206,274,541
Less Accumulated Depreciation and Amortization:					
Buildings		57,640,056	3,803,627	260,463	61,183,220
Land improvements		6,860,124	516,243	-	7,376,367
Infrastructure		9,195,439	463,983	-	9,659,422
Furniture and equipment		15,537,152	1,147,914	305,261	16,379,805
SBITAs		1,358,828	936,295	293,454	2,001,669
Total Accumulated Depreciation and Amortization		90,591,599	\$ 6,868,062	\$ 859,178	96,600,483
Capital Assets, Net		\$ 113,703,339			\$ 109,674,058

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 4. Capital Assets and Subscription-based Information Technology Arrangements – Continued

	Estimated Useful Life	Beginning Balance	Additions/ Depreciation and Amortization	Deletions	Ending Balance
June 30, 2023:					
Depreciable and Amortizable Capital Assets:					
Buildings	40 years	\$ 150,980,610	\$ 6,973,627	\$ 6,417,112	\$ 151,537,125
Land improvements	20-40 years	11,985,873	-	-	11,985,873
Infrastructure	20-25 years	13,896,982	-	-	13,896,982
Furniture and equipment	5-20 years	20,787,900	1,288,976	436,194	21,640,682
SBITAs	2-5 years	2,825,284	402,692	419,329	2,808,647
Non-depreciable Capital Assets:					
Construction in progress		4,210,533	3,444,892	7,041,522	613,903
Land		1,968,826	-	547,425	1,421,401
Fine art collection		322,430	67,895	-	390,325
Total Capital Assets		206,978,438	12,178,082	14,861,582	204,294,938
Less Accumulated Depreciation and Amortization:					
Buildings		57,666,434	3,797,937	3,824,315	57,640,056
Land improvements		6,313,837	546,287	-	6,860,124
Infrastructure		8,661,183	534,256	-	9,195,439
Furniture and equipment		14,766,748	1,166,352	395,948	15,537,152
SBITAs		817,374	960,783	419,329	1,358,828
Total Accumulated Depreciation and Amortization		88,225,576	\$ 7,005,615	\$ 4,639,592	90,591,599
Capital Assets, Net		\$ 118,752,862			\$ 113,703,339

The College has SBITAs that are used for various software licenses and remote hosting arrangements, which meet the capitalization criteria specified by U.S. GAAP. Therefore, the SBITAs have been recorded at the present value of the future minimum payments as of the inception date using internal borrowing rates ranging from 3.50% to 8.50%. The asset cost, accumulated amortization, and payable under the SBITAs totaled approximately \$3.2 million, \$2.0 million, and \$1.3 million, respectively, as of June 30, 2024. The asset cost, accumulated amortization, and payable under the SBITAs totaled approximately \$2.8 million, \$1.4 million, and \$1.5 million, respectively, as of June 30, 2023.

Payments on the SBITAs for years succeeding June 30, 2024 are summarized as follows:

2025	\$ 1,052,216
2026	284,855
2027	58,693
Total minimum payments	1,395,764
Less amount representing interest	(108,733)
Present value as of June 30, 2024	<u>\$ 1,287,031</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 5. 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, 2024 and 2023, respectively, state operating appropriation revenue totaled \$29.9 million and \$24.5 million. The \$29.9 million and \$24.5 million respective balances consist of the following: \$15.9 million and \$15.2 million in base appropriations, \$754,000 and \$728,000 performance funding, \$1.9 million and \$837,000 MPERS contributions offsets, Unfunded Actuarial Accrued Liability (UAAL) MPERS pass through of \$8.1 million and \$4.7 million, and personal property tax (PPT) loss reimbursements of \$3.2 million and \$3.0 million. In addition, the College received an appropriation of \$48,000 and \$40,000 for Indian Tuition Waiver for the respective years, and \$9,000 and \$44,000 was received from the State for Renaissance Zone property tax reimbursement.

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, 2024 and 2023, respectively, are \$4.4 million and \$4.0 million, and includes \$1.0 million and \$912,000, respectively, to be passed through to MPERS 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 \$357,000 for the year ended June 30, 2023. See Note 11 for further discussion regarding this construction project.

Note 6. Retirement Plans

MPERS Defined Pension and Other Postemployment Benefit Plans

Plan Description – The Michigan Public School Employees' Retirement System (System or MPERS) 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 MPERS 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, 2024

Note 6. 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, 2024

Note 6. 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, 2022 valuation will be amortized over a 16-year period ending September 30, 2038.

Required contributions to the pension plan from the College were \$10.7 million and \$10.3 million for the years ending June 30, 2024 and 2023, respectively. Required contributions to the OPEB plan from the College were \$2.4 million and \$2.3 million for the years ending June 30, 2024 and 2023, respectively.

Following are the employee and employer contribution rates associated with the MPSERS system for the year ended September 30, 2023:

Benefit Structure	Pension Contribution Rates	
	Member	Non-University Employer
Basic	0.0 – 4.0%	20.16%
Member Investment Plan	3.0 – 7.0%	20.16%
Pension Plus	3.0 – 6.4%	17.24%
Pension Plus 2	6.2%	19.95%
Defined Contribution	0.0%	13.75%

Benefit Structure	OPEB Contribution Rates	
	Member	Non-University Employer
Premium Subsidy	3.0%	8.07%
PHF	0.0%	7.21%

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 6. 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	
	2023	2022	2023	2022
Total liability	\$ 94,947,828,557	\$ 95,876,795,620	\$ 11,223,648,949	\$ 12,522,713,324
Plan fiduciary net position	(62,581,762,238)	(58,268,076,344)	(11,789,347,341)	(10,404,650,683)
Net liability	<u>\$ 32,366,066,319</u>	<u>\$ 37,608,719,276</u>	<u>\$ (565,698,392)</u>	<u>\$ 2,118,062,641</u>
Plan fiduciary net position as a percentage of total liability	65.91%	60.77%	105.04%	83.09%
Net liability as a percentage of covered employee payroll	320.51%	386.25%	(5.60)%	21.75%

Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense – At June 30, 2024 and 2023, respectively, the College reported a liability of \$96.3 million and \$114.3 million for its proportionate share of the net pension liability of MPSERS. At June 30, 2024 and 2023, respectively, the College reported a negative liability of \$1.7 million and positive liability of \$6.5 million for its proportionate share of the net OPEB liability of MPSERS. The 2024 net pension and OPEB liability was measured as of September 30, 2023, and the total liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2022. The College’s portion of the 2024 and 2023 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, 2023, the College’s pension proportionate share was .29745%, a decrease of .00634% from its proportionate share measured as of September 30, 2022, which was .30379%. At September 30, 2023, the College’s OPEB proportionate share was .30487%, a decrease of .00267% from its proportionate share measured as of September 30, 2022, which was .30754%.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 6. 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, 2024 and 2023, respectively, the College recognized MPSERS pension expense of \$7.9 million and \$10.2 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS pension from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,039,079	\$ 147,477	\$ 1,142,900	\$ 255,451
Net difference between projected and actual earnings on pension plan investments	-	1,970,079	267,917	-
Changes of assumptions	13,045,576	7,521,782	19,632,272	-
Changes in proportion and differences between College contributions and proportionate share of contributions	-	6,692,445	-	8,746,857
College contributions subsequent to the measurement date	10,649,201	-	12,333,664	-
Rate stabilization appropriations received after the measurement date	-	5,767,929	-	8,118,183
Total	\$ 26,733,856	\$ 22,099,712	\$ 33,376,753	\$ 17,120,491

For the years ended June 30, 2024 and 2023, respectively, the College recognized MPSERS OPEB expense of a negative \$3.8 million and a negative \$3.3 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,032,353	\$ -	\$ 12,758,016
Net difference between projected and actual earnings on OPEB plan investments	5,258	-	509,104	-
Changes of assumptions	3,839,375	462,333	5,805,949	472,753
Changes in proportion and differences between College contributions and proportionate share of contributions	20,991	1,736,129	30,985	2,311,293
College contributions subsequent to the measurement date	1,847,703	-	1,757,435	-
Total	\$ 5,713,327	\$ 15,230,815	\$ 8,103,473	\$ 15,542,062

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 6. 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 \$10.6 million and \$12.3 million, respectively, as of June 30, 2024 and 2023 and \$1.8 million of contributions subsequent to the measurement date related to OPEB as of June 30, 2024 and 2023. 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
2025	\$ (1,195,845)	\$ (3,880,933)
2026	(673,847)	(3,527,256)
2027	3,226,512	(1,382,581)
2028	(1,603,948)	(1,218,667)
2029	-	(902,338)
Thereafter	-	(453,416)
Total	\$ (247,128)	\$ (11,365,191)

Rate of Return, Discount Rate and Long-term Expected Rate of Return – The discount rate used to measure the total pension liability was 6.00% for the Basic, MIP, Pension Plus, and Pension Plus 2 Plan for the September 30, 2023 and 2022 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 6.00% for the September 30, 2023 and 2022 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, 2023, the annual money-weighted rate of return on pension plan and OPEB investment, net of pension and OPEB plan investment expense, was 8.29% and 7.94% 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, 2024

Note 6. 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, 2023 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	25.0%	5.8%
Private Equity Pools	16.0	9.6
International Equity Pools	15.0	6.8
Fixed Income Pools	13.0	1.3
Real Estate and Infrastructure Pools	10.0	6.4
Absolute Return Pools	9.0	4.8
Real Return/Oppportunistic Pools	10.0	7.3
Short-Term Investment Pools	2.0	0.3
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 6.00% for June 30, 2024 and 2023, 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 (5.00%)	Net Pension Liability at Current Discount Rate (6.00%)	Net Pension Liability at 1.0% Increase (7.00%)
June 30, 2024	\$ 130,065,997	\$ 96,274,078	\$ 68,141,083
June 30, 2023	\$ 150,767,771	\$ 114,250,163	\$ 84,158,009

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 6. 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 6.00% for June 30, 2024 and 2023, 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:

	Discount Rate			Healthcare Cost Trend Rate		
	Net OPEB Liability at 1.0% Decrease (5.00%)	Net OPEB Liability at Current Rate (6.00%)	Net OPEB Liability at 1.0% Increase (7.00%)	Net OPEB Liability at 1.0% Decrease (5.25%-6.50%)	Net OPEB Liability at Current Rate (6.25%-7.50%)	Net OPEB Liability at 1.0% Increase (7.25%-8.50%)
June 30, 2024	\$ 1,787,946	\$ (1,724,651)	\$ (4,743,384)	\$ (4,750,911)	\$ (1,724,651)	\$ 1,550,753
June 30, 2023	\$ 10,926,254	\$ 6,513,789	\$ 2,797,945	\$ 2,727,663	\$ 6,513,789	\$ 10,763,789

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, 2024

Note 6. 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, 2022 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	6.00% for Basic, MIP, Pension Plus, Pension Plus 2 Plans, and 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: 7.50% year 1 graded to 3.50% year 15 Post-65: 6.25% year 1 graded to 3.50% year 15
Mortality basis	Retirees: PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males females and adjusted for mortality improvements using projection scale MP-2021 from 2010. Active Members: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
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 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension and OPEB liability as of September 30, 2023 is based on the results of an actuarial valuation date of September 30, 2022, 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 4.4406 years for the pension plan and 6.5099 years for the OPEB plan and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report (ACFR), which is available online at www.michigan.gov/orsschools.

Payable to Pension and OPEB Plan – As of June 30, 2024 and 2023, the College reported \$2,026,000 and \$1,761,000, 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, 2024

Note 6. 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 Workforce Strategies 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, 2024 and 2023, compensation covered under the ORP approximated \$8.1 million, which resulted in contributions by the College of approximately \$815,000 and \$810,000 for the years ended June 30, 2024 and 2023, respectively.

Note 7. 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 \$158,000 for the year ended June 30, 2024 and \$159,000 for the year ended June 30, 2023. The College reported a lease receivable of \$595,000 and \$702,000 as of June 30, 2024 and 2023, respectively, and a deferred inflow of resources of \$520,000 and \$648,000 as of June 30, 2024 and 2023, respectively.

Note 8. 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 9. 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).

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 10. 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 ended 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 three-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.

During March 2023, the College signed a 7-year contract with Ellucian commencing November 1, 2023. Similar services will be provided by Ellucian at a monthly cost of \$274,000. This contract does not have a CPI payment adjustment; therefore, the total contractual commitment is estimated to be \$23.0 million.

Note 11. Capital Construction Projects

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 was \$1.7 million. At June 30, 2022, the College had incurred project costs totaling \$1.5 million, which were included in construction in progress. The project was completed and capitalized in fiscal year 2023 in the amount of \$1.6 million.

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. The scope of this project was 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. After upgraded and revitalized, this area is 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 was 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. The project was completed and capitalized during fiscal year 2023 at a total asset value of \$2.5 million.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 11. 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 did 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 was extended to June 30, 2023, the project was scaled back and was expected to total approximately \$2.5 million. As of June 30, 2022, the College had expended approximately \$400,000 which was recorded in construction in progress. An additional \$1.8 million of costs were incurred during fiscal year 2023 and the asset was capitalized at a total cost of \$2.2 million.

Delta College Planetarium – At its February 2023 meeting, the College’s Board of Trustees approved a project to replace the roof, skylights and roof deck on the Delta College Planetarium in downtown Bay City. The existing roof was original to the building, which was completed in 1996, and was at the end of its useful life, and the skylights were cracked and compromised. The approved budget for this project was approximately \$664,000. As of June 30, 2023, this project was completed and capitalized at a total cost of \$693,000. The Board approved a \$445,000 project at its August 2022 meeting to replace the Planetarium’s chiller system that was also original to the building. It had reached its life expectancy and had been requiring frequent repairs and was no longer reliable. During fiscal year 2024, the asset was capitalized at a total cost of \$586,000.

Main Campus Observatory – The College began its west campus site improvements project in summer 2018. This project includes a functional ADA accessible observatory. The College incurred cost of \$54,000 in fiscal year 2021 which were recorded in construction in progress at June 30, 2021. No additional work took place on the observatory project during fiscal year 2022. Construction resumed during fiscal year 2023 and 2024 and an additional \$56,000 and \$401,000 of costs were incurred, respectively. Construction in progress at June 30, 2024 totaled \$511,000.

Note 12. 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, 2024 and 2023, Delta College property tax revenues were reduced by \$240,000 and \$235,000, respectively, under these programs. There are no abatements made by the College.

Note 13. Related Parties *(the 2023 related party transactions were restated as a result of the correction of error)*

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, 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.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 13. Related Parties *(the 2023 related party transactions were restated as a result of the correction of error) – Continued*

The College provides personnel support, supplies and equipment to the Foundation. The amount of such assistance for the year ended June 30, 2024 was approximately \$641,000 and \$609,000, for the year ended June 30, 2023. The Foundation provides revenue to the College General Fund to help offset these costs, including \$175,000 for the year ended June 30, 2024 and \$169,000 for the year ended June 30, 2023, that are included in Fundraising and Management and General expenses in the Foundation's statements of activities.

In addition, the Foundation made payments to, or for, the College in support of student scholarships and awards, student non-academic financial assistance, and various College programs totaling approximately \$1,521,000 for the year ended June 30, 2024 and \$1,724,000 for the year ended June 30, 2023.

Note 14. Foundation Endowments and Net Assets With Donor Restrictions *(the 2023 endowments and net assets with donor restrictions were restated as a result of the correction of error)*

Donor Restricted and Board Designated Endowments

The Foundation's endowment includes donor-restricted endowment funds, and funds designated by the Foundation's Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Foundation's Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the State of Michigan Prudent Management of Institutional Funds Act ("SMPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SMPMIFA.

In accordance with SMPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation (depreciation) of investments
- 6) Other resources of the Foundation
- 7) The investment policies of the Foundation

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 14. Foundation Endowments and Net Assets With Donor Restrictions *(the 2023 endowments and net assets with donor restrictions were restated as a result of the correction of error)* – **Continued**

Composition of Endowment Net Assets

The following is a summary of the Foundation’s 2024 endowment and changes therein:

	Without Donor Restrictions	With Donor Restrictions	Total
Composition by type of Fund:			
Board-designated endowment funds	\$ 2,279,812	\$ -	\$ 2,279,812
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	17,494,145	17,494,145
Accumulated investment gains	-	8,762,290	8,762,290
Funds held as agency endowments	-	5,984,997	5,984,997
Total endowment funds	\$ 2,279,812	\$ 32,241,432	\$ 34,521,244
Changes in endowment net assets:			
Net investment income	\$ 246,872	\$ 3,478,097	\$ 3,724,969
Contributions	-	1,086,485	1,086,485
Appropriation of endowment assets for expenditure	(67,252)	(1,132,327)	(1,199,579)
Changes in endowment net assets	179,620	3,432,255	3,611,875
Endowment net assets:			
Beginning of year	2,100,192	28,809,177	30,909,369
End of year	\$ 2,279,812	\$ 32,241,432	\$ 34,521,244

The following is a summary of the Foundation’s 2023 endowment and changes therein:

	Without Donor Restrictions	With Donor Restrictions	Total
Composition by type of Fund:			
Board-designated endowment funds	\$ 2,100,192	\$ -	\$ 2,100,192
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	16,514,023	16,514,023
Accumulated investment gains	-	6,829,757	6,829,757
Funds held as agency endowments	-	5,465,397	5,465,397
Total endowment funds	\$ 2,100,192	\$ 28,809,177	\$ 30,909,369

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 14. Foundation Endowments and Net Assets With Donor Restrictions *(the 2023 endowments and net assets with donor restrictions were restated as a result of the correction of error)* – **Continued**

Composition of Endowment Net Assets – Continued

(continued from previous page)

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in endowment net assets:			
Net investment income	\$ 142,645	\$ 2,532,110	\$ 2,674,755
Contributions	476,000	611,818	1,087,818
Appropriation of endowment assets for expenditure	(65,013)	(1,062,835)	(1,127,848)
Changes in endowment net assets	553,632	2,081,093	2,634,725
Endowment net assets:			
Beginning of year	1,546,560	26,728,084	28,274,644
End of year	<u>\$ 2,100,192</u>	<u>\$ 28,809,177</u>	<u>\$ 30,909,369</u>

Net assets with donor restrictions, including the endowment net assets in the above tables, consist of the following amounts as of June 30:

	2024	2023
Permanent endowments held for the benefit of the College	\$ 17,494,145	\$ 16,514,023
Accumulated net investment gains on endowments held for the benefit of the College	8,762,290	6,829,757
Other funds restricted for purpose	321,684	322,880
Endowments in process	19,326	19,473
Instructional departmental use	110,081	100,094
Expendable scholarships and awards	604,996	596,035
Total net assets with donor restrictions	<u>\$ 27,312,522</u>	<u>\$ 24,382,262</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SMPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no underwater funds as of June 30, 2024 and 2023. When an endowment is underwater, it is the Foundation’s intent to reinvest any dividends and interest until the endowment is made whole.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 14. Foundation Endowments and Net Assets With Donor Restrictions (*the 2023 endowments and net assets with donor restrictions were restated as a result of the correction of error*) – Continued

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that maintain the purchasing power of the endowment assets as well as provide additional real growth.

The Foundation benchmarks endowment funds investment performance against a policy benchmark which is made up of a similar allocation to certain market indexes (i.e., S&P 500, Russell 3000, MSCI World ex U.S., MSCI EMF Net, and Barclays Capital US Aggregate Bond). The Foundation expects its endowment funds, over time, to provide a rate of return at least equal to the spending rate plus inflation. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Delta College Foundation Endowment Fund Investment and Distribution Policy for endowment funds as adopted by the Board of Directors 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.

In the event that the market value of the board designated endowments falls below the historic dollar value, the Foundation reserves the right to make no distribution, other than actual investment expenses and administrative fees. The Foundation may, however, at the recommendation of the Finance Committee and the approval of the Board, allow a distribution which is prudent, or otherwise deemed to be a justifiable expenditure, using the factors established in SMPMIFA. At the time the Board allows a distribution from such account, it can retain sole discretion over future expenditures from the fund as long as the fund falls below the historic dollar value or delegate, on a case-by-case basis, supervision of prudent future expenditures from the fund to the Finance Committee. If it is determined that income distributions are stopped, unspent income residing in the earnings account, if any, will continue to be available for spending purposes and will be disregarded in comparing the market value to its historic gift value.

Notes to Financial Statements - Continued

Delta College

June 30, 2024

Note 14. Foundation Endowments and Net Assets With Donor Restrictions (*the 2023 endowments and net assets with donor restrictions were restated as a result of the correction of error*) – **Continued**

Spending Policy and How the Investment Objectives Relate to Spending Policy – Continued

During a period in which income distributions are stopped, and it is deemed to be prudent by the Finance Committee, investment expenses and administrative fees may continue to be drawn from the fund. On June 1, 2016, the Foundation's Board of Directors approved a 1% Endowment Administration Fee, to be applied to all funds held in The 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, 2018. For the years ending June 30, 2024 and 2023, respectively, the fee distributed to the Foundation amounted to \$302,000 and \$286,000.

Unless otherwise specifically allowed in the donor agreement, or written permission is given by the donor if the market value of a donor-restricted endowment is at, or below, the account's historic dollar value at the time allocation amounts are determined, no distribution will be made from such fund; instead, distributions will be reinvested into the fund in an effort to help the market value of the fund recover. If it is determined that income distributions are stopped on a donor-restricted endowment fund, unspent allocated funds residing in the earnings account, if any, will continue to be available for spending purposes and will be disregarded in comparing an endowment's market value to its historical gift value. During a period in which income distributions are stopped on a donor-restricted endowment fund, investment expenses and administrative fees may continue to be drawn from the fund. It is further established that the Finance Committee and/or the Board of Directors review this policy on an annual basis.

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, 2024

	2023	2022	2021	2020	September 30,		2017	2016	2015	2014
					2019	2018				
<u>Schedule of Proportionate Share of Net Pension Liability</u>										
Delta College's proportion of the net pension liability:										
As a percentage	0.29745%	0.30379%	0.32250%	0.33565%	0.35693%	0.36190%	0.36091%	0.36396%	0.35920%	0.36636%
Amount	\$ 96,274,078	\$ 114,250,163	\$ 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	\$ 30,688,533	\$ 30,089,559	\$ 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	313.7%	379.7%	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	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

	2024	2023	2022	2021	June 30,		2018	2017	2016	2015
					2020	2019				
<u>Schedule of Contributions for MPSERS</u>										
Delta College's statutorily required contributions	\$ 10,720,564	\$ 13,755,061	\$ 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	10,720,564	13,755,061	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 contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta College's covered payroll	\$ 31,676,714	\$ 30,296,921	\$ 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	33.8%	45.4%	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, 2023.

Changes of assumptions: The discount rate for the September 30 valuation date was:
8.00% for 2014-2016; 7.50% for 2017; 7.05% for 2018; 6.80% for 2019-2021; and 6.00% for 2022-2023.

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, 2024

	2023	2022	2021	September 30, 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	0.30487%	0.30754%	0.31258%	0.32357%	0.34926%	0.36226%	0.36214%
Amount	\$ (1,724,651)	\$ 6,513,789	\$ 4,771,162	\$ 17,334,369	\$ 25,069,227	\$ 28,796,063	\$ 32,069,557
Delta College's covered payroll	\$ 30,688,533	\$ 30,089,559	\$ 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	-5.6%	21.6%	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	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

	2024	2023	2022	June 30, 2021	2020	2019	2018
<u>Schedule of Contributions for MPSERS</u>							
Delta College's statutorily required contributions	\$ 2,374,933	\$ 2,348,606	\$ 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	2,374,933	2,348,606	2,269,524	2,279,657	2,312,092	2,396,998	2,227,684
Delta College's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta College's covered payroll	\$ 31,676,714	\$ 30,296,921	\$ 28,861,214	\$ 28,224,284	\$ 29,347,350	\$ 30,871,381	\$ 30,883,232
Delta College contributions as a percentage of covered payroll	7.5%	7.8%	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, 2023.

Changes of assumptions: The discount rate for the September 30 valuation date was:
7.50% for 2017; 7.15% for 2018; 6.95% for 2019-2021; and 6.00% for 2022-2023.

Supplemental Schedules of Other Financial Information
Consolidating Statement of Net Position
Delta College
June 30, 2024

	Combined	General	Designated	Auxiliary	Expendable	Endowment	Plant	MPSERS Pension/OPEB GASB 68 & 75	Custodial
	Total	Fund	Fund	Fund	Restricted Fund	Fund	Fund	Fund	Fund
Assets									
Current Assets									
Cash and cash equivalents	\$ 32,219,805	\$ 4,273,787	\$ 453,414	\$ 3,725,143	\$ 6,654,457	\$ -	\$ 16,906,130	\$ -	\$ 206,874
Short-term investments	41,772,625	3,496,432	18,982,021	2,118,525	900,212	-	16,275,435	-	-
Property taxes receivable	24,630	24,630	-	-	-	-	-	-	-
State appropriations receivable	4,427,181	4,427,181	-	-	-	-	-	-	-
Federal and state grants receivable	2,060,158	1,145,331	259,822	-	655,005	-	-	-	-
Accounts receivable	438,775	113,038	104,665	106,414	114,658	-	-	-	-
Inventories	715,099	143,700	-	571,399	-	-	-	-	-
Prepaid expenses and other assets	1,383,446	1,168,308	4,000	27,783	22,824	-	160,531	-	-
Total Current Assets	83,041,719	14,792,407	19,803,922	6,549,264	8,347,156	-	33,342,096	-	206,874
Long-Term Investments	38,005,261	1,080,306	11,818,720	714,303	2,606,488	-	21,785,444	-	-
Long-Term Accounts Receivable	483,125	-	-	-	483,125	-	-	-	-
Beneficial Interest in Endowment Funds	5,984,997	-	-	-	-	5,984,997	-	-	-
Capital Assets									
Land and improvements	13,407,274	-	-	-	-	-	13,407,274	-	-
Infrastructure	13,896,982	-	-	-	-	-	13,896,982	-	-
Buildings	151,873,403	-	-	-	-	-	151,873,403	-	-
Furniture and equipment	22,171,115	-	-	-	-	-	22,171,115	-	-
Subscription assets, net	1,184,641	-	-	-	-	-	1,184,641	-	-
Fine art collection	390,325	-	-	-	-	-	390,325	-	-
Construction in progress	1,349,132	-	-	-	-	-	1,349,132	-	-
Allowance for depreciation and amortization	(94,598,814)	-	-	-	-	-	(94,598,814)	-	-
Total Capital Assets	109,674,058	-	-	-	-	-	109,674,058	-	-
Total Assets	237,189,160	15,872,713	31,622,642	7,263,567	11,436,769	5,984,997	164,801,598	-	206,874
Deferred Outflows of Resources	32,447,183	-	-	-	-	-	-	32,447,183	-
Liabilities									
Current Liabilities									
Accounts payable	2,162,226	819,660	43,405	54,992	476,530	-	560,765	-	206,874
Accrued payroll and other compensation	6,263,444	5,843,843	180,109	104,544	134,948	-	-	-	-
Unearned revenue	2,234,701	1,097,082	589,988	(1,707)	549,338	-	-	-	-
Subscription arrangements	974,240	-	-	-	-	-	974,240	-	-
Total Current Liabilities	11,634,611	7,760,585	813,502	157,829	1,160,816	-	1,535,005	-	206,874
Non-Current Liabilities									
Long-term subscription arrangements	312,791	-	-	-	-	-	312,791	-	-
Net pension and OPEB liability	94,549,427	-	-	-	-	-	-	94,549,427	-
Total Non-Current Liabilities	94,862,218	-	-	-	-	-	312,791	94,549,427	-
Total Liabilities	106,496,829	7,760,585	813,502	157,829	1,160,816	-	1,847,796	94,549,427	206,874
Deferred Inflows of Resources	37,850,902	-	-	-	520,375	-	-	37,330,527	-
Net Position									
Net investment in capital assets	108,387,027	-	-	-	-	-	108,387,027	-	-
Restricted for:									
Expendable scholarships and awards	2,080,763	-	-	-	2,080,763	-	-	-	-
Instructional department uses	845,389	-	-	-	845,389	-	-	-	-
Public broadcasting activities	6,303,319	-	-	-	6,303,319	-	-	-	-
Other restricted uses	526,107	-	-	-	526,107	-	-	-	-
Unrestricted	7,146,007	8,112,128	30,809,140	7,105,738	-	5,984,997	54,566,775	(99,432,771)	-
Total Net Position	\$ 125,288,612	\$ 8,112,128	\$ 30,809,140	\$ 7,105,738	\$ 9,755,578	\$ 5,984,997	\$ 162,953,802	\$ (99,432,771)	\$ -

Supplemental Schedules of Other Financial Information
Consolidating Statement of Revenue, Expenses and Changes in Net Position
Delta College
Year Ended June 30, 2024

	Combined Total	Elimination	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund
Operating Revenue									
Tuition and fees, net of scholarship allowance of \$8,141,865	\$ 23,250,995	\$ (8,141,865)	\$ 30,379,280	\$ 1,013,580	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	4,193,853	-	-	-	-	4,193,853	-	-	-
State grants and contracts	728,613	-	-	-	-	728,613	-	-	-
Local and nongovernmental grants and contracts	1,066,993	-	-	-	-	1,066,993	-	-	-
Michigan New Jobs Training Program	336,536	-	-	-	-	336,536	-	-	-
Public broadcasting gifts	830,221	-	-	-	-	830,221	-	-	-
Auxiliary activities, net of scholarship allowance of \$942,200	3,454,940	(942,200)	-	-	4,397,140	-	-	-	-
Current year expenditures for capital equipment and facility improvements	-	(3,367,532)	-	-	-	-	-	3,367,532	-
Miscellaneous	1,038,058	(8,075)	326,802	307,877	-	391,514	-	19,940	-
Total Operating Revenue	34,900,209	(12,459,672)	30,706,082	1,321,457	4,397,140	7,547,730	-	3,387,472	-
Operating Expenses									
Instruction	35,468,735	(466,207)	38,329,772	591,609	-	3,166,242	-	-	(6,152,681)
Public services	3,173,380	(13,248)	1,411,734	16,890	-	2,065,251	-	5,220	(312,467)
Information technology	3,982,942	(748,670)	4,540,454	-	-	-	-	212,775	(21,617)
Instructional support	5,803,445	(239,702)	6,286,730	292,288	-	163,910	-	30,502	(730,283)
Student services	20,117,958	(9,281,422)	9,171,850	119,548	4,371,019	16,919,810	-	-	(1,182,847)
Institutional administration	8,179,205	(64,253)	8,345,616	874,869	-	-	-	-	(977,027)
Operation and maintenance of facilities	8,332,903	(1,638,095)	7,643,753	-	-	236,395	-	2,877,182	(786,332)
Depreciation and amortization	6,868,062	-	-	-	-	-	-	6,868,062	-
Total Operating Expenses	91,926,630	(12,451,597)	75,729,909	1,895,204	4,371,019	22,551,608	-	9,993,741	(10,163,254)
Operating Income (Loss)	(57,026,421)	(8,075)	(45,023,827)	(573,747)	26,121	(15,003,878)	-	(6,606,269)	10,163,254
Nonoperating Revenue (Expenses)									
State appropriations	29,888,769	-	27,538,515	-	-	-	-	-	2,350,254
Property tax levy	26,481,887	-	26,481,887	-	-	-	-	-	-
Pell federal grant revenue	13,964,272	-	-	-	-	13,964,272	-	-	-
Gifts	649,473	-	175,152	88,092	-	279,866	106,363	-	-
Higher Education Emergency Relief Fund	229,300	-	-	-	-	229,300	-	-	-
Investment income, net of investment expense of \$205,364	6,137,054	-	2,564,250	15,452	-	1,085,677	413,237	2,058,438	-
Interest expense on subscription assets	(113,951)	-	-	-	-	-	-	(113,951)	-
Loss on disposition of capital assets	(150,228)	8,075	-	-	-	-	-	(158,303)	-
Net Nonoperating Revenue (Expenses)	77,086,576	8,075	56,759,804	103,544	-	15,559,115	519,600	1,786,184	2,350,254
Net Income (Loss) Before Other Revenue	20,060,155	-	11,735,977	(470,203)	26,121	555,237	519,600	(4,820,085)	12,513,508
Other Revenue									
Capital gifts and grants	40,025	-	-	-	-	-	-	40,025	-
Total Other Revenue	40,025	-	-	-	-	-	-	40,025	-
Increase (Decrease) in Net Position	20,100,180	-	11,735,977	(470,203)	26,121	555,237	519,600	(4,780,060)	12,513,508
Transfers In (Out)	-	-	(11,230,571)	30,126	-	77,865	-	11,122,580	-
Net Increase (Decrease) in Net Position	20,100,180	-	505,406	(440,077)	26,121	633,102	519,600	6,342,520	12,513,508
Net Position - Beginning of Year	105,188,432	-	7,606,722	31,249,217	7,079,617	9,122,476	5,465,397	156,611,282	(111,946,279)
Net Position - End of Year	\$ 125,288,612	\$ -	\$ 8,112,128	\$ 30,809,140	\$ 7,105,738	\$ 9,755,578	\$ 5,984,997	\$ 162,953,802	\$ (99,432,771)

Supplemental Schedules of Other Financial Information
Details of Certain General Fund Revenues
Delta College
Year Ended June 30, 2024

Tuition and Fees

Tuition	\$	24,947,708
Registration fees		821,758
Course and program fees:		
Technology fees		4,421,859
Health program fees		165,988
Lifelong wellness course fees		4,740
Auto course fees		9,585
Other fees		<u>7,642</u>
Total Tuition and Fees	\$	<u>30,379,280</u>

Miscellaneous Revenue

Collegiate ads	\$	1,050
Credit by exam		3,215
Live scan fees		15,730
Transcript revenue		39,312
Miscellaneous		70,167
Parking fines		180
Planetarium ticket sales		118,007
Rental of college facilities		29,336
Reserve parking		4,341
Testing		<u>45,464</u>
Total Miscellaneous Revenue	\$	<u>326,802</u>

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses
Delta College
Year Ended June 30, 2024

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instruction						
Social Sciences	\$ 3,504,326	\$ 2,198,377	\$ 13,460	\$ -	\$ 30,115	\$ 5,746,278
Humanities	2,022,597	1,117,596	28,707	-	19,122	3,188,022
English	2,716,064	1,739,933	8,881	-	22,551	4,487,429
Mathematics & Computer Science	1,781,668	1,152,522	34,378	-	16,500	2,985,068
Sciences	3,502,244	2,158,907	101,527	-	31,902	5,794,580
Business & Information Technology	2,780,114	1,546,892	17,130	-	18,700	4,362,836
Health & Wellness	4,442,486	2,867,784	285,377	-	42,948	7,638,595
Technical Trades & Manufacturing	2,143,014	1,469,805	256,823	-	26,248	3,895,890
Instructional Equipment	-	-	153,271	77,803	-	231,074
Total Instruction	22,892,513	14,251,816	899,554	77,803	208,086	38,329,772
Public Services						
Television	380,186	290,023	-	-	2,550	672,759
Public Radio	125,687	89,200	-	-	955	215,842
Planetarium and Learning Center	267,552	182,721	71,553	-	1,307	523,133
Total Public Services	773,425	561,944	71,553	-	4,812	1,411,734
Information Technology						
Communications Technology	51,913	44,796	29,923	-	1,025	127,657
Instructional Support Information Technology	37,171	-	1,968,257	-	-	2,005,428
Student Services Support Information Technology	-	-	753,571	-	-	753,571
Administrative Support Information Technology	12,457	8,847	1,600,638	31,806	50	1,653,798
Total Information Technology	101,541	53,643	4,352,389	31,806	1,075	4,540,454
Instructional Support						
Office of Vice President of Instruction & Learning Services	218,266	88,078	3,267	-	9,214	318,825
Associate Deans	947,041	538,884	65,251	-	5,362	1,556,538
Academic Deans	431,548	250,853	18,796	-	12,834	714,031
Faculty Secretarial & Instructional Support	79,354	52,449	309,388	-	275	441,466
Multimedia Laboratories	147,256	93,324	21,232	-	775	262,587
Library & Learning Resources Center	454,071	303,421	171,291	-	2,936	931,719
Teaching Learning and WRIT Centers	362,897	247,527	20,468	-	3,603	634,495
Academic Testing Center	137,042	88,573	2,558	-	250	228,423
Fitness & Aquatics Center Instructional Support	104,091	52,483	167	-	296	157,037

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2024

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instructional Support (continued)						
Teaching Enhancement Centers	\$ 63,292	\$ 45,363	\$ 33,008	\$ -	\$ 8,404	\$ 150,067
Center for Organizational Success	200	24	25,844	-	399	26,467
Accreditation & Assessment	2,535	1,501	26,235	-	-	30,271
Community Development & Strategic Partnerships	163,169	120,437	5,944	-	2,058	291,608
Service Learning & Community Engagement	16,678	-	9,296	-	3,345	29,319
Honors Program	48,006	45,895	9,893	-	2,244	106,038
eLearning	77,082	69,279	259,678	-	1,800	407,839
Total Instructional Support	3,252,528	1,998,091	982,316	-	53,795	6,286,730
Student Services						
Office of Vice President of Student & Education Services	88,360	71,198	33,937	-	2,047	195,542
Dean of Students	96,266	70,883	213,589	-	9,993	390,731
Dean of Enrollment Services	114,163	92,230	1,670	-	10,776	218,839
Admissions	493,165	342,774	66,637	-	7,587	910,163
Records & Registration	367,687	278,896	17,969	-	8,814	673,366
Counseling & Advising	1,288,512	961,087	36,834	-	11,022	2,297,455
Financial Aid	548,137	379,312	20,898	-	11,071	959,418
Dual Enrollment	195,479	146,845	5,868	-	2,939	351,131
Enrollment Management & Student Goodwill	-	-	92,606	-	6,494	99,100
Student Engagement, Conduct, Leadership, & Organizations	57,715	54,440	37,864	-	1,460	151,479
Pioneer Connect	118,075	84,868	317	-	1,075	204,335
Marketing & Publications	-	-	612,044	-	1,648	613,692
Veteran Services	74,116	43,122	1,587	-	638	119,463
Collegiate Student Newspaper	36,029	5,832	13,368	-	-	55,229
Disability Resources	82,702	49,220	119,327	-	1,276	252,525
Commencement & Student Awards	-	-	15,513	-	-	15,513
Possible Dream Program	15,429	6,846	1,200	-	500	23,975
Student Testing & Assessment	25,460	23,895	5,428	-	250	55,033
Scholarships & Grants	-	-	300,583	-	-	300,583
Midland Center	109,905	74,028	12,894	-	1,174	198,001
Saginaw Center	194,025	145,395	18,702	-	2,710	360,832
Athletic Programs	239,805	137,291	166,041	-	182,308	725,445
Total Student Services	4,145,030	2,968,162	1,794,876	-	263,782	9,171,850

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2024

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Institutional Administration						
Board of Trustees	\$ -	\$ -	\$ 17,603	\$ -	\$ 29,090	\$ 46,693
Development Office	361,295	245,802	15,122	-	2,785	625,004
Diversity & Inclusion Office	149,695	104,851	29,563	-	7,706	291,815
Equity Office	72,729	48,686	1,640	-	3,324	126,379
President's Office	342,984	142,848	10,179	-	22,346	518,357
Memberships	-	-	184,874	-	47,401	232,275
Miscellaneous	119,346	15,158	120,609	-	14,505	269,618
Strategic Planning	-	-	7,275	-	-	7,275
Legal	-	-	174,481	-	-	174,481
Audit	-	-	63,282	-	-	63,282
Bank Fees, Collection Expenses & Bad Debts	-	-	788,557	-	-	788,557
Insurance, Unemployment & Other	-	(3,551)	443,531	-	-	439,980
Business Services	324,131	194,886	4,696	-	2,157	525,870
Finance Office	872,690	617,309	31,633	-	8,956	1,530,588
Human Resources & Staff Recruitment	534,621	404,143	88,918	-	5,047	1,032,729
Senate	31,728	26,446	921	-	138	59,233
Post Office	62,229	61,254	5,458	-	275	129,216
Institutional Advancement	394,776	317,119	5,779	-	7,780	725,454
Institutional Research	392,078	261,757	60,533	-	2,500	716,868
Wellness & Professional Development	-	13,525	27,359	-	1,058	41,942
Total Institutional Administration	3,658,302	2,450,233	2,082,013	-	155,068	8,345,616
Operation and Maintenance of Facilities						
Public Safety	521,457	304,754	63,326	-	3,583	893,120
Facilities Management	653,608	354,445	12,898	-	3,808	1,024,759
Facility Operations	1,453,759	1,317,855	373,720	-	2,577	3,147,911
Utilities	-	-	1,319,695	-	-	1,319,695
Facility Maintenance & Improvements	-	-	583,574	48,685	47,593	679,852
Off-Campus Centers & President's House	-	-	578,416	-	-	578,416
Total Operation and Maintenance of Facilities	2,628,824	1,977,054	2,931,629	48,685	57,561	7,643,753
Total General Fund Operating Expenses	\$ 37,452,163	\$ 24,260,943	\$ 13,114,330	\$ 158,294	\$ 744,179	\$ 75,729,909

Supplemental Schedules of Other Financial Information
Details of Designated Fund
Delta College
Year Ended June 30, 2024

Instruction	Revenues						Expenses							Net Increase (Decrease) In Net Assets	Net Position June 30, 2024
	Net Position July 1, 2023	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															
Workforce Strategies	\$ 2,322,990	\$ 433,160	\$ -	\$ -	\$ -	\$ 433,160	\$ 47,096	\$ 18,414	\$ 134,008	\$ -	\$ -	\$ 199,518	\$ (396,168)	\$ (162,526)	\$ 2,160,464
Criminal Justice Training Programs	597,585	571,515	-	-	-	571,515	214,286	81,303	92,651	-	1,066	389,306	(88,985)	93,224	690,809
Lifelong Learning Programs	19,044	4,977	-	-	-	4,977	2,023	762	-	-	2,785	-	2,192	21,236	
Total Instruction	2,939,619	1,009,652	-	-	-	1,009,652	263,405	100,479	226,659	-	1,066	591,609	(485,153)	(67,110)	2,872,509
Public Services															
Global Awareness	27,499	-	-	-	1,762	1,762	-	-	-	-	-	-	-	1,762	29,261
Delta Productions	15,545	-	-	8,314	-	8,314	449	169	15,447	-	-	16,065	-	(7,751)	7,794
Dental Hygiene Powerbrush Program	(567)	-	567	-	-	567	-	-	-	-	-	-	-	567	-
Michigan MATYC Conference	2,453	-	-	-	-	-	-	-	-	-	-	-	-	-	2,453
Delta College Aids Walk	-	-	825	-	-	825	-	-	825	-	-	825	-	-	-
Telelearning Network	9,216	-	-	-	-	-	-	-	-	-	-	-	-	-	9,216
Total Public Services	54,146	-	1,392	8,314	1,762	11,468	449	169	16,272	-	-	16,890	-	(5,422)	48,724
Instructional Support															
Workforce Strategies Instructional Support	-	3,928	-	-	-	3,928	5,620	204	600	-	-	6,424	2,496	-	-
Criminal Justice Training Instructional Support	-	-	-	-	-	-	53,926	34,709	-	-	350	88,985	88,985	-	-
President's Scholarship Program	712,720	-	-	-	-	-	-	-	89,436	-	-	89,436	-	(89,436)	623,284
President's Innovation Projects	195,270	-	-	-	-	-	-	-	43,071	-	10,203	53,274	-	(53,274)	141,996
Prison Program	-	-	-	-	-	-	-	-	12,631	-	-	12,631	12,631	-	-
MEDC MAT2 Project	15,653	-	-	-	-	-	-	-	-	-	-	-	-	-	15,653
Faculty & Instructional Development	292,149	-	101,532	-	-	101,532	-	-	-	-	-	-	-	101,532	393,681
Developmental Education	4,156	-	-	-	-	-	-	-	-	-	-	-	-	-	4,156
Library Resource Replacement	29,172	-	19,212	-	-	19,212	-	-	2,166	-	-	2,166	11,924	28,970	58,142
Photography Lab Printing	2,429	-	-	-	-	-	-	-	2,429	-	-	2,429	-	(2,429)	-
Kenya Partnership	154	-	-	-	-	-	-	-	-	-	-	-	-	-	154
Art & Archive Projects	62,429	-	-	-	13,690	13,690	-	-	36,453	-	490	36,943	4,600	(18,653)	43,776
Total Instructional Support	1,314,132	3,928	120,744	-	13,690	138,362	59,546	34,913	186,786	-	11,043	292,288	120,636	(33,290)	1,280,842
Student Services															
Student Engagement & Service Learning Activities	8,676	-	3,153	358	-	3,511	-	-	3,754	-	1,029	4,783	-	(1,272)	7,404
Computer Rental Program	7,267	-	-	-	-	-	-	-	-	-	-	-	(7,267)	(7,267)	-
Girls Day Out Events	177	-	-	2,500	-	2,500	-	-	-	-	-	-	-	2,500	2,677
Math Calculator Rental Program	3,707	-	-	-	-	-	-	-	-	-	-	-	(3,707)	(3,707)	-
Math Placement Booster	4,699	-	-	-	-	-	-	-	-	-	-	-	-	-	4,699
Bit Calculator Rental Program	950	-	-	-	-	-	-	-	-	-	-	-	(950)	(950)	-
Student Skills Achievement Programs	5,621	-	-	-	-	-	-	-	-	-	-	-	(2,105)	(2,105)	3,516
President's Honors Scholarship	280,849	-	-	-	-	-	-	-	38,588	-	-	38,588	-	(38,588)	242,261
Pioneer Athletic Fundraisers	16,963	-	92,599	5,543	-	98,142	-	-	45,726	-	30,451	76,177	-	21,965	38,928
Total Student Services	328,909	-	95,752	8,401	-	104,153	-	-	88,068	-	31,480	119,548	(14,029)	(29,424)	299,485
Institutional Administration															
Workforce Strategies Administration	-	-	15,007	-	-	15,007	178,837	109,865	31,479	-	3,498	323,679	308,672	-	-
Flexible Spending & Healthcare Reform Administration	113,416	-	5,368	-	-	5,368	-	-	7,583	-	-	7,583	-	(2,215)	111,201
Administrative Reserve for Budget Sustainability	14,478,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14,478,000
Reserve for Strategic Initiatives	5,167,912	-	-	-	-	-	-	-	331,790	-	-	331,790	-	(331,790)	4,836,122
Administrative Development & Technology Projects	108,731	-	69,614	-	-	69,614	-	-	140,440	-	-	140,440	100,000	29,174	137,905
Self Insurance	6,744,352	-	-	-	-	-	-	-	-	-	-	-	-	-	6,744,352
Gifts In Kind	-	-	-	71,377	-	71,377	-	-	54,377	17,000	-	71,377	-	-	-
Total Institutional Administration	26,612,411	-	89,989	71,377	-	161,366	178,837	109,865	565,669	17,000	3,498	874,869	408,672	(304,831)	26,307,580
Total Designated Fund	\$ 31,249,217	\$ 1,013,580	\$ 307,877	\$ 88,092	\$ 15,452	\$ 1,425,001	\$ 502,237	\$ 245,426	\$ 1,083,454	\$ 17,000	\$ 47,087	\$ 1,895,204	\$ 30,126	\$ (440,077)	\$ 30,809,140

Supplemental Schedules of Other Financial Information
Details of Auxiliary Activities Fund
Delta College
Year Ended June 30, 2024

	Net Position July 1, 2023	Operating Revenues	Expenses				Total Expenses	Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2024
			Salaries	Fringe Benefits	Supplies and Services	Capital Expenses				
Auxiliary Activities										
Bookstore	\$ 5,109,565	\$ 3,456,085	\$ 402,796	\$ 159,097	\$ 2,619,954	\$ -	\$ 3,181,847	\$ 274,238	\$ -	\$ 5,383,803
Food Services	(99,718)	592,857	52,714	20,906	861,963	-	935,583	(342,726)	-	(442,444)
Fitness & Recreation Center	918,023	271,966	162,142	46,872	39,311	-	248,325	23,641	-	941,664
Planetarium Gift Shop & Conference Services	9,764	32,547	-	-	25,802	-	25,802	6,745	-	16,509
Total Auxiliary Activities	<u>5,937,634</u>	<u>4,353,455</u>	<u>\$ 617,652</u>	<u>\$ 226,875</u>	<u>\$ 3,547,030</u>	<u>\$ -</u>	<u>4,391,557</u>	<u>(38,102)</u>	<u>-</u>	<u>5,899,532</u>
Internal Service Operations										
Internal Service Operations	1,141,983	659,498	\$ 116,412	\$ 63,494	\$ 415,369	\$ -	595,275	64,223	-	1,206,206
Elimination of Rebilled Charges	-	(615,813)	-	-	-	-	(615,813)	-	-	-
Net Internal Service Operations	<u>1,141,983</u>	<u>43,685</u>	-	-	-	-	<u>(20,538)</u>	<u>64,223</u>	<u>-</u>	<u>1,206,206</u>
Total	<u>\$ 7,079,617</u>	<u>\$ 4,397,140</u>	-	-	-	-	<u>\$ 4,371,019</u>	<u>\$ 26,121</u>	<u>\$ -</u>	<u>\$ 7,105,738</u>

Supplemental Schedules of Other Financial Information
Details of Expendable Restricted Fund
Delta College
Year Ended June 30, 2024

	Revenues									Expenses						Net Increase (Decrease) In Net Assets	Net Position June 30, 2024	
	Net Position July 1, 2023	Federal Grants and Contracts	State Grants and Contracts	Local and Nongovernmental Grants and Contracts	Michigan New Jobs Training Programs	Miscellaneous Revenue	Gifts	Investment Income	Total Revenue	Salaries	Fringe Benefits	Supplies and Services	Capital Expenditures	Professional Development and Travel	Total Expenses			Transfers In (Out)
Instruction																		
Workforce Strategies Grants	\$ -	\$ 1,622,771	\$ 324,301	\$ -	\$ -	\$ -	\$ -	\$ 1,947,072	\$ 1,143,507	\$ 639,640	\$ 135,290	\$ -	\$ 28,635	\$ 1,947,072	\$ -	\$ -		
Michigan New Jobs Training Programs	-	-	-	-	336,536	-	-	336,536	26,927	10,472	299,137	-	-	336,536	-	-		
Motorcycle Safety Training Programs	-	-	80,954	-	-	31,100	-	112,054	73,430	26,878	11,746	-	-	112,054	-	-		
Endowed Teaching Chair Program	149,697	-	-	-	-	-	-	35,276	1,700	295	2,114	-	6,695	10,804	-	24,472		
Criminal Justice Training Programs	-	25,192	-	-	-	-	-	25,192	-	-	25,192	-	-	25,192	-	-		
League for Innovation Global Skills Grants	2,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,728		
Wickes Diesel Program Startup	229,818	-	-	-	-	-	-	-	-	-	2,824	-	-	2,824	-	(2,824)		
MEDC STEM Exploration	-	-	46,087	-	-	-	-	46,087	17,710	6,298	6,819	15,260	-	46,087	-	-		
Haas Foundation CNC Grant	88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88		
Dow Foundation STEM Explorer Program	547,545	-	-	-	-	-	126,570	126,570	85,904	32,418	103,816	-	10,567	232,705	-	(106,135)		
Perkins Voc Ed Grant - Instructional Equipment	-	452,968	-	-	-	-	-	452,968	-	-	79,824	373,144	-	452,968	-	-		
Total Instruction	929,876	2,100,931	451,342	-	336,536	31,100	-	161,846	1,349,178	716,001	666,762	388,404	45,897	3,166,242	-	(84,487)	845,389	
Public Service																		
Possible Dream Program	272,405	-	-	-	-	-	4,092	4,092	7,304	-	85,434	-	-	92,738	-	(88,646)	183,759	
Humanities Learning Center	4,537	-	-	-	-	-	-	-	-	-	1,400	-	-	1,400	-	(1,400)	3,137	
Planetarium Be A Star	292,280	-	-	-	-	-	-	34,540	-	-	18,634	-	-	18,634	-	15,906	308,186	
Public Broadcasting - Television	5,345,618	-	-	1,033,582	-	354,969	616,419	255,153	2,260,123	280,320	156,148	1,369,675	5,248	12,876	1,824,267	-	435,856	5,781,474
Public Broadcasting - Radio	403,007	-	-	-	-	-	213,802	33,248	247,050	22,569	9,470	96,173	-	128,212	-	118,838	521,845	
Total Public Service	6,317,847	-	-	1,033,582	-	354,969	830,221	327,033	2,545,805	310,193	165,618	1,571,316	5,248	12,876	2,065,251	-	480,554	6,798,401
Instructional Support																		
Midwest Inst. for International/Intercultural Education Grant	5,000	-	-	(3,584)	-	500	-	(3,084)	-	-	-	-	1,916	1,916	-	(5,000)	-	
ECMC Foundation Workcred C&D Pathways Grant	-	-	-	13,823	-	-	-	13,823	10,898	2,925	-	-	-	13,823	-	-	-	
Water Treatment Instruction Development	2,576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,576	
NFS NEVTEX Grant	-	22,247	-	-	-	-	-	22,247	-	-	995	17,294	3,958	22,247	-	-	-	
Perkins Local Leadership Grant	-	9,200	-	-	-	-	-	9,200	7,079	2,121	-	-	-	9,200	-	-	-	
Perkins Voc Ed Grant - Professional & Curriculum Dev	-	112,032	-	-	-	-	-	112,032	57,357	36,142	2,995	-	15,538	112,032	-	-	-	
MEDC STEM Curriculum	-	-	4,692	-	-	-	-	4,692	1,690	653	1,190	-	1,159	4,692	-	-	-	
ATD Engaging Adjunct Faculty Grant	11,969	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,969	
Total Instructional Support	19,545	143,479	4,692	10,239	-	500	-	158,910	77,024	41,841	5,180	17,294	22,571	163,910	-	(5,000)	14,545	
Student Services																		
AT&T Becoming a Pioneer Grant	4,097	-	-	-	-	-	-	-	-	-	4,071	-	-	4,071	-	(4,071)	26	
Perkins Voc Ed Grant - Special Needs	-	356,382	-	-	-	-	-	356,382	205,627	116,235	77,783	-	1,619	401,264	44,882	-	-	
MICUP STEP/CMU Partnership Grant	-	-	503	-	-	-	-	503	311	192	-	-	-	503	-	-	-	
MICUP/MTU Partnership Grant	-	-	1,552	-	-	-	-	1,552	-	-	1,552	-	-	1,552	-	-	-	
Improving Economic Mobility for Adult Learners	-	-	-	15,281	-	-	-	15,281	9,635	2,401	-	-	3,245	15,281	-	-	-	
MCCA Academic Catch-up Grant	-	98,783	-	-	-	-	-	98,783	4,135	317	94,331	-	-	98,783	-	-	-	
Michigan Reconnect Ages 21-24	-	669,088	-	-	-	-	-	669,088	-	-	669,088	-	-	669,088	-	-	-	
Michigan Reconnect Credit for Prior Learning	-	-	20,080	-	-	-	-	20,080	-	-	-	-	-	-	(20,080)	-	-	
Michigan Futures for Frontliners & Reconnect Wrap-Around Grant	-	-	940	-	-	-	-	940	-	-	940	-	-	940	-	-	-	
Michigan Nursing Board Scholarships Grant	-	-	9,520	-	-	-	-	9,520	-	-	9,520	-	-	9,520	-	-	-	
Access & Equity E-Sports Camp Grant	-	-	-	5,291	-	500	-	5,791	-	-	5,791	-	-	5,791	-	-	-	
Pell Grants	-	13,964,272	-	-	-	-	-	13,964,272	-	-	13,964,272	-	-	13,964,272	-	-	-	
Supplemental Educational Opportunity Grant	-	409,289	-	-	-	-	-	409,289	-	-	409,289	-	-	409,289	-	-	-	
TRIO Educational Opportunity Grant	-	285,289	-	-	-	-	-	285,289	175,982	70,449	23,978	-	14,880	285,289	-	-	-	
Federal Workstudy Grant	-	113,451	-	-	-	-	-	113,451	149,810	-	-	-	-	149,810	36,359	-	-	
Job Locator and Development Grant	-	17,161	-	-	-	-	-	17,161	10,739	6,322	-	-	100	17,161	-	-	-	
Federal Workstudy Off-Campus	-	-	-	-	-	1,901	-	1,901	-	-	-	-	-	-	(1,901)	-	-	
VA Program Support	11,449	-	-	-	-	2,544	-	2,544	-	56	-	-	3,763	3,819	-	(1,275)	10,174	
HEERF - SIP	-	229,300	-	-	-	-	-	229,300	-	-	229,300	-	-	229,300	-	-	-	
Scholarships & Awards	1,839,571	-	-	-	-	279,866	596,798	876,664	6,000	451	647,626	-	-	654,077	18,605	241,192	2,080,763	
Total Student Services	1,855,117	16,143,015	32,595	20,572	-	4,945	279,866	596,798	17,077,791	562,239	196,423	16,137,541	-	23,607	16,919,810	77,865	235,846	2,090,963
Operation and Maintenance of Facilities																		
Critical Incident Mapping	-	-	233,100	-	-	-	-	233,100	-	-	233,100	-	-	233,100	-	-	-	
MACP Accreditation Mini Grant	-	-	-	2,600	-	-	-	2,600	-	-	2,600	-	-	2,600	-	-	-	
Michigan Law Enforcement CPE	-	-	4,000	-	-	-	-	4,000	-	-	-	-	-	-	-	4,000	4,000	
Michigan Justice Training & Drug Enforcement Grants	91	-	2,884	-	-	-	-	2,884	-	-	695	-	-	695	-	2,189	2,280	
Total Operation and Maintenance of Facilities	91	-	239,984	2,600	-	-	-	242,584	-	-	236,395	-	-	236,395	-	6,189	6,280	
Total Expendable Restricted Fund	\$ 9,122,476	\$ 18,387,425	\$ 728,613	\$ 1,066,993	\$ 336,536	\$ 391,514	\$ 1,110,087	\$ 1,085,677	\$ 23,106,845	\$ 2,298,634	\$ 1,119,883	\$ 18,617,194	\$ 410,946	\$ 104,951	\$ 22,551,608	\$ 77,865	\$ 633,102	\$ 9,755,578