



Delta College

**Audited Financial Statements
and Other Financial Information**

June 30, 2025

Delta College

Audited Financial Statements and Other Financial Information

June 30, 2025

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Management's Discussion and Analysis

Delta College

Year Ended June 30, 2025

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, 2025, 2024 and 2023. 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.

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).

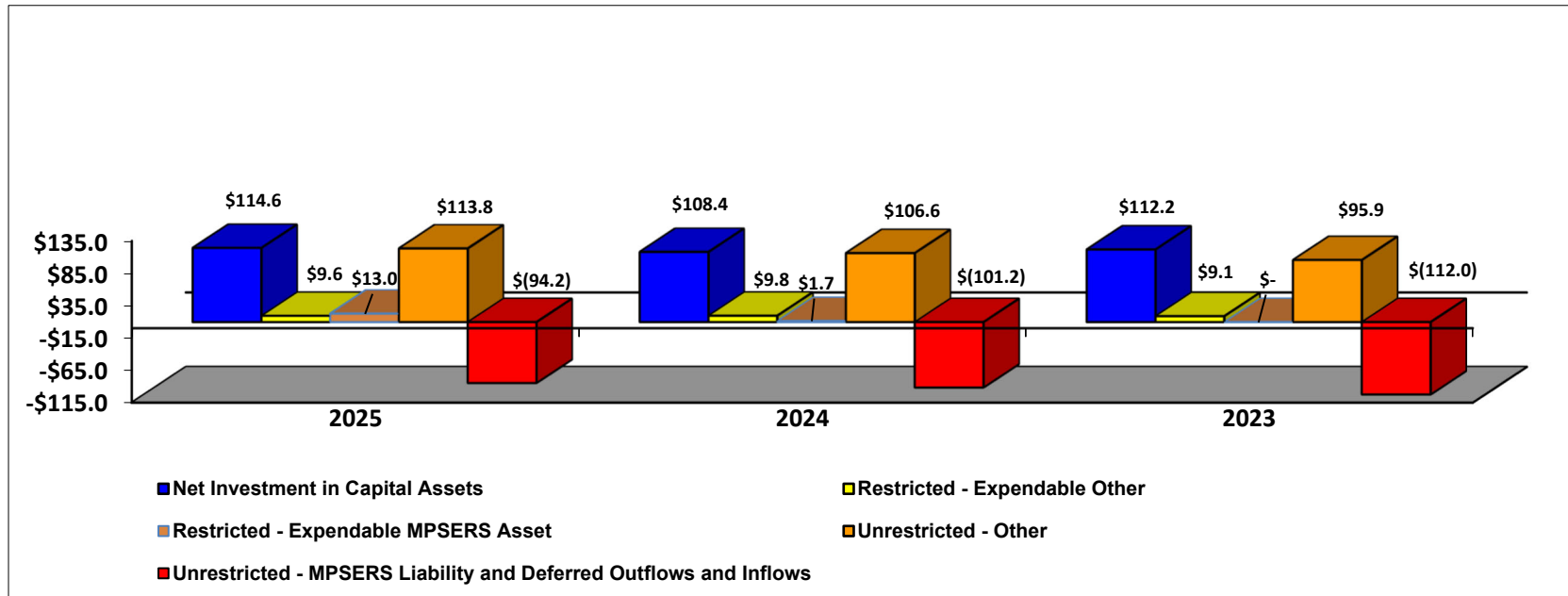
For the years ended June 30, 2025 and 2024, respectively, the College reported a net MPSERS pension liability of \$72.5 million and \$96.3 million. In addition, the College reported deferred outflows of resources of \$20.7 million and \$26.7 million, and deferred inflows of resources of \$27.9 million and \$22.1 million, for each of the two respective years. As of June 30, 2025 and 2024, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$79.7 million for 2025 and \$91.7 million for 2024 and a MPSERS pension revenue adjustment of \$12.0 million for the year ended June 30, 2025 and \$6.3 million for the year ended June 30, 2024.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

For the years ended June 30, 2025 and 2024, respectively, the College reported a net MPSERS OPEB asset of \$13.0 million and \$1.7 million. In addition, the College reported deferred outflows of resources of \$3.1 million and \$5.7 million, and deferred inflows of resources of \$17.6 million and \$15.2 million, for each of the two respective years. As of June 30, 2025 and 2024, respectively, the impact of this standard resulted in an increase in restricted net position for the College of \$13.0 million and \$1.7 million, a reduction in unrestricted net position for the College of \$14.5 million and \$9.8 million and a MPSERS OPEB revenue adjustment of \$6.3 million and \$6.2 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, 2025 and 2024, respectively, with net position increasing by \$13.2 million and \$7.6 million. This equates to annual increases of approximately 5.9% and 3.5% for the two respective years. During the year ended June 30, 2025, the College's total assets increased \$15.7 million, to \$252.9 million. This \$15.7 million increase resulted primarily from a \$4.1 million increase in cash and investments, a \$1.3 million increase in federal and state grants receivable, a \$1.5 million increase in beneficial interest in endowments held by the Foundation, and an \$8.0 increase in capital assets. Total liabilities at June 30, 2025 increased \$2.6 million, to \$14.5 million. This \$2.6 million increase resulted primarily from a \$1.8 million increase in subscription-based information technology arrangement obligations. 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, 2025, 2024 and 2023, in millions:



Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Summary of Selected Financial Data

Following is a summary of the major components of the financial position of the College as of June 30, 2025, 2024 and 2023, in millions:

	2025	2024	2025-2024 Change	2023	2024-2023 Change
Current Assets	\$ 95.4	\$ 83.0	\$ 12.4	\$ 78.5	\$ 4.5
Long-Term Assets:					
Capital Assets, Net of Depreciation and Amortization	117.7	109.7	8.0	113.7	(4.0)
Other	52.8	46.2	6.6	37.9	8.3
Total Assets	265.9	238.9	27.0	230.1	8.8
Deferred Outflows of Resources	23.8	32.4	(8.6)	41.5	(9.1)
Current Liabilities	12.1	11.6	.5	11.5	.1
Non-Current Liabilities	74.9	96.6	(21.7)	121.6	(25.0)
Total Liabilities	87.0	108.2	(21.2)	133.1	(24.9)
Deferred Inflows of Resources	45.9	37.8	8.1	33.3	4.5
Net Position:					
Net Investment in Capital Assets	114.6	108.4	6.2	112.2	(3.8)
Restricted – Expendable	22.6	11.5	11.1	9.1	2.4
Unrestricted	19.6	5.4	14.2	(16.1)	21.5
Total Net Position	\$ 156.8	\$ 125.3	\$ 31.5	\$ 105.2	\$ 20.1

June 30, 2025: During the year ended June 30, 2025, total assets increased by \$27.0 million and total liabilities decreased by \$21.2 million. The majority of the increase in assets consisted of a \$4.1 million increase in cash and investments, primarily due to investment earnings resulting from increases in interest rates and market value gains, an \$8.0 million dollar increase in capital assets due to current year net capital purchases of \$15.7 million offset by depreciation and amortization charges of \$7.7 million and an \$11.3 million increase in the MPSERS net OPEB asset. The majority of the decrease in liabilities consisted of a \$23.7 million decrease in the MPSERS net pension liability.

June 30, 2024: During the year ended June 30, 2024, total assets increased by \$8.8 million and total liabilities decreased by \$24.9 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.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Summary of Selected Financial Data – Continued

The following summarizes the major components of the College's operating results for the years ended June 30, 2025, 2024 and 2023, in millions:

	2025	2024	2025-2024 Change	2023	2024-2023 Change
Operating Revenue:					
Tuition and Fees	\$ 23.0	\$ 23.2	\$ (.2)	\$ 22.1	\$ 1.1
Grants and Contracts	9.1	6.0	3.1	5.2	.8
Public Broadcasting Gifts	.9	.8	.1	.8	-
Auxiliary Services	3.2	3.5	(.3)	3.2	.3
Other	1.6	1.4	.2	1.3	.1
Total Operating Revenue	37.8	34.9	2.9	32.6	2.3
Operating Expenses:					
Instruction	34.7	35.4	(.7)	35.3	.1
Public Services	4.4	3.2	1.2	3.0	.2
Information Technology	3.7	4.0	(.3)	4.0	-
Instructional Support	6.0	5.8	.2	6.7	(.9)
Student Services	21.3	20.1	1.2	19.3	.8
Institutional Administration	7.6	8.2	(.6)	8.0	.2
Operation and Maintenance of Facilities	7.2	8.3	(1.1)	8.0	.3
Depreciation and Amortization	7.7	6.9	.8	7.0	(.1)
Total Operating Expenses	92.6	91.9	.7	91.3	.6
Operating Loss	(54.8)	(57.0)	2.2	(58.7)	1.7
Nonoperating Revenue (Expenses)					
State Appropriations	30.0	29.9	.1	24.5	5.4
Property Taxes	28.4	26.5	1.9	25.2	1.3
Pell Federal Grant Revenue	19.2	14.0	5.2	11.1	2.9
HEERF	-	.2	(.2)	6.5	(6.3)
Other	7.9	6.5	1.4	1.3	5.2
Net Nonoperating Revenue (Expenses)	85.5	77.1	8.4	68.6	8.5

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Summary of Selected Financial Data – Continued

(continued from previous page)

	2025	2024	2025-2024 Change	2023	2024-2023 Change
Other Revenue					
State Capital Appropriations	\$.8	\$ -	\$.8	\$.4	\$ (.4)
Total Other Revenue	.8	-	.8	.4	(.4)
Increase in Net Position	31.5	20.1	11.4	10.3	9.8
Net Position					
Net Position – Beginning of Year	125.3	105.2	20.1	94.9	10.3
Net Position – End of Year	\$ 156.8	\$ 125.3	\$ 31.5	\$ 105.2	\$ 20.1

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, 2025: Operating revenue changes are highlighted by the following factors for the year ended June 30, 2025:

- The 2025 academic in-district tuition rate increased by \$6.00 to \$133 per contact hour, which represents an increase of 4.7% while the technology fee remained consistent at \$25. Enrollment totaled 193,900 contact hours for fiscal year 2025, which represents an increase of 9.8% from 176,600 contact hours for the prior year. The combined net impact of the increase in tuition rates and increase in contact hours resulted in a \$4.9 million increase in tuition and fee revenues generated by academic programs. The College changed the method of calculating the scholarship allowance, in accordance with NACUBO guidance, which resulted in an increase in the allowance of \$5.1 million. The combined impact resulted in a \$200,000 decrease in tuition and fee revenue, net of scholarship allowances.
- Federal grants revenue increased \$3.3 million from the prior due to increased funding in MI Reconnect and ADN-to-BSN programs, which both provide grants to students.
- Auxiliary services revenue consists primarily of sales in the Bookstore of \$3.5 million, which had offsetting scholarship allowances approximating \$1.5 million; Bookstore sales in the prior year were also \$3.5 million but the scholarship allowance increased \$558,000, or 59%, for the year ending June 30, 2025 due to a change in the way the allowance was calculated. This net decrease in Bookstore revenue was offset by food services and FRC operating revenues both experiencing an increase from the prior year of \$147,000 and \$126,500, 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.

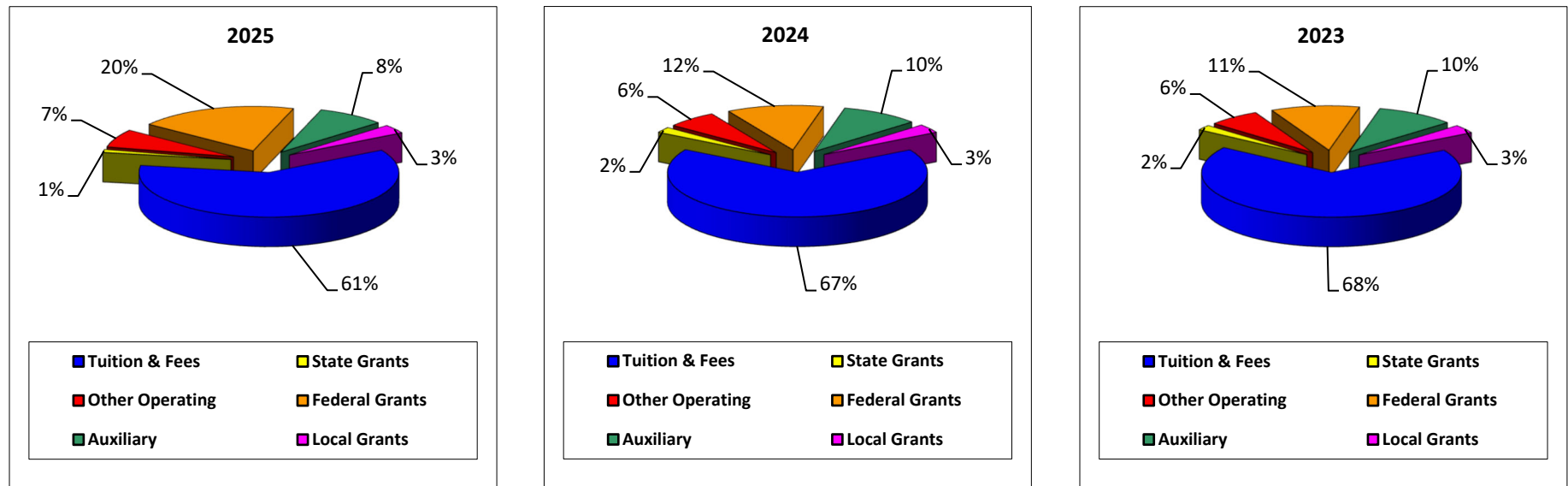
Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Operating Revenue – Continued

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.

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2025, 2024 and 2023:



Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Operating Expenses

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

June 30, 2025: Operating expense changes are highlighted by the following factors for the year ended June 30, 2025:

- Base salary increases were 2.0% for 2025 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 \$6.5 million for the year ended June 30, 2025, compared to \$6.1 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 MPSERS that are designed to reduce overall benefit costs, but the cost reduction impact of the changes will not be experienced by employers for many years. During 2025, the College's overall benefit expense for MPSERS including adjustments due to GASB 68 and 75, was \$16.2 million, a decrease of approximately \$1.4 million from the prior year. Of the \$16.2 million total, \$10.4 million was for the College's contributions to MPSERS, and \$5.8 million was due to the annual Unfunded Actuarial Accrued Liability (UAAL) Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment is paid to the College for pass-through to MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$5.8 million UAAL benefit expense was directly offset by the same amount in state appropriations non-operating revenue.
- Public Services expense increased \$1.2 million, or 37.5%, from the prior year. This increase was mainly due to grant spending for the Delta College Public Broadcasting Television station and transfers made from Public Media to the Endowment Fund.
- Student services operating expenses increased \$1.2 million, or 6.0%, from the prior year. This increase was mainly due to an increase in Pell grant expenditures provided to students.
- Operation and Maintenance of Facilities expenses decreased \$1.1 million, or 13.3%, from the prior year. The overall decrease is primarily due to an increase in interfund eliminations resulting from a higher portion of expenses being capitalized. Although actual expenses increased, the capitalization of those costs reduced the net expense recognized across funds.

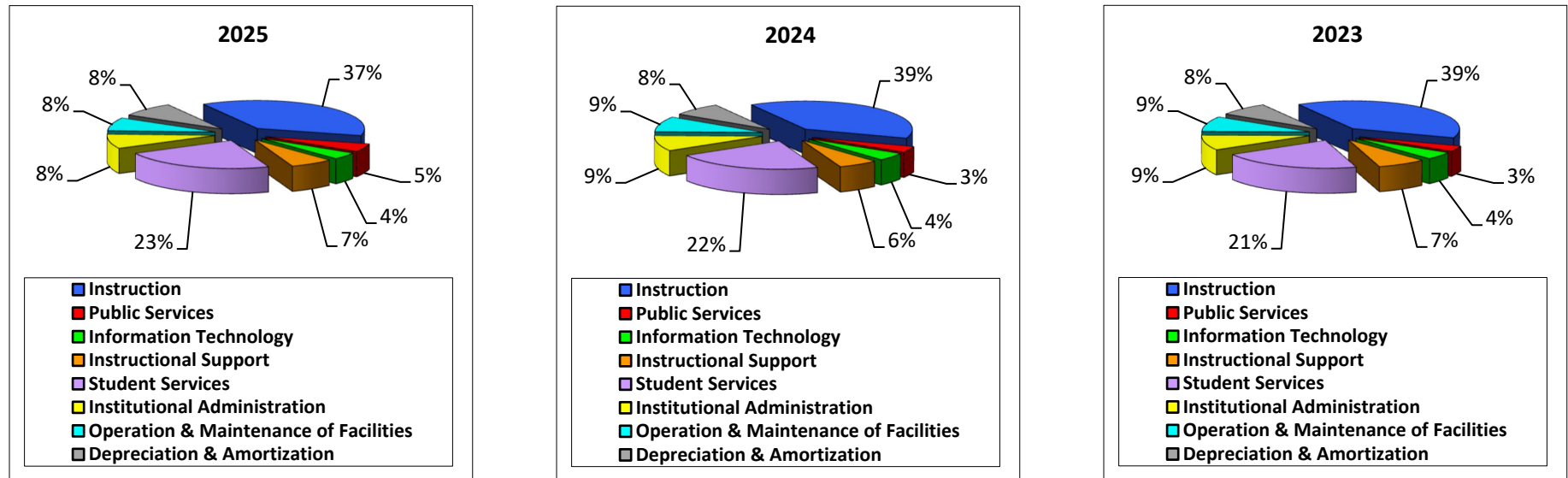
June 30, 2024: Operating expense changes are highlighted by the following factors for the year ended June 30, 2024:

- Base salary increases were 2.0% for 2024 and the employee contribution toward medical insurance remained at 20.0%. 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.
- During 2024, the College's overall benefit expense for MPSERS 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 MPSERS, and \$8.1 million was due to the annual UAAL Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment is paid to the College for pass-through to MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$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.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Operating Expenses – Continued

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2025, 2024 and 2023:



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, 2025: Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2025:

- Base State appropriations increased to \$16.6 million compared to the prior year's appropriation of \$15.9 million. The College's performance funding decreased from \$754,000 in the prior year to \$240,000 in 2025. The College also received an appropriation during the current year in the amount of \$25,000 for costs associated with the Indian Tuition Waiver, a decrease of \$23,000 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 \$3.6 million, which represents an increase of \$1.7 from the prior year. Renaissance Zone property tax reimbursement appropriations amounted to approximately \$10,000, which represents an increase of \$1,000 from the prior year.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Nonoperating Revenue (Expenses) – Continued

June 30, 2025 – continued:

- An additional \$4.2 million was received specifically for pass-through to the MPSERS for purpose of the UAAL Rate Stabilization payment. The \$4.2 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 \$5.8 million was recognized during the current year and is included in the State Appropriation line item.
- Also included in State Appropriations revenue for the year is personal property tax (PPT) loss reimbursement payments received from the State's Local Community Stabilization Authority in the amount of \$3.2 million. This amount represents no change from the revenue level from the prior year.
- Additional State Appropriations revenue of \$537,000 was received for healthcare reimbursement to employees and an additional MPSERS one time deposit.
- The total taxable value of property within the district increased approximately 6.7% from the prior year, which resulted in an increase in property tax revenues of approximately \$1.9 million, to \$28.4 million in 2025. The College currently levies property taxes at a rate of 2.0563 mills.
- Pell grants awarded to students were \$19.2 million, an increase of \$5.2 million, or 37.1%, over 2024. The number of students receiving Pell awards increased by 22.7%, or 853 students over 2024, while the average award increased \$444, or 11.9%.

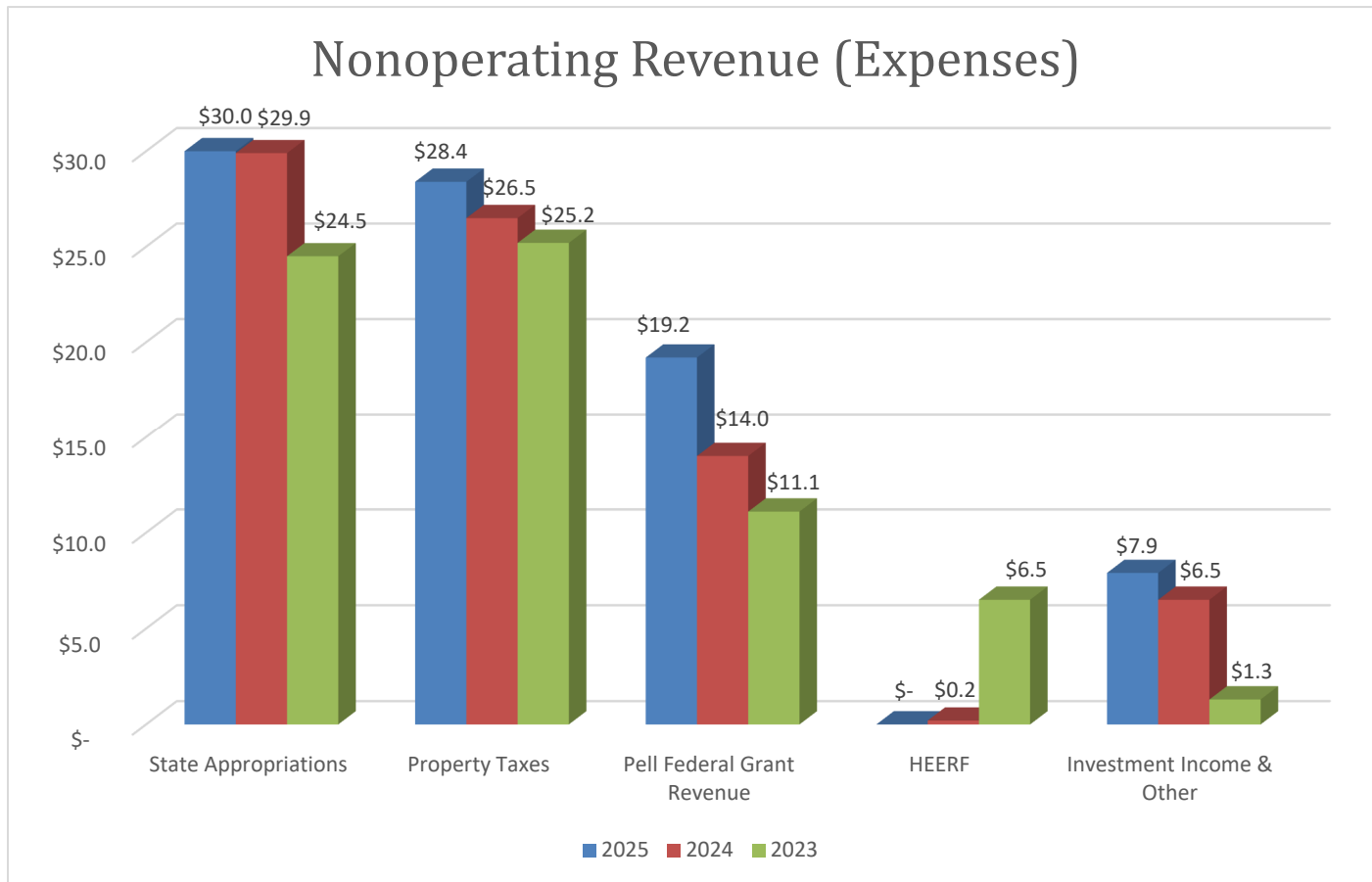
June 30, 2024: Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2024:

- 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 MPSERS 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 MPSERS 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.
- 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 \$3.2 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 since 2020 related to these HEERF grants, including \$229,300 of HEERF grant revenue for the year ended June 30, 2024.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Nonoperating Revenue (Expenses) – Continued

The following is a graphic illustration of nonoperating revenue (expenses) by source for the years ended June 30, 2025, 2024 and 2023, in millions:



Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

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. Capital gifts and grants of \$800,000 were received during the year ending June 30, 2025, and primarily included a federal grant to be used for the Delta College Public Broadcasting Television station transmitter.

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, 2025, 2024 and 2023, in millions:

	2025	2024	2025-2024 Change	2023	2024-2023 Change
Cash Provided by (Used in):					
Operating Activities	\$ (67.5)	\$ (63.1)	\$ (4.4)	\$ (55.8)	\$ (7.3)
Noncapital Financing Activities	79.8	71.4	8.4	67.5	3.9
Capital and Related Financing Activities	(13.2)	(3.3)	(9.9)	(4.6)	1.3
Investing Activities	(13.8)	(8.2)	(5.6)	(5.9)	(2.3)
Net Increase (Decrease) in Cash	(14.7)	(3.2)	(11.5)	1.2	(4.4)
Cash and Cash Equivalents – Beginning of Year	32.2	35.4	(3.2)	34.2	1.2
Cash and Cash Equivalents – End of Year	\$ 17.5	\$ 32.2	\$ (14.7)	\$ 35.4	\$ (3.2)

June 30, 2025: Cash and cash equivalents decreased by \$14.7 million during the year ended June 30, 2025. The decrease in cash is due to the College continuing to invest excess cash in investment securities and capital projects.

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.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Capital Assets

At June 30, 2025, the College had \$218.7 million invested in capital assets, which net of accumulated depreciation and amortization of \$101.0 million, resulted in a book value of \$117.7 million. Capital assets increased by approximately \$8.0 million in 2025, which included net additions of \$15.7 million less annual depreciation and amortization charges of \$7.7 million. The table below provides details of these assets, shown net of accumulated depreciation and amortization, as of June 30, 2025, 2024 and 2023, in millions:

	2025	2024	2025-2024 Change	2023	2024-2023 Change
Land and Improvements	\$ 5.6	\$ 6.0	\$ (.4)	\$ 6.5	\$ (.5)
Infrastructure	4.0	4.2	(.2)	4.7	(.5)
Buildings	95.0	90.7	4.3	93.9	(3.2)
Furniture and Equipment	6.5	6.2	.3	6.5	(.3)
SBITAs	2.6	1.2	1.4	1.5	(.3)
Construction in Progress	4.0	1.4	2.6	.6	.8
Totals	\$ 117.7	\$ 109.7	\$ 8.0	\$ 113.7	\$ (4.0)

In accordance with the College's Five-Year Capital Outlay Master Plan and Sustainability Strategic Initiative, the College focused on the following capital construction and maintenance projects during 2025 and 2024:

- 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. The asset was capitalized at a total cost of \$2.2 million during fiscal year 2023.
- 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. The project was completed and capitalized during fiscal year 2023 at a total asset value of \$2.5 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.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Capital Assets – Continued

- 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. The project was completed and capitalized in fiscal year 2023 in the amount of \$1.6 million.
- 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 through 2025 and an additional \$612,000 of costs were incurred. The asset was capitalized during fiscal year 2025 at a total cost of \$666,000.
- At its August 2025 meeting, the board approved the purchase in the amount of \$296,000 for the replacement of lighting on the Delta College main campus in the N, G, P and S wings. The existing fixtures were old fluorescent fixtures that had been previously updated with LED lamps. The LED lamps were failing due to compatibility issues with the fixtures. The lighting controls for these areas were antiquated and not appropriate for modern LED technology and some lamp types are now obsolete. The new lighting will be more energy-efficient, with a longer lifespan and lower maintenance requirements. This project involved the modernization of the lighting in several areas: (N005) Red Brix Commons area, (G160) Lecture Theater first and second floor, (P120 & P121) Fitness & Recreation Center first floor weight and cardio rooms, and (S105) Lecture Classroom. The project was capitalized during fiscal year 2025 at a total cost of \$302,000.
- At its April 2023 meeting, the board approved the amount of \$219,000 for the replacement of roadway lights, poles, bases, and power feed along Hotchkiss Drive. The existing light poles and fixtures along the roadway were installed in 1971 and had surpassed their useful life. They were the last of the older style metal halide lights that had been systematically replaced with LED's on campus. They were prone to repeated malfunction and failure, and in constant need of repair. The existing power feed was direct burial cable that had been repaired by splicing, but was also failing due to age. The new poles and fixtures now give a cohesive look to all the roadway lighting on campus, as well as reduce energy use while increasing nighttime visibility. The project was capitalized during fiscal year 2025 at a total cost of \$221,000.
- Delta College Facilities Management contracted with MacMillan Associates Consulting Engineers in 2021 to perform an analysis of the College's current chilled water plant. The study culminated with recommendations to replace two 27-year-old 750-ton chillers, three cooling towers, and various smaller components of the plant, due to their age, condition, and faltering performance. The study also outlined the scope of work recommended to complete the repairs and upgrade for the compromised ice storage tanks, including additional tanks to meet our projected cooling load. At its March 2023 meeting, the board approved the proposal to update the Delta College Main Campus Chilled Water Plant in the amount of \$224,000, plus an estimated \$7,000 in reimbursable expenses, for a total cost of \$231,000. At its December 2023 meeting, the board approved the purchase for the 800 & 1000-ton chillers with the associated maintenance agreements and extended warranties in the combined dollar amount of \$1,529,000. The board also approved the proposal for the 200-ton chiller with the associated maintenance agreements and extended warranties in the combined dollar amount of \$215,000. At its January 2024 meeting, the board approved the purchase for Cooling Towers for \$716,000. At its June 2024 meeting, the board approved the proposal for the construction of the chiller plant in the amount of \$4,581,000, and a project contingency of \$640,000. The project was completed and capitalized during fiscal year 2025 at a total cost of \$7.1 million.
- At its September 2025, the board approved the purchase for the replacement of the heat exchanger in the B wing on main campus in the amount of \$180,000. This heat exchanger was original to the building and had surpassed its useful life, leading to potential inefficiencies and risks. The campus relies on several heat exchangers to convert steam to hot water for heating purposes across various buildings. This project specifically focused on replacing the heat exchanger responsible for providing hot water to the perimeter heating system (fin tube radiation) in the B Wing. The new system will ensure reliable and efficient heating, enhancing the overall comfort and energy efficiency of the building. The project was completed and capitalized during fiscal year 2025 at a total cost of \$244,000.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Capital Assets – Continued

- At its November 2023 meeting, the board approved the purchase order in the amount of \$158,000 to update and standardize the Control System Infrastructure on the main campus to kickstart the overall controls project. A phased approach had originally been planned, but due to accelerated control failure and rising costs, the decision was made to upgrade the entire system at once. At its April meeting, the board approved the purchase order in the amount of \$1,551,000 to update and standardize the Control System Infrastructure on the main campus, which included P, N, M, L, J, H, F, and S wings, the grounds maintenance building, and the Planetarium. Costs incurred through June 30, 2025 were \$1.2 million and recorded as construction in progress.
- At its January 2024 meeting, the board approved the Information Technology and Computer Science – K Wing Addition and Renovation project budget of \$6,726,000 for the construction renovation of K wing where the State of Michigan will be covering the cost of \$2,423,000 and the College would be responsible for the remaining amount of \$4,303,000. It was noted that the original cost of the project was determined in 2017. Since then, material costs have risen significantly, thus increasing Delta's portion of the total. This project budget had been previously approved but was brought before the trustees again to be transparent regarding the increase to Delta. In January of 2024, Delta College received State of Michigan Planning Authorization for the Information Technology and Computer Science – K Wing Addition and Renovation project. Delta College submitted this project for consideration through the Capital Outlay Process in October of 2022. In January 2024, the project was Authorized for Planning under Public Act 321 of 2023 and in February 2025 the project was Authorized for Construction under Public Act 121 of 2024. The State Building Authority authorized \$2,423,000 or 42.5% of the 2022 projected project cost of \$5,702,000. This project renovated Delta College's Information Technology, Computer Science, and Office Professions wing, located on the main campus. The current facilities were constructed in 1961 with only minor updates since. Although the existing building has been maintained well, many of the architectural finishes, mechanical and electrical systems were at the end of their useful life and needed to be replaced to meet the needs of the current programs and learning environments. Costs incurred through June 30, 2025 were \$1.5 million and recorded as construction in progress.
- At its November 2024 meeting, the board approved the purchase of an UHF transmitter, installation and commissioning, removal and disposition of the existing transmitter for \$656,000. This project involves decommissioning and disposing of the existing transmitter, providing and installing the new transmitter, commissioning the new transmitter, and performing a one-year from commissioning site-visit by a field engineer to confirm the transmitter operates as designed. The transmitter will be installed at the site of the station's Gilford Township location in Tuscola County, where it currently broadcasts from a 1000-foot tower. The solid state UHF transmitter will bring WDCQ-TV up to ATSC 3.0 transmission standards. This will greatly expand this market's ability to broadcast ATSC 3.0 Advanced Emergency Alert (AEA) messages in the future. Costs incurred through June 30, 2025 were \$663,000 and recorded as construction in progress.
- Various other projects having a total cost of \$599,000 as of June 30, 2025 are included in construction and progress. These projects include the Planetarium Lighting Upgrades, S-Wing Flooring, Air Compressor System Replacement, and other various projects in their early stages of construction; these projects had a total cost to date ranging from \$2,000 to \$196,000 per project.

Refer to Note 10 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, 2025

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, 2025 and 2024, there were no bonds issued or outstanding.

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, 2025, 2024, and 2023, was approximately \$673,000, \$641,000, and \$609,000 respectively. In addition, the Foundation transferred payments to the College for student scholarships and support totaling approximately \$1.8 million, \$1.5 million, and \$1.7 million for the year ended June 30, 2025, 2024, and 2023, 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, 2025, 2024, and 2023 approximated \$7.5 million, \$6.0 million, and \$5.5 million, respectively.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Delta College Foundation – Continued

The net assets of the Foundation are as follows as of June 30, 2025, 2024 and 2023, in millions:

	2025	2024	2023
Without Donor Restriction	\$ 2.9	\$ 2.9	\$ 2.6
With Donor Restriction	28.8	27.3	24.4
Total Net Assets	<u>\$ 31.7</u>	<u>\$ 30.2</u>	<u>\$ 27.0</u>

Delta College Public Media

In July of 2025, Congress voted to approve a rescission of federal funding for the CPB. As a result, CPB announced August 1, 2025, that they would begin an orderly wind-down of its operations, thus eliminating the funding of the Community Service Grants that the Stations heavily relied on. Collectively, the Stations receive funding directly or indirectly from CPB that is significant to overall operations. The College currently provides direct and indirect funding to the Stations on an annual basis. The College is currently working with the Stations' management on plans to increase revenue and reduce expenses, or reduce program offerings in order to keep the operations of a public TV and radio station for the future. If the Stations are unable to increase overall revenue or reduce expenses to meet their operating budgets, the College may need to increase overall funding to the Stations.

Economic Factors That Will Affect the Future

The U.S. economy is expected to post modest but steady growth in 2025 following a slowdown in 2024, supported by easing inflation, resilient consumer spending, and a stable labor market. Although price pressures are gradually subsiding, elevated interest rates are likely to persist through mid-2025, tempering new investment and overall economic expansion. Michigan's economy will continue to expand at a pace below the national average, reflecting the state's structural transformation from traditional manufacturing toward electric and autonomous vehicle production.

Statewide growth is projected at approximately 0.8% in 2025 and 0.7% in 2026, according to the May 2025 State Revenue Estimating Conference (CREC) and University of Michigan RSQE forecasts. The transition within the automotive sector—combined with ongoing demographic shifts and skill mismatches—will continue to challenge productivity and workforce capacity. Despite low unemployment, labor shortages remain acute in advanced manufacturing, healthcare, and information technology, which are among the state's most critical high-demand sectors. These dynamics underscore the pivotal role of Michigan's community colleges in driving workforce development, adult reskilling, and equitable access to postsecondary education.

Michigan's moderate growth trajectory continues to be shaped by key economic headwinds: higher borrowing costs, moderating consumer demand, and constrained labor supply. As industry transitions accelerate, the value of short-cycle, credential-based education rises, positioning community colleges as economic accelerators. Institutions like Delta College are increasingly vital to bridging skill gaps, retraining incumbent workers, and supporting sectoral transitions—particularly in energy, automation, healthcare, and digital systems.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Economic Factors That Will Affect the Future – Continued

Programs such as Michigan Reconnect, the Community College Guarantee, and new state tuition assistance initiatives directly address these structural labor shortages by expanding access to higher education for adults and recent high school graduates. These programs not only enhance enrollment and student opportunity but also generate long-term economic returns through higher labor participation and earnings growth. For Michigan, the fiscal impact of these programs extends beyond education access—they form part of the state's broader workforce competitiveness strategy, aligning human capital development with the emerging industrial base.

Delta College's financial outlook remains closely tied to the economic performance and fiscal health of Bay, Saginaw, and Midland Counties, as well as the broader State of Michigan budget environment. While state appropriations experienced moderate gains between 2022 and 2024, funding growth is at approximately 2.1% in FY 2025 for Delta College, reflecting stabilization in both the General Fund and School Aid Fund (SAF).

CREC projections for FY 2025 and FY 2026 anticipate steady income, sales, and education tax revenues, which collectively represent more than 80 percent of SAF resources. Although SAF collections are slightly below earlier estimates, overall revenues continue to trend upward year-over-year due to stable consumer spending and sustained employment. These factors will help maintain predictable—but limited—growth in community college appropriations.

At the local level, equalized property valuations across Delta's tri-county service area have continued to rise following strong increases in 2024. Valuation growth is expected to be moderate in 2025, providing a stable property tax base and a consistent source of local revenue for Delta College's operating and capital funds. Inflation, while easing from 2023 peaks, continues to exert pressure on institutional budgets, capital projects, and compensation costs. Price stability is expected to improve gradually through 2025, but supply chain disruptions and higher interest rates remain cost considerations for major procurement and construction.

Student enrollment remains the single most significant driver of Delta College's financial performance. Although competition across higher education sectors continues to intensify, the College has advanced strategic recruitment, retention, and student-support initiatives to sustain growth and improve persistence. Dual Enrollment partnerships and expanded outreach across the tri-county region have strengthened the enrollment pipeline and reinforced community connections.

In FY 2025, total contact hours are projected at approximately 194,000—11.5% above budgeted levels, reflecting improved retention, increased adult learner participation through Reconnect, and the expansion of early-college pathways. The FY 2025-26 budget establishes a target of 185,000 contact hours, aligning with a conservative yet attainable enrollment strategy that supports sustainable growth.

From an economic perspective, these enrollment gains contribute directly to regional workforce capacity and aggregate income growth. Adult learners supported through Michigan Reconnect represent a critical economic segment—individuals re-entering the labor force with updated skills in fields such as advanced manufacturing, logistics, and healthcare.

Delta College maintains a disciplined, long-term financial approach that prioritizes stability and reinvestment. Through consistent allocation of annual General Fund surpluses to the Plant Fund, the College sustains a self-funded model for facility renewal and capital improvements, minimizing external borrowing and exposure to interest-rate volatility. This approach has preserved institutional flexibility and reduced fiscal risk during periods of economic uncertainty.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2025

Economic Factors That Will Affect the Future – Continued

The College continues to align its fiscal strategy with strategic priorities that advance student success, workforce readiness, and technological modernization. Investments in academic equipment, IT infrastructure, and digital learning environments strengthen instructional quality and ensure Delta College remains responsive to the region's economic evolution.

Looking ahead, Delta College will continue to serve as an anchor institution for the Great Lakes Bay Region, fostering economic mobility through accessible, innovative, and workforce-aligned education. The College's financial discipline, coupled with strong partnerships across industry and government, positions it to adapt effectively to changing economic and policy environments.

Our objective remains clear: to strengthen Delta College's role as a national model for community college innovation, fiscal stewardship, and economic impact. By aligning institutional resources with Michigan's evolving labor market and maintaining a forward-looking investment strategy, the College will continue to deliver long-term value to students, employers, and the region it proudly serves.

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, 2025 and 2024, 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, 2025 and 2024, 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 Opinions

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.

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 opinions 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 29, 2025, 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 29, 2025

Statements of Net Position
Delta College

	June 30,	
	2025	2024
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 17,563,953	\$ 32,219,805
Short-term investments (Note 2)	66,473,077	41,772,625
Property taxes receivable	30,153	24,630
State appropriations receivable (Note 4)	3,981,231	4,427,181
Federal and state grants receivable	3,391,484	2,060,158
Accounts receivable, net of allowance of \$2,146,605 in 2025 and \$2,048,357 in 2024	819,913	438,775
Inventories	918,965	715,099
Prepaid expenses and other assets	2,203,707	1,383,446
Total Current Assets	95,382,483	83,041,719
Long-Term Investments (Note 2)	32,022,985	38,005,261
Long-Term Accounts Receivable	385,012	483,125
Beneficial Interest in Endowments Held by the Foundation (Note 2)	7,458,919	5,984,997
Net OPEB Asset (Note 5)	12,963,349	1,724,651
Capital Assets (Note 3)	117,683,374	109,674,058
Total Assets	265,896,122	238,913,811
Deferred Outflows of Resources (Note 5)	23,782,474	32,447,183
Liabilities		
Current Liabilities		
Accounts payable	3,415,412	2,162,226
Accrued payroll and other compensation	5,988,810	6,263,444
Unearned revenue	1,985,029	2,234,701
Subscription-based information technology arrangements (Note 3)	726,812	974,240
Total Current Liabilities	12,116,063	11,634,611
Non-Current Liabilities		
Long-term subscription-based information technology arrangements (Note 3)	2,331,891	312,791
Net pension liability (Note 5)	72,535,006	96,274,078
Total Non-Current Liabilities	74,866,897	96,586,869
Total Liabilities	86,982,960	108,221,480
Deferred Inflows of Resources (Note 5 and 6)	45,897,441	37,850,902
Net Position		
Net investment in capital assets	114,624,671	108,387,027
Restricted for:		
pendable scholarships and awards	2,212,053	2,080,763
Expendable department uses	784,065	845,389
Instructional development activities	6,045,819	6,303,319
Public broadcast	12,963,349	-
OPEB asset	622,606	526,107
Other restricted (Notes 4)	19,545,632	7,146,007
Total Net Position	\$ 156,798,195	\$ 163,288,602

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,	
	2025	2024
Operating Revenue		
Tuition and fees, net of scholarship allowance of \$13,293,082 in 2025 and \$8,141,865 in 2024	\$ 22,968,077	\$ 23,250,995
Federal grants and contracts	7,482,720	4,193,853
State grants and contracts	456,969	728,613
Local and nongovernmental grants and contracts	1,185,954	1,066,993
Michigan New Jobs Training Program	567,405	336,536
Public broadcasting gifts	834,503	830,221
Auxiliary activities, net of scholarship allowance of \$1,489,610 in 2025 and \$942,200 in 2024	3,232,424	3,454,940
Miscellaneous	1,063,050	
Total Operating Revenue	37,791,102	34,900,209
Operating Expenses		
Instruction	34,685,693	35,468,735
Public services	4,451,429	3,173,380
Information technology	3,749,635	3,982,942
Instructional support	5,972,485	5,803,445
Student services	21,938,959	20,117,958
Institutional administration	7,610,250	8,179,205
Operation and maintenance of facilities	7,184,469	8,332,903
Depreciation and amortization	7,666,672	
Total Operating Expenses	92,636,630	91,926,630
Operating Loss	(54,845,528)	(57,026,421)
Nonoperating Revenue (Expenses)		
State appropriations	30,011,683	29,888,769
Property tax levy	28,464,946	26,481,887
Pell federal grant revenue	19,218,129	13,964,272
Gifts	6,888,062	649,473
Higher Education Emergency Relief Fund	1,784,599	
Investment income, net of investment expense of \$200,657 in 2025 and \$205,364 in 2024	-	229,300
Interest expense on subscription assets	6,523,560	6,137,054
Loss on disposition of capital assets	(295,536)	(113,951)
	(127,727)	
Net Nonoperating Revenue (Expenses)	85,579,654	
Net Income Before Other Revenue	30,734,126	20,060,155
Other Revenue		
Capital gifts and grants	80,759	40,025
Federal capital grants	694,698	
Total Other Revenue	775,457	
Increase in Net Position	(150,228)	20,100,180
Net Position - Beginning of Year	125,288,612	105,188,432
Net Position - End of Year	\$ 156,798,195	\$ 125,288,612

The accompanying notes are an integral part of these statements.

Statements of Cash Flows
Delta College

	Year Ended June 30,	
	2025	2024
Cash Flows from Operating Activities		
Tuition and fees	\$ 22,491,063	\$ 22,837,879
Grants and contracts	7,650,984	6,020,857
Michigan New Jobs Training Program	567,405	336,536
Public broadcasting gifts	837,108	827,016
Payments to suppliers	(59,803,381)	(56,549,162)
Payments to employees	(43,501,154)	(40,904,491)
Auxiliary enterprise charges	3,301,979	3,394,704
Other	976,686	
Net Cash Used In Operating Activities	(67,479,310)	(63,072,431)
Cash Flows from Noncapital Financing Activities		
State appropriations	30,457,633	29,464,866
Local property taxes	28,459,423	26,515,662
Pell federal grant revenue	19,117,733	13,983,878
Higher Education Emergency Relief Fund revenue	-	863,160
Gifts and contributions for other than capital purposes	1,784,599	649,473
Custodial fund transactions	964,730	
	18,337	
Net Cash Provided by Noncapital Financing Activities	79,835,725	71,414,656
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital gifts, grants and appropriations	775,457	40,025
Purchase of capital assets	(13,986,824)	(3,367,532)
Proceeds from disposition of capital assets	4,600	
Net Cash Used in Capital and Related Financing Activities	(13,206,767)	(3,319,432)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	87,648,499	72,993,493
Investment income	2,282,986	2,852,911
Purchase of investments	(103,736,985)	
Net Cash Used In Investing Activities	(13,805,500)	
Net Decrease in Cash and Cash Equivalents	(14,655,852)	(3,176,447)
Cash and Cash Equivalents - Beginning of Year	32,219,805	
Cash and Cash Equivalents - End of Year	\$ 17,563,953	\$

The accompanying notes are an integral part of these statements.

(84,045,644)

(8,199,240)

Statements of Cash Flows - Continued
Delta College

	Year Ended June 30,	
	2025	2024
Reconciliation of Operating Loss to		
Net Cash Used in Operating Activities:		
Operating loss	\$ (54,845,528)	\$ (57,026,421)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	7,666,672	6,868,062
Allowance for uncollectible accounts	98,248	729,103
(Increase) decrease in assets:		
Federal and state grants receivable	(1,230,930)	(313,399)
Accounts receivable	(381,273)	(642,708)
Inventories	(203,866)	(10,073)
Prepaid expenses and other assets	(683,299)	35,393
Net OPEB asset	(11,238,698)	(8,238,440)
Decrease in deferred outflows of resources	8,664,709	9,033,043
Increase (decrease) in liabilities:		
Accounts payable	891,494	(875,871)
Accrued payroll and other compensation	(274,634)	239,870
Unearned revenue	(249,672)	565,236
Net pension and OPEB liability	(23,739,072)	(17,976,085)
Increase in deferred inflows of resources	8,046,539	4,539,859
Net Cash Used In Operating Activities	\$ (67,479,310)	\$

The accompanying notes are an integral part of these statements.

(63,072,431)

Statements of Financial Position
Delta College Foundation

	June 30,	
	2025	2024
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 1,854,685	\$ 1,867,233
Pledges receivable	125,287	108,665
Prepaid expenses and other assets	106,847	
Total Current Assets	2,086,819	2,069,739
Long-Term Investments (Note 2)	36,803,958	33,808,602
Long-Term Pledges Receivable	335,141	
Total Assets	<u>\$ 39,225,918</u>	<u>\$</u>
Liabilities and Net Assets		
Current Liabilities	93,841	
Accounts payable	\$ 44,469	\$ 46,043
Unearned revenue	29,900	
Total Current Liabilities	<u>342,359</u>	69,169
Funds Held as Agency Endowments (Note 2)	<u>36,220,495</u>	5,984,997
Total Liabilities	<u>7,533,288</u>	<u>6,054,166</u>
Net Assets		
Without donor restrictions	2,916,265	2,853,807
With donor restrictions (Note 13)	28,776,365	
Total Net Assets	<u>31,692,630</u>	<u>30,166,329</u>
Total Liabilities and Net Assets	<u>\$ 39,225,918</u>	<u>\$</u>

The accompanying notes are an integral part of these statements.

27,312,522

36,220,495

Statements of Activities
Delta College Foundation

	Year Ended June 30,	
	2025	2024
Revenues and Other Support		
Contributions	\$ 2,839,178	\$ 2,121,456
Nonfinancial assets	157,516	71,377
Support services/facility use from Delta College	673,297	641,016
Special events, net of expenses	47,254	51,004
Investment return, net	<u>3,123,722</u>	<u>4,066,586</u>
	6,840,967	6,951,439
Less: Change in funds held as agency endowments	(1,473,922)	(519,600)
Less: Amount raised on behalf of others	<u>(834,503)</u>	<u>(830,221)</u>
Total Revenues and Other Support	4,532,542	5,601,618
Expenses and Other Deductions		
Program:		
Endowment distributions	1,072,075	816,320
Grants and distributions to or for Delta College	767,692	705,102
Fundraising	212,865	104,754
Management and general	280,312	162,234
Total support services from Delta College	<u>673,297</u>	<u>641,016</u>
Total Expenses and Other Deductions	<u>3,006,241</u>	<u>2,429,426</u>
Change in Net Assets	1,526,301	3,172,192
Net Assets - Beginning of Year	<u>30,166,329</u>	<u>26,994,137</u>
Net Assets - End of Year	<u>\$ 31,692,630</u>	<u>\$</u>

The accompanying notes are an integral part of these statements.

30,166,329

Notes to Financial Statements
Delta College
June 30, 2025

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:

Change in Accounting Estimate

Effective for the year ended June 30, 2025, the College revised its methodology for estimating the scholarship allowance for student tuition and fees and auxiliary activities. This change was prompted by an updated analysis of historical data regarding student payment patterns and external financial aid awards, leading to a more precise estimation of the ultimate transaction price. The new method uses data at the more granular student level as compared to an aggregated approach used in the past. The College believes this updated method provides a more accurate representation of the practices surrounding the awarding of aid at the College. This is considered a change in accounting estimate, and as required by GAAP, it has been applied prospectively. The effect of this change was an approximate increase in the scholarship allowance of \$1.2 million, resulting in decrease in net tuition and fees revenue of \$1.0 million, a decrease in auxiliary activities revenue of \$200,000, and a decrease in student services and student aid expenses of \$1.2 million, for the year ended June 30, 2025. The prior year's financial statements have not been restated.

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, 2025

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, international equities, and alternative investments. 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. Alternative investments use the Net Asset Value (NAV) to determine the fair value of all the underlying investments which do not have a readily determinable fair value and prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Private equity partnerships are accounted for on the equity method and are based on information provided by the general partner; management also takes into consideration the audited financial information and K-1 capital account balances to determine overall reasonableness of the recorded value. Management believes that the equity method represents the best estimate of the partnerships' fair values. Audited information is only available annually, based on each partnership's year-end. Because of the inherent uncertainty of valuations, values may differ from the values that would have been used had a ready market existed.

There have been no changes in valuation techniques used that have a significant impact on the results for the year ending June 30, 2025 or 2024. Refer to Note 2 for fair value classification balances for these various types of investments held by the College and Foundation as of June 30, 2025 and 2024.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 1. Significant Accounting Policies – Continued

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.

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

It is the College's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued in the financial statements when it is earned. The College does not have a policy to pay any accumulated sick time amounts when employees separate from service with the College; therefore, the College estimates how much of the accumulated leave is more likely than not to be used as paid leave. Based on this calculation, the College has not reported a liability related to accumulated unused sick benefits.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 1. Significant Accounting Policies – Continued

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.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position 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 5 and Note 6.

Unrestricted Net Position

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

	2025	2024
Designated for Workforce Strategies activities	\$ 2,334,948	\$ 2,160,464
Designated for future capital outlay	59,391,423	54,566,775
Other designated fund activities	28,837,416	28,648,676
Designated as endowments	7,458,919	5,984,997
MPERS pension liability and MPERS deferred outflow and inflow of resources	(94,233,599)	(99,432,771)
Unrestricted and unallocated	15,756,525	15,217,866
Total Unrestricted Net Position	\$ 19,545,632	\$ 7,146,007

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 1. Significant Accounting Policies – Continued

Revenue Recognition

State appropriations for operations are recognized as revenue on a proportionate basis over the period for which they are appropriated (see Note 4). 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, 2025, and 2024, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately \$933,000 and \$932,000, respectively. Additionally, advance payments approximating \$105,000 for the fall 2025 semester and approximately \$165,000 for the fall 2024 semester were received before June 30, 2025 and 2024, respectively, and recorded as unearned revenue.

Internal Service Activities

Revenue and expenses related to internal service activities approximating \$637,000 and \$616,000 for 2025 and 2024, 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.

Reclassification

Certain 2024 amounts have been reclassified to correspond to the current year presentation.

Note 2. 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 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:

	2025	2024
Cash and cash equivalents	\$ 17,563,953	\$ 32,219,805
Short-term investments	66,473,077	41,772,625
Long-term investments	32,022,985	38,005,261
Beneficial interest in endowments held by the Foundation	7,458,919	5,984,997
Total	<u>\$ 123,518,934</u>	<u>\$ 117,982,688</u>

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 2. 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 – Continued

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

	2025	2024
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 19,259,651	\$ 32,622,739
Investments in securities and similar instruments	96,755,407	79,330,295
Petty cash and cash on hand	44,957	44,657
Beneficial interest in endowments held by the Foundation	7,458,919	5,984,997
Total	<u>\$ 123,518,934</u>	<u>\$ 117,982,688</u>

Bank Deposits – The above bank deposits at June 30, 2025 and 2024 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$30,683,940 and \$32,947,319, respectively. Of these bank deposits at June 30, 2025 and 2024, approximately \$5,800,000 and \$5,600,000, respectively, was covered by federal depository insurance, and the remainder was uninsured and uncollateralized. The College believes that due to the dollar amounts of cash deposits and the limits of the Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all bank deposits. As a result, the College evaluates each financial institution within which it deposits College funds and assesses the level of risk of each. Only those institutions with an acceptable estimated risk level are used as depositories.

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.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 2. 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 – Continued

Investments – continued

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the organization’s investment in a single issuer. The College does not have a 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. 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, 2025 and 2024.

Investment Composition – The following table presents the investments and maturities that the College held at June 30, 2025 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, 2025:					
Certificates of Deposit	N/A	\$ 3,548,992	\$ 3,548,992	\$ -	\$ -
Commercial Paper	A1+/P1 to A2/P2	37,089,101	37,089,101	-	-
Collateralized					
Mortgage Obligations	Aa	1,857,931	25,303	1,193,144	639,484
U.S. Treasury Bills	Aa	237,466	237,466	-	-
U.S. Treasury Notes	Aaa	46,313,707	16,123,348	30,190,359	-
Total Investments		\$ 89,047,197	\$ 57,024,210	\$ 31,383,503	\$ 639,484

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 2. 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 – Continued

Investments – continued

Investment Composition – continued – The following table presents the investments and maturities that the College held at June 30, 2024 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

Beneficial Interest in Endowments Held by the Foundation – The College has a beneficial interest in endowments held by the Foundation of \$7,458,919 at June 30, 2025 and \$5,984,997 at June 30, 2024. 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:

	2025	2024
Endowment balance at beginning of year	\$ 5,984,997	\$ 5,465,397
Contributions and transfers	1,140,108	106,363
Investment earnings	659,564	735,219
Distributions	(225,629)	(224,379)
Investment and administrative fees	(100,121)	(97,603)
Endowment balance at end of year	<u>\$ 7,458,919</u>	<u>\$ 5,984,997</u>

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 2. 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

Bank Deposits – The Foundation’s cash and cash equivalents were \$1,854,685 at June 30, 2025 and \$1,867,233 at June 30, 2024. The Foundation’s bank deposits at June 30, 2025 and 2024 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$1,233,287 and \$1,341,384, respectively. Of these bank deposits at June 30, 2025 and 2024, approximately \$250,000 and \$500,000, 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.

The Delta College Foundation Endowment Fund Investment and Distribution Policy (Policy) limits investment of The Fund monies to the following instruments: bonds, notes or treasury bills of the United States or its agencies; corporate bonds rated investment grade by Moody’s Investors Service, Inc. or Standard & Poor’s Corporation; certificates of deposit of institutions which are members of the FDIC; commercial paper rated A1 by Moody’s Investors Service, Inc. and/or P1 by Standard & Poor’s Corporation; certain bankers acceptances; common stock traded on a major stock exchange; international equity investments and American Depositary Receipts (ADR’s); mutual funds; convertible securities, bonds and preferred stocks; and alternative investments made using mutual funds, exchange traded funds or separately managed accounts to ensure that daily valuations and liquidity are maintained. Alternative investments may not exceed 30% of the total fund measured by market value. The fixed income portfolio shall maintain a weighted average quality of investment grade, with no more than 15% of the portfolio invested in unrated and/or below investment grade securities. Additionally, all investments in The Fund must have a readily ascertainable market value and must be readily marketable.

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 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, 2025 and 2024, the Fund did not hold any securities of any one issuer in excess of these limits.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 2. 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 – Continued

Investments – continued

Custodial Credit Risk – The 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 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.

Investment Composition – At June 30, 2025 and 2024, 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, 2025:						
Corporate Bonds	AAA to BBB	\$ 3,785,303	\$ 285,378	\$ 1,865,435	\$ 1,334,617	\$ 299,873
Corporate Convertible Bonds *	A to BBB-	1,837,630	888,424	750,834	198,372	-
Corporate Convertible Bonds *	Unrated	609,734	251,696	358,038	-	-
Municipal Bonds	AAA to A-	1,512,458	-	114,282	339,201	1,058,975
Municipal Bonds	Unrated	40,548	-	-	40,548	-
Government & Agency Bonds	AAA to AA+	3,292,087	-	1,237,402	762,766	1,291,919
Government & Agency Bonds	Unrated	387,699	-	-	33,054	354,645
		11,465,459	\$ 1,425,498	\$ 4,325,991	\$ 2,708,558	\$ 3,005,412
Bond Funds	N/A	1,801,796				
Preferred Stock	N/A	419,536				
Equities	N/A	16,155,900				
International Equities	N/A	4,961,267				
Alternative Investments	N/A	2,000,000				
Total Investments		\$ 36,803,958				

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

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 2. 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 – 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, 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		\$ 33,808,602				

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

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 2. 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 fair value of assets measured on a recurring basis at June 30, 2025 and 2024 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, 2025:				
College Investments	\$ 89,047,197	\$ -	\$ 89,047,197	\$ -
College Beneficial Interest in Endowments Held by the Foundation	7,458,919	-	-	7,458,919
Foundation Investments:				
Equities	21,117,167	21,117,167	-	-
Bond funds	13,267,255	-	13,267,255	-
Preferred stock	419,536	-	419,536	-
Total investments by fair value	131,310,074	\$ 21,117,167	\$ 102,733,988	\$ 7,458,919
Alternative investments	2,000,000			
	<u>\$ 133,310,074</u>			
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	\$ 122,047,185	\$ 21,124,610	\$ 94,937,578	\$ 5,984,997

Included in the Foundation investment composition and fair value measurement tables above is \$7,458,919 and \$5,984,997, as of June 30, 2025 and 2024, 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, 2025

Note 3. 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, 2025 and 2024:

	Estimated Useful Life	Beginning Balance	Additions/ Depreciation and Amortization	Deletions	Ending Balance
June 30, 2025:					
Depreciable and Amortizable Capital Assets:					
Buildings	40 years	\$ 151,873,403	\$ 8,589,242	\$ 339,298	\$ 160,123,347
Land improvements	20-40 years	11,985,873	-	-	11,985,873
Infrastructure	20-25 years	13,896,982	250,638	-	14,147,620
Furniture and equipment	5-20 years	22,171,115	1,373,756	533,946	23,010,925
SBITAs	2-5 years	3,186,310	2,900,811	2,478,911	3,608,210
Non-depreciable Capital Assets:					
Construction in progress		1,349,132	11,452,423	8,839,880	3,961,675
Land		1,421,401	81,325	-	1,502,726
Fine art collection		390,325	-	-	390,325
Total Capital Assets		206,274,541	24,648,195	12,192,035	218,730,701
Less Accumulated Depreciation and Amortization:					
Buildings		61,183,220	4,201,076	245,458	65,138,838
Land improvements		7,376,367	515,656	-	7,892,023
Infrastructure		9,659,422	474,215	-	10,133,637
Furniture and equipment		16,379,805	1,042,818	495,459	16,927,164
SBITAs		2,001,669	1,432,907	2,478,911	955,665
Total Accumulated Depreciation and Amortization		96,600,483	\$ 7,666,672	\$ 3,219,828	101,047,327
Capital Assets, Net		<u>\$ 109,674,058</u>			<u>\$ 117,683,374</u>

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 3. Capital Assets and Subscription-based Information Technology Arrangements – Continued

	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		<u>\$ 113,703,339</u>			<u>\$ 109,674,058</u>

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 \$6.1 million, \$3.4 million, and \$3.1 million, respectively, as of June 30, 2025 and approximately \$3.2 million, \$2.0 million, and \$1.3 million, respectively, as of June 30, 2024.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 3. Capital Assets and Subscription-based Information Technology Arrangements – Continued

Payments on the SBITAs for years succeeding June 30, 2025 are summarized as follows:

2026	\$ 959,054
2027	763,735
2028	639,489
2029	671,464
2030	705,037
Total minimum payments	<u>3,738,779</u>
Less amount representing interest	<u>(680,076)</u>
Present value as of June 30, 2025	<u>\$ 3,058,703</u>

Note 4. 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, 2025 and 2024, respectively, state operating appropriation revenue totaled \$30.0 million and \$29.9 million. The \$30.0 million and \$29.9 million respective balances consist of the following: \$16.6 million and \$15.9 million in base appropriations, \$240,000 and \$754,000 performance funding, \$3.6 million and \$1.9 million MPSERS contributions offsets, Unfunded Actuarial Accrued Liability (UAAL) MPSERS pass through of \$5.8 million and \$8.1 million, and personal property tax (PPT) loss reimbursements of \$3.2 million and \$3.2 million. In addition, the College received an appropriation of \$25,000 and \$48,000 for Indian Tuition Waiver for the respective years, and \$10,000 and \$9,000 was received from the State for Renaissance Zone property tax reimbursement. The College also received \$377,000 of MPSERS Employee Healthcare Reimbursement for the year ended June 30, 2025 that was used to reimburse staff who had previously contributed to the health plan. Lastly, the College received \$160,000 of additional MPSERS one time deposit for the year ended June 30, 2025.

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, 2025 and 2024, respectively, are \$4.0 million and \$4.4 million, and includes \$624,000 and \$1.0 million, respectively, to be passed through to MPSERS for the UAAL Stabilization payment.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 5. Retirement Plans

MPSERS Defined Pension and Other Postemployment Benefit Plans

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

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

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

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

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.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 5. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

Benefits – continued – 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.

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, 2023 valuation will be amortized over a 15-year period ending September 30, 2038.

Required contributions to the pension plan from the College were \$12.4 million and \$10.7 million for the years ending June 30, 2025 and 2024, respectively. Required contributions to the OPEB plan from the College were \$2.5 million and \$2.4 million for the years ending June 30, 2025 and 2024, respectively.

Following are the employee and employer contribution rates associated with the MPSERS system for the year ended September 30, 2024:

Benefit Structure	Pension Contribution Rates		Benefit Structure	OPEB Contribution Rates	
	Member	Non-University Employer		Member	Non-University Employer
Basic	0.0 – 4.0%	23.03%	Premium Subsidy	3.0%	8.31%
Member Investment Plan	3.0 – 7.0%	23.03%	PHF	0.0%	7.06%
Pension Plus	3.0 – 6.4%	19.17%			
Pension Plus 2	6.2%	20.10%			
Defined Contribution	0.0%	13.90%			

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 5. 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	
	2024	2023	2024	2023
Total liability	\$ 95,765,499,515	\$ 94,947,828,557	\$ 9,991,545,923	\$ 11,223,648,949
Plan fiduciary net position	(71,283,482,728)	(62,581,762,238)	(14,295,943,589)	(11,789,347,341)
Net liability (asset)	\$ 24,482,016,787	\$ 32,366,066,319	\$ (4,304,397,666)	\$ (565,698,392)
Plan fiduciary net position as a percentage of total liability	74.44%	65.91%	143.08%	105.04%
Net liability (asset) as a percentage of covered employee payroll	227.56%	320.51%	(40.01)%	(5.60)%

Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense – At June 30, 2025 and 2024, respectively, the College reported a liability of \$72.5 million and \$96.3 million for its proportionate share of the net pension liability of MPSERS. At June 30, 2025 and 2024, respectively, the College reported an asset of \$13.0 million and \$1.7 million for its proportionate share of the net OPEB liability of MPSERS. The 2025 net pension and OPEB liability was measured as of September 30, 2024, and the total liability used to calculate the net pension liability and OPEB asset was determined by an actuarial valuation rolled forward from September 30, 2023. The College’s portion of the 2025 and 2024 net pension liability and OPEB asset 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, 2024, the College’s pension proportionate share was .29628%, a decrease of .00117% from its proportionate share measured as of September 30, 2023, which was .29745%. At September 30, 2024, the College’s OPEB proportionate share was .30117%, a decrease of .00370% from its proportionate share measured as of September 30, 2023, which was .30487%.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 5. 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, 2025 and 2024, respectively, the College recognized MPSERS pension expense of \$2.6 million and \$7.9 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS pension from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,967,926	\$ 788,103	\$ 3,039,079	\$ 147,477
Net difference between projected and actual earnings on pension plan investments	-	13,842,754	-	1,970,079
Changes of assumptions	7,562,204	5,314,522	13,045,576	7,521,782
Changes in proportion and differences between College contributions and proportionate share of contributions	-	3,746,725	-	6,692,445
College contributions subsequent to the measurement date	11,163,226	-	10,649,201	-
Rate stabilization appropriations received after the measurement date	-	4,193,857	-	5,767,929
Total	\$ 20,693,356	\$ 27,885,961	\$ 26,733,856	\$ 22,099,712

For the years ended June 30, 2025 and 2024, respectively, the College recognized MPSERS OPEB revenue of \$5.4 million and \$3.8 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,737,191	\$ -	\$ 13,032,353
Net difference between projected and actual earnings on OPEB plan investments	-	2,454,111	5,258	-
Changes of assumptions	2,831,382	325,444	3,839,375	462,333
Changes in proportion and differences between College contributions and proportionate share of contributions	80,805	1,078,360	20,991	1,736,129
College contributions subsequent to the measurement date	176,931	-	1,847,703	-
Total	\$ 3,089,118	\$ 17,595,106	\$ 5,713,327	\$ 15,230,815

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 5. 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 \$11.2 million and \$10.6 million, respectively, as of June 30, 2025 and 2024 and \$.2 million and \$1.8 million of contributions subsequent to the measurement date related to OPEB as of June 30, 2025 and 2024. 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
2026	\$ (4,496,985)	\$ (5,031,201)
2027	(607,337)	(2,908,351)
2028	(5,415,650)	(2,745,035)
2029	(3,642,002)	(2,431,760)
2030	-	(1,319,591)
Thereafter	-	(246,981)
Total	<u>\$ (14,161,974)</u>	<u>\$ (14,682,919)</u>

Rate of Return, Discount Rate and Long-term Expected Rate of Return – The discount rate used to measure the total pension liability and OPEB asset was 6.00% for the September 30, 2024 and 2023 valuation year, and was based on the long-term expected rate of return on pension plan and OPEB investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan 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 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 liability and OPEB asset.

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension plan and OPEB investment, net of pension and OPEB plan investment expense, was 15.47% and 15.45% 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, 2025

Note 5. 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, 2024 are summarized in the following table:

Investment Category	Target Allocation	Pension Plan Long-term Expected Real Rate of Return	OPEB Plan Long-term Expected Real Rate of Return
Domestic Equity Pools	25.0%	5.3%	5.3%
Private Equity Pools	16.0	9.0	9.0
International Equity Pools	15.0	6.5	6.5
Fixed Income Pools	13.0	2.2	2.0
Real Estate and Infrastructure Pools	10.0	7.1	7.1
Absolute Return Pools	9.0	5.2	5.2
Real Return/Opportunistic Pools	10.0	6.9	6.9
Short-Term Investment Pools	2.0	1.4	1.4
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, 2025 and 2024, 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, 2025	\$ 106,337,098	\$ 72,535,006	\$ 44,388,261
June 30, 2024	\$ 130,065,997	\$ 96,274,078	\$ 68,141,083

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 5. 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 asset, calculated using the discount rate of 6.00% for June 30, 2025 and 2024, and current healthcare cost trend rate, as well as what the College’s proportionate share of the net OPEB asset 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 Asset at 1.0% Decrease (5.00%)	Net OPEB Asset at Current Rate (6.00%)	Net OPEB Asset at 1.0% Increase (7.00%)	Net OPEB Asset at 1.0% Decrease (5.25%-6.50%)	Net OPEB Asset at Current Rate (6.25%-7.50%)	Net OPEB Asset at 1.0% Increase (7.25%-8.50%)
June 30, 2025	\$ (10,018,183)	\$ (12,963,349)	\$ (15,509,756)	\$ (15,509,784)	\$ (12,963,349)	\$ (10,232,311)
June 30, 2024	\$ 1,787,946	\$ (1,724,651)	\$ (4,743,384)	\$ (4,750,911)	\$ (1,724,651)	\$ 1,550,753

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 rate. 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, 2025

Note 5. 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, 2023 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%, net of investment expenses
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: 7.25% year 1 graded to 3.50% year 15 Post-65: 6.50% year 1 graded to 3.50% year 15
Mortality basis	Retirees: PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% 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, 2024 is based on the results of an actuarial valuation date of September 30, 2023, 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 4.4612 years for the pension plan and 6.2834 years for the OPEB plan and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2024 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, 2025 and 2024, the College reported \$1,410,000 and \$2,026,000, 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, 2025

Note 5. 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, 2025 and 2024, compensation covered under the ORP approximated \$8.5 million, which resulted in contributions by the College of approximately \$845,000 and \$815,000 for the years ended June 30, 2025 and 2024, respectively.

Note 6. 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 \$129,000 for the year ended June 30, 2025 and \$158,000 for the year ended June 30, 2024. The College reported a lease receivable of \$486,000 and \$595,000 as of June 30, 2025 and 2024, respectively, and a deferred inflow of resources of \$416,000 and \$520,000 as of June 30, 2025 and 2024, respectively.

Note 7. 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 8. 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, 2025

Note 9. 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 10. Capital Construction Projects

Delta College Planetarium – The Board approved a \$445,000 project at its August 2022 meeting to replace the Planetarium's chiller system that was 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 through 2025 and an additional \$612,000 of costs were incurred. The asset was capitalized during fiscal year 2025 at a total cost of \$666,000.

Main Campus Lighting – At its August 2025 meeting, the board approved the purchase in the amount of \$296,000 to BTE Electric for the replacement of lighting on the Delta College main campus in the N, G, P and S wings. The existing fixtures were old fluorescent fixtures that had been previously updated with LED lamps. The LED lamps were failing due to compatibility issues with the fixtures. The lighting controls for these areas were antiquated and not appropriate for modern LED technology and some lamp types are now obsolete. The new lighting will be more energy-efficient, with a longer lifespan and lower maintenance requirements. This project involved the modernization of the lighting in several areas: (N005) Red Brix Commons area, (G160) Lecture Theater first and second floor, (P120 & P121) Fitness & Recreation Center first floor weight and cardio rooms, and (S105) Lecture Classroom. The project was capitalized during fiscal year 2025 at a total cost of \$302,000.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 10. Capital Construction Projects – Continued

Hotchkiss Drive Lighting – At its April 2023 meeting, the board approved the bid from Nuechterlein Electric in the amount of \$219,000 for the replacement of roadway lights, poles, bases, and power feed along Hotchkiss Drive. The existing light poles and fixtures along the roadway were installed in 1971 and had surpassed their useful life. They were the last of the older style metal halide lights that had been systematically replaced with LED's on campus. They were prone to repeated malfunction and failure, and in constant need of repair. The existing power feed was direct burial cable that had been repaired by splicing, but was also failing due to age. The new poles and fixtures now give a cohesive look to all the roadway lighting on campus, as well as reduce energy use while increasing nighttime visibility. The project was capitalized during fiscal year 2025 at a total cost of \$221,000.

Chiller Plant Renovation – Delta College Facilities Management contracted with MacMillan Associates Consulting Engineers in 2021 to perform an analysis of the College's current chilled water plant. The study culminated with recommendations to replace two 27-year-old 750-ton chillers, three cooling towers, and various smaller components of the plant, due to their age, condition, and faltering performance. The study also outlined the scope of work recommended to complete the repairs and upgrade for the compromised ice storage tanks, including additional tanks to meet our projected cooling load. At its March 2023 meeting, the board approved the proposal from Peter Basso Associates to provide Structural, Mechanical, and Electrical Engineering and Architectural services to update the Delta College Main Campus Chilled Water Plant in the amount of \$224,000, plus an estimated \$7,000 in reimbursable expenses, for a total cost of \$231,000. At its December 2023 meeting, the board approved the purchase from Trane Corporation for the 800 & 1000-ton chillers with the associated maintenance agreements and extended warranties in the combined dollar amount of \$1,529,000. The board also approved the proposal from ThermalNetics for the 200-ton chiller with the associated maintenance agreements and extended warranties in the combined dollar amount of \$215,000. At its January 2024 meeting, the board approved the purchase from R.L. Deppmann Co. for Cooling Towers for \$716,000. At its June 2024 meeting, the board approved the proposal from John E. Green Company for the construction of the chiller plant in the amount of \$4,581,000, and a project contingency of \$640,000. The project was completed and capitalized during fiscal year 2025 at a total cost of \$7.1 million.

B Wing Heat Exchanger – At its September 2025, the board approved the purchase for the replacement of the heat exchanger in the B wing on main campus in the amount of \$180,000 to Goyette Mechanical. This heat exchanger was original to the building and had surpassed its useful life, leading to potential inefficiencies and risks. The campus relies on several heat exchangers to convert steam to hot water for heating purposes across various buildings. This project specifically focused on replacing the heat exchanger responsible for providing hot water to the perimeter heating system (fin tube radiation) in the B Wing. The new system will ensure reliable and efficient heating, enhancing the overall comfort and energy efficiency of the building. The project was completed and capitalized during fiscal year 2025 at a total cost of \$244,000.

Controls Upgrade – At its November 2023 meeting, the board approved the purchase order in the amount of \$158,000 to Trane to update and standardize the Control System Infrastructure on the main campus to kickstart the overall controls project. A phased approach had originally been planned, but due to accelerated control failure and rising costs, the decision was made to upgrade the entire system at once. At its April meeting, the board approved the purchase order in the amount of \$1,551,000 to Trane U.S. Inc. to update and standardize the Control System Infrastructure on the main campus, which included P, N, M, L, J, H, F, and S wings, the grounds maintenance building, and the Planetarium. Costs incurred through June 30, 2025 were \$1.2 million and recorded as construction in progress.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 10. Capital Construction Projects – Continued

K Wing Renovation – At its January 2024 meeting, the board approved the Information Technology and Computer Science – K Wing Addition and Renovation project budget of \$6,726,000 for the construction renovation of K wing where the State of Michigan will be covering the cost of \$2,423,000 and Delta would be responsible for the remaining amount of \$4,303,000. It was noted that the original cost of the project was determined in 2017. Since then, material costs have risen significantly, thus increasing Delta's portion of the total. This project budget had been previously approved but was brought before the trustees again to be transparent regarding the increase to Delta.

In January of 2024, Delta College received State of Michigan Planning Authorization for the Information Technology and Computer Science – K Wing Addition and Renovation project. Delta College submitted this project for consideration through the Capital Outlay Process in October of 2022. In January 2024, the project was Authorized for Planning under Public Act 321 of 2023 and in February 2025 the project was Authorized for Construction under Public Act 121 of 2024. The State Building Authority authorized \$2,423,000 or 42.5% of the 2022 projected project cost of \$5,702,000. This project renovated Delta College's Information Technology, Computer Science, and Office Professions wing, located on the main campus. The current facilities were constructed in 1961 with only minor updates since. Although the existing building has been maintained well, many of the architectural finishes, mechanical and electrical systems were at the end of their useful life and needed to be replaced to meet the needs of the current programs and learning environments. Costs incurred through June 30, 2025 were \$1.5 million and recorded as construction in progress.

CPB NGWS Transmitter – At its November 2024 meeting, the board approved the purchase of an UHF transmitter, installation and commissioning, removal and disposition of the existing transmitter from Rohde & Schwarz USA, Inc. for \$656,000. This project involves decommissioning and disposing of the existing transmitter, providing and installing the new transmitter, commissioning the new transmitter, and performing a one-year from commissioning site-visit by a field engineer to confirm the transmitter operates as designed. The transmitter will be installed at the site of the station's Gilford Township location in Tuscola County, where it currently broadcasts from a 1000-foot tower. The solid state UHF transmitter will bring WDCQ-TV up to ATSC 3.0 transmission standards. This will greatly expand this market's ability to broadcast ATSC 3.0 Advanced Emergency Alert (AEA) messages in the future. Costs incurred through June 30, 2025 were \$663,000 and recorded as construction in progress.

Note 11. 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, 2025 and 2024, Delta College property tax revenues were reduced by \$287,000 and \$240,000, respectively, under these programs. There are no abatements made by the College.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 12. Related Parties

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.

The College provides personnel support, supplies and equipment to the Foundation. The amount of such assistance for the year ended June 30, 2025 was approximately \$673,000 and \$641,000, for the year ended June 30, 2024. The Foundation provides revenue to the College General Fund to help offset these costs, including \$203,000 for the year ended June 30, 2025 and \$175,000 for the year ended June 30, 2024, 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 \$1,845,000 for the year ended June 30, 2025 and \$1,521,000 for the year ended June 30, 2024.

Note 13. Foundation Endowments and Net Assets With Donor Restrictions

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.

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 13. Foundation Endowments and Net Assets With Donor Restrictions – Continued

Interpretation of Relevant Law – Continued

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

Composition of Endowment Net Assets

The following is a summary of the Foundation's 2025 and 2024 endowment and changes therein:

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Composition by type of Fund:						
Board-designated endowment funds	\$ 2,397,540	\$ -	\$ 2,397,540	\$ 2,279,812	\$ -	\$ 2,279,812
Donor-restricted gifts designated by the board as endowment funds	-	516,708	516,708	-	476,033	476,033
Donor-restricted endowment funds:						
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	17,517,660	17,517,660	-	17,170,647	17,170,647
Accumulated investment gains	-	9,641,346	9,641,346	-	8,609,755	8,609,755
Funds held as agency endowments	-	7,458,919	7,458,919	-	5,984,997	5,984,997
Total endowment funds	\$ 2,397,540	\$ 35,134,633	\$ 37,532,173	\$ 2,279,812	\$ 32,241,432	\$ 34,521,244

Notes to Financial Statements - Continued
Delta College
June 30, 2025

Note 13. Foundation Endowments and Net Assets With Donor Restrictions – Continued

Composition of Endowment Net Assets – Continued

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in endowment net assets:						
Net investment income	\$ 175,799	\$ 2,601,221	\$ 2,777,020	\$ 246,872	\$ 3,478,097	\$ 3,724,969
Contributions	15,000	1,491,473	1,506,473	-	1,086,485	1,086,485
Appropriation of endowment assets for expenditure	(73,071)	(1,199,493)	(1,272,564)	(67,252)	(1,132,327)	(1,199,579)
Changes in endowment net assets	117,728	2,893,201	3,010,929	179,620	3,432,255	3,611,875
Endowment net assets:						
Beginning of year	2,279,812	32,241,432	34,521,244	2,100,192	28,809,177	30,909,369
End of year	\$ 2,397,540	\$ 35,134,633	\$ 37,532,173	\$ 2,279,812	\$ 32,241,432	\$ 34,521,244

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

	2025	2024
Permanent endowments held for the benefit of the College	\$ 17,860,511	\$ 17,494,145
Accumulated net investment gains on endowments held for the benefit of the College	9,815,203	8,762,290
Other funds restricted for purpose	347,268	321,684
Endowments in process	74,485	19,326
Instructional departmental use	104,852	110,081
Expendable scholarships and awards	574,046	604,996
Total net assets with donor restrictions	\$ 28,776,365	\$ 27,312,522

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, 2025 and 2024. When an endowment is underwater, it is the Foundation's intent to reinvest any dividends and interest until the endowment is made whole.

Note 13. Foundation Endowments and Net Assets With Donor Restrictions – 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 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, 2025

Note 13. Foundation Endowments and Net Assets With Donor Restrictions – 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 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, 2025 and 2024, respectively, the fee distributed to the Foundation amounted to \$315,000 and \$302,000.

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.

Note 14. Subsequent Events

Management has evaluated subsequent events through October 29, 2025, the date the financial statements were available to be issued.

Federal Government Shutdown – On October 1, 2025, the federal government entered a shutdown that temporarily suspended or delayed certain federally funded programs. The College receives significant federal funding, including student financial aid, as well as several federally funded grants. At this time, the College is still able to continue to request draw downs and receive federal funds; however, management cannot reasonably estimate the full financial impact of the shutdown.

Cessation of the Corporation for Public Broadcasting – The College operates a TV and Radio station (Stations) that are dependent on funding from the Corporation of Public Broadcasting (CPB). In July of 2025, Congress voted to approve a rescission of federal funding for the CPB. As a result, CPB announced August 1, 2025, that they would begin an orderly wind-down of its operations, thus eliminating the funding of the Community Service Grants that the Stations heavily relied on. Collectively, the Stations receive funding directly or indirectly from CPB that is significant to overall operations. The College currently provides direct and indirect funding to the Stations on an annual basis. The College is currently working with the Stations' management on plans to increase revenue and reduce expenses, or reduce program offerings in order to keep the operations of a public TV and radio station for the future. If the Stations are unable to increase overall revenue or reduce expenses to meet their operating budgets, the College may need to increase overall funding to the Stations.

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability and Contributions for Michigan Public School
Employees' Retirement System (MPERS), and Notes to Required Supplementary Information
Delta College
June 30, 2025

	2024	2023	2022	2021	2020	September 30, 2019	2018	2017	2016	2015	2014
<u>Schedule of Proportionate Share of Net Pension Liability</u>											
Delta College's proportion of the net pension liability:											
As a percentage	0.29628%	0.29745%	0.30379%	0.32250%	0.33565%	0.35693%	0.36190%	0.36091%	0.36396%	0.35920%	0.36636%
Amount	\$ 72,535,006	\$ 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	\$ 32,136,758	\$ 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	225.7%	313.7%	379.7%	267.9%	399.5%	385.8%	351.7%	308.3%	298.4%	286.8%	266.7%
MPERS fiduciary net position, as a percentage of the total non-university net pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%
	2025	2024	2023	2022	2021	June 30, 2020	2019	2018	2017	2016	2015
<u>Schedule of Contributions for MPERS</u>											
Delta College's statutorily required contributions	\$ 12,386,977	\$ 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	<u>12,386,977</u>	<u>10,720,564</u>	<u>13,755,061</u>	<u>10,094,529</u>	<u>9,608,239</u>	<u>9,248,304</u>	<u>9,507,415</u>	<u>9,937,502</u>	<u>8,655,641</u>	<u>8,475,840</u>	<u>6,412,460</u>
Delta College's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta College's covered payroll	\$ 33,761,684	\$ 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	36.7%	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, 2015 through September 30, 2024.

Changes of assumptions: The discount rate for the September 30 valuation date was:
8.00% for 2015-2016; 7.50% for 2017; 7.05% for 2018; 6.80% for 2019-2021; and 6.00% for 2022-2024.

Required Supplementary Information
Schedule of Proportionate Share of Net OPEB Liability and Contributions for Michigan Public School
Employees' Retirement System (MPERS), and Notes to Required Supplementary Information
Delta College
June 30, 2025

	September 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
<u>Schedule of Proportionate Share of Net OPEB Liability</u>								
Delta College's proportion of the net OPEB liability:								
As a percentage	0.30117%	0.30487%	0.30754%	0.31258%	0.32357%	0.34926%	0.36226%	0.36214%
Amount	\$ (12,963,349)	\$ (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	\$ 32,136,758	\$ 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	-40.3%	-5.6%	21.6%	16.7%	60.1%	81.8%	93.1%	105.7%
MPERS fiduciary net position, as a percentage of the total non-university net OPEB liability	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

	June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
<u>Schedule of Contributions for MPERS</u>								
Delta College's statutorily required contributions	\$ 2,503,304	\$ 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	2,503,304	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	\$ 33,761,684	\$ 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	7.4%	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, 2024.

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 2022-2024.

Supplemental Schedules of Other Financial Information
Consolidating Statement of Net Position
Delta College
June 30, 2025

	Combined Total	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund	Custodial Fund
Assets									
Current Assets									
Cash and cash equivalents	\$ 17,563,953	\$ 2,463,178	\$ 874,298	\$ 3,458,560	\$ 4,131,501	\$ -	\$ 6,413,205	\$ -	\$ 223,211
Short-term investments	66,473,077	4,898,801	19,674,755	2,190,149	2,986,900	-	36,722,472	-	-
Property taxes receivable	30,153	30,153	-	-	-	-	-	-	-
State appropriations receivable	3,981,231	3,981,231	-	-	-	-	-	-	-
Federal and state grants receivable	3,391,484	1,409,420	246,154	-	1,735,910	-	-	-	-
Accounts receivable	819,913	109,848	599,147	9,705	101,213	-	-	-	-
Inventories	918,965	154,699	-	764,266	-	-	-	-	-
Prepaid expenses and other assets	2,203,707	1,913,786	4,000						
Total Current Assets	95,382,483	14,961,116	21,398,354	6,422,680	8,986,774	-	43,390,348	-	223,211
Long-Term Investments	32,022,985	933,265	10,755,766	755,850	2,179,821	254,671	17,398,283	-	-
Long-Term Accounts Receivable	385,012	-	-	-	385,012	-	-	-	-
Beneficial Interest in Endowment Funds	7,458,919	-	-	-	-	7,458,919	-	-	-
Net OPEB Asset	12,963,349	-	-	-	-	-	-	12,963,349	-
Capital Assets									
Land and improvements	13,488,599	-	-	-	-	-	13,488,599	-	-
Infrastructure	14,147,620	-	-	-	-	-	14,147,620	-	-
Buildings	160,123,347	-	-	-	-	-	160,123,347	-	-
Furniture and equipment	23,010,925	-	-	-	-	-	23,010,925	-	-
Subscription assets, net	2,652,545	-	-	-	-	-	2,652,545	-	-
Fine art collection	390,325	-	-	-	-	-	390,325	-	-
Construction in progress	3,961,675	-	-	-	-	-	3,961,675	-	-
Allowance for depreciation	(100,091,662)								
Total Capital Assets	117,683,374					(100,091,662)			
Total Assets	265,896,122	15,894,381	32,154,120	7,178,530	11,551,607	7,458,919	117,683,374	12,963,349	223,211
Deferred Outflows of Resources	23,782,474	-	-	-	-	-	-	-	-
		-	-	-	-		23,782,474		
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

Supplemental Schedules of Other Financial Information
Consolidating Statement of Net Position - Continued
Delta College
June 30, 2025

	Combined Total	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund	Custodial Fund
Liabilities									
Current Liabilities									
Accounts payable	\$ 3,415,412	\$ 644,771	\$ 92,285	\$ 52,903	\$ 1,005,034	\$ -	\$ 1,397,208	\$ -	\$ 223,211
Accrued payroll and other compensation	5,988,810	5,518,823	218,883	91,057	160,047	-	-	-	-
Unearned revenue	1,985,029	1,037,693	670,588	(28,861)	305,609	-	-	-	-
Subscription arrangements	726,812								
Total Current Liabilities	12,116,063	7,201,287	981,756	115,099	1,470,690	-	2,124,020	-	223,211
Non-Current Liabilities							726,812		
Long-term subscription arrangements	2,331,891	-	-	-	-	-	2,331,891	-	-
Net pension liability	72,535,006	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	74,866,897	-	-	-	-	-	2,331,891	72,535,006	-
Total Liabilities	86,982,960	7,201,287	981,756	115,099	1,470,690	-	-	72,535,006	223,211
Deferred Inflows of Resources	45,897,441		-	-	-				
Net Position						4,455,911			
Net investment in capital assets	114,624,671	-	-	-	416,374	-	-	114,624,671	45,481,067
Restricted for:	-								
Expendable scholarships and award	2,212,053	-	-	-	2,212,053	-	-	-	-
Instructional department uses	784,065	-	-	-	784,065	-	-	-	-
Public broadcasting activities	6,045,819	-	-	-	6,045,819	-	-	-	-
OPEB asset	12,963,349	-	-	-	-	-	-	12,963,349	-
Other restricted funds	622,606	-	-	-	622,606	-	-	-	-
Total Net Position	19,545,632	8,693,094	31,172,364	7,063,431			59,391,423	(94,233,599)	
	<u>\$ 156,798,195</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,458,919</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
		31,172,364	7,063,431	9,664,543	7,458,919	174,016,094			
	8,693,094			-			(81,270,250)	-	

Supplemental Schedules of Other Financial Information
Consolidating Statement of Revenue, Expenses and Changes in Net Position
Delta College
Year Ended June 30, 2025

	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	\$ 22,968,077	\$ (13,293,082)	\$ 34,719,772	\$ 1,541,387	\$ -	\$ -	\$ -	\$ -	\$ -
of \$13,293,082									
Federal grants and contracts	7,482,720	-	-	-	-	7,482,720	-	-	-
State grants and contracts	456,969	-	-	-	-	456,969	-	-	-
Local and nongovernmental grants and contracts	1,185,954	-	-	-	-	1,185,954	-	-	-
Michigan New Jobs Training Program	567,405	-	-	-	-	567,405	-	-	-
Public broadcasting gifts	834,503	-	-	-	-	834,503	-	-	-
Auxiliary activities, net of scholarship allowance	3,232,424	(1,489,610)	-	-	4,722,034	-	-	-	-
of \$1,489,610									
Current year expenditures for capital	-	(14,332,179)	-	-	-	-	-	14,332,179	-
Equipment and facility improvements	1,063,050	(4,600)	364,470	322,188	-	-	-	-	-
Miscellaneous									
Total Operating Revenue	37,791,102	(29,119,471)	35,084,242	1,863,575	4,722,034	10,887,198	-	14,353,524	-
Operating Expenses									
Instruction	34,685,693	(514,875)	39,411,775	858,148	359,647	4,741,339	21,345	-	(9,810,694)
Public services	4,451,429	(39,886)	1,377,850	14,485	-	3,589,908	-	-	(490,928)
Information technology	3,749,635	(931,565)	4,556,508	-	-	-	-	156,738	(32,046)
Instructional support	5,972,485	(378,547)	6,783,515	317,270	-	489,720	-	-	(1,239,473)
Student services	21,315,997	(15,160,026)	9,788,984	190,541	4,764,341	23,649,789	-	-	(1,917,632)
Institutional administration	7,610,250	(247,909)	8,981,961	791,547	-	-	-	-	(1,915,349)
Operation and maintenance of facilities	7,184,469	(11,842,063)	7,741,000	-	-	13,396	-	12,454,463	(1,182,327)
Depreciation and amortization	7,666,672								
Total Operating Expenses	92,636,630	(29,114,871)	78,641,593	2,171,991	4,764,341	32,484,152			(16,588,449)
Operating Income (Loss)	(54,845,528)	(4,600)	(43,557,351)	(308,416)	(42,307)	(21,596,954)	7,666,672	15,924,349	16,588,449
Nonoperating Revenue (Expenses)							20,277,873		
State appropriations	30,011,683	-	28,437,611	-	-	-	-	-	1,574,072
Property tax levy	28,464,946	-	28,464,946	-	-	-	-	-	-
Pell federal grant revenue	19,218,129	-	-	-	-	19,218,129	-	-	-
Gifts	1,784,599	-	202,632	100,220	-	341,639	1,140,108	-	-
Investment income, net of investment expense									
of \$200,657									
Interest expense on subscription assets	6,523,560	-	2,439,730	115,661	-	1,205,803	333,814	2,428,552	-
Loss on disposition of capital assets	(295,536)	-	-	-	-	-	-	(295,536)	-
	(127,727)	4,600							
Net Nonoperating Revenue (Expenses)	85,579,654	4,600	59,544,919	215,881			1,473,922	2,000,689	1,574,072
Net Income (Loss) Before Other Revenue	30,734,126	-	15,987,568	(92,535)	(42,307)	(831,383)	1,473,922	(3,923,660)	18,162,521
Other Revenue						20,765,571	(132,327)		
Capital gifts and grants	80,759	-	-	80,759	-	-	-	-	-
Federal capital grants	694,698	-	-	-	-	-	-	-	-
Total Other Revenue	775,457								
Increase (Decrease) in Net Position	31,509,583	-	15,987,568	(11,776)	(42,307)	694,698	1,473,922	(3,923,660)	18,162,521
Transfers In (Out)	-			375,000	694,698				
Net Increase (Decrease) in Net Position	31,509,583	-	580,966	80,759	363,224	(42,307)	1,473,922	11,062,292	18,162,521
Net Position - Beginning of Year	125,288,612	(15,406,602)	-	30,809,140	7,105,738	9,755,578	5,984,997	14,985,162	(99,432,771)
Net Position - End of Year	\$ 156,798,195	\$ -	\$ -	\$ -	\$ 45,650	\$ -	\$ -	\$ -	\$ -
	-	-	8,112,128	64	-	-	-	-	-
			8,693,094	-	-	-	-	-	-

Supplemental Schedules of Other Financial Information
Details of Certain General Fund Revenues
Delta College
Year Ended June 30, 2025

Tuition and Fees

Tuition	\$ 28,802,219
Registration fees	867,896
Course and program fees:	
Technology fees	4,842,077
Health program fees	187,302
Lifelong wellness course fees	4,771
Auto course fees	7,191
Other fees	<u>8,316</u>
Total Tuition and Fees	\$ <u>34,719,772</u>

Miscellaneous Revenue

Collegiate ads	\$ 3,675
Credit by exam	2,640
Live scan fees	16,640
Transcript revenue	41,940
Miscellaneous	73,623
Parking fines	190
Planetarium ticket sales	98,052
Rental of college facilities	63,476
Reserve parking	4,801
Testing	<u>59,433</u>
Total Miscellaneous Revenue	\$ <u>364,470</u>

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses
Delta College
Year Ended June 30, 2025

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instruction						
Social Sciences	\$ 3,679,085	\$ 2,174,341	\$ 19,569	\$ -	\$ 29,765	\$ 5,902,760
Humanities	2,188,566	1,144,070	23,318	-	18,700	3,374,654
English	3,034,254	1,793,582	10,098	-	22,716	4,860,650
Mathematics & Computer Science	1,628,376	982,243	25,256	-	16,079	2,651,954
Sciences	3,623,186	2,112,191	91,072	-	31,908	5,858,357
Business & Information Technology	2,925,093	1,475,377	12,283	-	18,700	4,431,453
Health & Wellness	4,781,344	2,859,468	274,716	-	46,177	7,961,705
Technical Trades & Manufacturing	2,336,280	1,484,640	235,622	-	19,185	4,075,727
Instructional Equipment	-	-	185,433	109,082	-	294,515
Total Instruction	24,196,184	14,025,912	877,367	109,082	203,230	39,411,775
Public Services						
Television	391,012	276,492	-	-	2,550	670,054
Public Radio	100,563	64,501	-	-	911	165,975
Planetarium and Learning Center	284,201	188,841	63,088	-	5,691	541,821
Total Public Services	775,776	529,834	63,088	-	9,152	1,377,850
Information Technology						
Communications Technology	53,508	37,708	60,107	-	1,225	152,548
Instructional Support Information Technology	64,470	237	2,071,073	-	-	2,135,780
Student Services Support Information Technology	-	-	746,199	-	-	746,199
Administrative Support Information Technology	13,507	7,573	1,499,380	-	1,521	1,521,981
Total Information Technology	131,485	45,518	4,376,759	-	2,746	4,556,508
Instructional Support						
Office of Vice President of Instruction & Learning Services	226,164	84,771	8,213	-	2,688	321,836
Associate Deans	942,091	517,260	74,279	-	13,198	1,546,828
Academic Deans	477,574	266,025	16,472	-	17,873	777,944
Faculty Secretarial & Instructional Support	101,019	43,785	470,159	-	9,847	624,810
Multimedia Laboratories	187,342	92,362	19,782	-	733	300,219
Library & Learning Resources Center	472,183	280,432	171,064	-	5,540	929,219
Teaching Learning and WRIT Centers	426,389	277,580	18,108	-	3,422	725,499
Academic Testing Center	143,462	84,662	1,727	-	250	230,101
Fitness & Aquatics Center Instructional Support	122,136	49,107	704	-	388	172,335

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2025

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instructional Support (continued)						
Teaching Enhancement Centers	\$ 52,742	\$ 42,540	\$ 37,473	\$ -	\$ 4,066	\$ 136,821
Center for Organizational Success	200	18	31,326	-	2,336	33,880
Accreditation & Assessment	-	-	32,522	-	-	32,522
Community Development & Strategic Partnerships	173,804	120,339	6,823	-	3,862	304,828
Service Learning & Community Engagement	38,662	59	4,461	21,408	-	64,590
Honors Program	49,626	42,136	7,620	-	5,664	105,046
eLearning	123,259	95,961	247,118	-	10,699	477,037
Total Instructional Support	3,536,653	1,997,037	1,147,851	21,408	80,566	6,783,515
Student Services						
Office of Vice President of Student & Education Services	215,592	155,008	35,342	-	11,341	417,283
Dean of Students	49,512	35,149	260,761	-	1,854	347,276
Dean of Enrollment Services	118,225	91,683	3,301	-	5,969	219,178
Admissions	538,884	365,309	59,000	-	12,204	975,397
Records & Registration	375,388	242,909	31,694	-	8,809	658,800
Counseling & Advising	1,312,103	894,465	20,143	-	12,963	2,239,674
Financial Aid	648,659	392,548	14,460	-	8,802	1,064,469
Dual Enrollment	254,575	183,014	10,702	-	3,187	451,478
Enrollment Management & Student Goodwill	-	-	152,534	-	1,534	154,068
Student Engagement, Conduct, Leadership, & Organizations	64,210	55,095	41,835	-	500	161,640
Pioneer Connect	81,999	55,687	227	-	900	138,813
Marketing & Publications	-	-	614,093	-	2,693	616,786
Veteran Services	69,894	34,911	1,317	-	638	106,760
Collegiate Student Newspaper	25,698	5,385	9,933	-	150	41,166
Disability Resources	66,210	37,857	137,579	-	456	242,102
Commencement & Student Awards	-	-	9,805	-	-	9,805
Possible Dream Program	67,838	36,549	-	-	458	104,845
Student Testing & Assessment	26,236	22,404	6,028	-	770	55,438
Scholarships & Grants	-	-	340,818	-	-	340,818
Midland Center	126,627	61,278	11,335	-	915	200,155
Saginaw Center	211,203	141,836	62,087	-	1,000	416,126
Athletic Programs	306,191	178,256	171,498	-	170,962	826,907
Total Student Services	4,559,044	2,989,343	1,994,492	-	246,105	9,788,984

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2025

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Institutional Administration						
Board of Trustees	\$ -	\$ -	\$ 20,884	\$ -	\$ 20,376	\$ 41,260
Development Office	389,399	250,237	14,570	-	2,922	657,128
Diversity & Inclusion Office	221,581	65,503	49,096	-	8,658	344,838
Equity Office	78,157	48,401	1,332	-	500	128,390
President's Office	354,911	146,710	6,741	-	26,382	534,744
Memberships	-	-	161,561	-	53,274	214,835
Miscellaneous	118,814	14,491	115,177	-	10,683	259,165
Strategic Planning	-	-	10,322	-	-	10,322
Legal	-	-	208,816	-	-	208,816
Audit	-	-	68,744	-	-	68,744
Bank Fees, Collection Expenses & Bad Debts	-	-	631,547	-	-	631,547
Insurance, Unemployment & Other	-	494,847	465,388	-	-	960,235
Business Services	313,639	162,779	6,502	-	1,129	484,049
Finance Office	947,692	628,024	35,391	-	5,672	1,616,779
Human Resources & Staff Recruitment	545,733	392,995	75,692	-	10,218	1,024,638
Senate	32,941	26,485	569	-	138	60,133
Post Office	67,737	58,745	7,984	-	275	134,741
Institutional Advancement	423,818	339,489	3,084	-	8,119	774,510
Institutional Research	434,639	287,165	59,919	-	2,458	784,181
Wellness & Professional Development	-	16,958	25,948	-	-	42,906
Total Institutional Administration	3,929,061	2,932,829	1,969,267	-	150,804	8,981,961
Operation and Maintenance of Facilities						
Public Safety	514,837	290,862	78,004	-	4,421	888,124
Facilities Management	701,286	403,101	15,683	-	4,150	1,124,220
Facility Operations	1,538,252	1,204,999	581,764	-	1,582	3,326,597
Utilities	-	-	1,389,418	-	-	1,389,418
Facility Maintenance & Improvements	-	-	383,561	-	-	383,561
Off-Campus Centers & President's House	-	-	629,080	-	-	629,080
Total Operation and Maintenance of Facilities	2,754,375	1,898,962	3,077,510	-	10,153	7,741,000
Total General Fund Operating Expenses	\$ 39,882,578	\$	\$	\$	\$	\$

24,419,435
68

13,506,334

130,490

702,756

78,641,593

Supplemental Schedules of Other Financial Information
Details of Designated Fund
Delta College
Year Ended June 30, 2025

	Revenues						Expenses										Net Increase (Decrease) In Net Assets	Net Position June 30, 2025
	Net Position July 1, 2024	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	\$ 2,160,464	\$ 960,045	\$ -	\$ -	\$ -	\$ 960,045	\$ 80,032	\$ 30,509	\$ 343,454	\$ -	\$ -	\$ 453,995	\$ (331,566)	\$ 174,484	\$ 2,334,948			
Criminal Justice Training Programs	690,809	563,082	-	-	-	563,082	223,311	86,894	88,452	-	1,410	400,067	(108,057)	54,958	745,767			
Lifelong Learning Programs	21,236	8,580					2,921	1,131	34						25,730			
Total Instruction	2,872,509	1,531,707	-	-	-	1,531,707	306,264	118,534	431,940	-	1,410	858,148	(439,623)	233,936	3,106,445			
Public Services																		
Global Travel	29,261	-	-	-	1,797	1,797	-	-	3,813	-	-	3,813	-	(2,016)	27,245			
Delta Productions	7,794	-	-	13,383	8,580	13,383	1,985	747	6,799	-	4,086	9,531	4,494	3,852	11,646			
Dental Hygiene Powerbrush Program	-	-	540	=	-	540	-	-	1,134	-	-	1,134	-	(594)	(594)			
Michigan MATYC Conference	2,453	-	-	-	-	-	-	-	7	-	-	7	-	(7)	2,446			
Delta College Aids Walk	-	-	150	-	-	150	-	-	-	-	-	-	-	150	150			
Telelearning Network	9,216																	
Total Public Services	48,724	-	690	13,383	1,797	15,870	1,985	747	11,753	-	-	14,485	-	1,385	50,109			
Instructional Support																		
Workforce Strategies Instructional Support	-	9,680	-	-	-	9,680	4,120	1,574	509	-	-	6,203	(3,477)	-	-			
Criminal Justice Training Instructional Support	-	-	-	-	-	-	52,990	38,453	16,264	-	350	108,057	108,057	9,216	-			
President's Scholarship Program	623,284	-	-	=	92,794	92,794	1,000	377	89,327	-	900	91,604	(530,000)	(528,810)	94,474			
President's Innovation Projects	141,996	-	-	-	-	-	-	-	3,351	-	12,102	15,453	-	(15,453)	126,543			
Prison Program	-	-	-	-	-	-	-	-	38,595	-	-	38,595	-	(38,595)	(38,595)			
MEDC MAT2 Project	15,653	-	-	-	-	-	-	-	4,999	-	1,876	6,875	-	(6,875)	8,778			
Faculty & Instructional Development	393,681	-	55,047	10,500	-	65,547	-	-	10,999	-	-	10,999	-	54,548	448,229			
Developmental Education	4,156	-	-	-	-	-	-	-	-	-	-	-	-	-	4,156			
Library Resource Replacement	58,142	-	18,278	-	-	18,278	-	-	12,467	-	-	12,467	-	5,811	63,953			
Kenya Partnership	154	-	-	-	-	-	-	-	-	-	-	-	-	-	154			
Art & Archive Projects	43,776				14,024	24,024									40,783			
Total Instructional Support	1,280,842	9,680	73,325	20,500	106,818	210,323	58,110	40,404	203,528	-	15,228	317,270	(425,420)	(532,367)	748,475			
Student Services																		
Student Engagement & Service Learning Activities	7,404	-	2,307	-	-	2,307	-	27,017	1,860	-	437	2,297	(2,993)	10	7,414			
Girls Day Out Events	2,677	-	10,000	-	-	-	-	-	14	-	-	14	-	(14)	2,663			
Math Placement Booster	4,699	-	-	-	-	-	-	-	-	-	-	-	-	-	4,699			
Student Skills Achievement Programs	3,516	-	110	-	-	110	-	-	1,442	-	-	1,442	-	(1,332)	2,184			
President's Honors Scholarship	242,261	-	-	-	-	-	-	-	20,504	-	-	20,504	-	(20,504)	221,757			
Pioneer Athletic Fundraisers	38,928			4,330								166,284			20,609			
Total Student Services	299,485	-	146,052	4,330	-	150,382	-	-	107,116	-	83,425	190,541	-	(40,159)	259,326			
Institutional Administration																		
Workforce Strategies Administration	-	143,635	32,932	-	147,965	32,932	157,523	128,080	83,296	35,138	82,988	2,234	290,041	18,319	-	-		
Flexible Spending & Healthcare Reform Administration	111,201	-	-	-	-	-	-	-	2,495	-	-	2,495	-	(2,495)	108,706			
Administrative Reserve for Budget Sustainability	14,478,000	-	-	-	7,046	7,046	-	-	-	-	-	-	-	7,046	14,485,046			
Reserve for Strategic Initiatives	4,836,122	-	-	-	-	-	-	-	260,008	-	-	260,008	400,000	139,992	4,976,114			
Administrative Development & Technology Projects	137,905	-	55,196	-	-	55,196	-	-	48,310	-	-	48,310	150,000	156,886	294,791			
Self Insurance	6,744,352	-	13,993	-	-	13,993	-	-	-	14,993	-	14,993	400,000	399,000	7,143,352			
Gifts In Kind	-									100,539								
Total Institutional Administration	26,307,580			142,766	7,046	251,933	157,523	128,080	388,178	115,532	2,234	791,547	1,240,043	700,429	27,008,009			
Total Designated Fund	\$ 30,809,140	\$ 1,541,387	\$ 322,188	\$ 180,979	\$ 115,661	\$ 2,160,215	\$ 523,882	\$ 287,765	\$ 1,142,515	\$ 115,532	\$ 102,297	\$ 2,171,991	\$ 375,000	\$ 363,224	\$ 31,172,364			

102,121

Supplemental Schedules of Other Financial Information
Details of Auxiliary Activities Fund
Delta College
Year Ended June 30, 2025

	Net Position July 1, 2024	Operating Revenues	Expenses					Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2025
			Salaries	Fringe Benefits	Supplies and Services	Capital Expenses	Total Expenses			
Auxiliary Activities										
Bookstore	\$ 5,383,803	\$ 3,488,582	\$ 370,632	\$ 150,206	\$ 2,684,713	\$ -	\$ 3,205,551	\$ 283,031	\$ -	\$ 5,666,834
Food Services	(442,444)	739,858	45,840	17,283	989,333	-	1,052,456	(312,598)	-	(755,042)
Fitness & Recreation Center	941,664	398,482	194,184	58,218	49,844	8,840	311,086	87,396	-	1,029,060
Planetarium Gift Shop & Conference Services	16,509	33,111						6		
Total Auxiliary Activities	<u>5,899,532</u>	<u>4,660,033</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>		<u>70,615</u>		
Internal Service Operations										
Internal Service Operations	1,206,206	699,179	\$ 124,768	20,325	\$	20,325		(112,922)	29,295	1,093,284
Elimination of Rebilled Charges	-					4,589,418	12,78	(637,178)	5,970,147	
Net Internal Service Operations	<u>1,206,206</u>	<u>610,656</u>	225,707	3,744,215	-	8,840	<u>174,923</u>	-		
Total	<u>\$ 7,105,738</u>	<u>\$</u>					<u>\$ 4,764,341</u>	<u>\$</u>	<u>\$</u>	
			70,790	426,259	190,284	812,101			1,093,284	
							(112,922)		-	
	62,001						-		7,063,431	
	4,722,034						(42,307)	-		

Supplemental Schedules of Other Financial Information
Details of Expendable Restricted Fund
Delta College
Year Ended June 30, 2025

Instruction	Revenues									Expenses								
	Net Position July 1, 2024	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)	Net Increase (Decrease) In Net Assets	Net Position June 30, 2025
Workforce Strategies Grants	\$ -	\$ 2,084,606	\$ 41,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,126,418	\$ 1,286,440	\$ 733,072	\$ 96,980	\$ -	\$ 9,926	\$ 2,126,418	\$ -	\$ -	\$ -
Michigan New Jobs Training Programs	-	-	-	-	567,405	-	-	-	567,405	47,456	18,456	501,493	-	-	567,405	-	-	-
Motorcycle Safety Training Programs	-	-	96,351	-	-	28,100	-	-	124,451	76,004	31,348	17,247	-	75	124,674	-	(223)	(223)
Endowed Teaching Chair Program	174,169	-	-	-	-	-	-	36,734	36,734	24,573	7,911	1,265	-	6,417	40,166	3,874	442	174,611
ADN to BSN Completion Grant	-	1,154,740	-	-	-	-	-	-	1,154,740	50,710	20,561	997,136	86,000	333	1,154,740	-	-	-
League for Innovation Global Skills Grants	2,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,728
Wickes Diesel Program Startup	226,994	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	226,994
MEDC STEM Exploration	-	-	34,149	-	-	-	-	-	34,149	-	-	34,149	-	-	34,149	-	-	-
CFCP Semiconductor STEM	-	69,065	-	-	-	-	-	-	69,065	6,300	2,373	60,392	-	-	69,065	-	-	-
Haas Foundation CNC Grant	88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88
Dow Foundation STEM Explorer Program	441,410	-	-	-	-	-	20,000	119,094	139,094	98,036	40,585	59,120	-	2,896	200,637	-	(61,543)	379,867
Perkins Voc Ed Grant - Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	319,793	-	-	-	-	-
Total Instruction	845,389	3,732,496	172,312	-	567,405	28,100	20,000	155,828	4,676,141	1,589,519	854,306	1,872,074	405,793	19,647	4,741,339	3,874	(61,324)	784,065
Public Service																		
Possible Dream Program	183,759	24,085	-	-	-	-	-	119,858	119,858	5,188	1104,292	28,573	-	98,224,085	34,753	(23,745)	61,360	245,119
Humanities Learning Center	3,137	-	-	-	-	-	-	-	-	-	-	2,522	-	-	2,522	-	(2,522)	615
Planetarium Be A Star	308,186	-	-	-	-	-	-	34,340	34,340	-	-	14,525	-	-	14,525	-	19,815	328,001
Public Broadcasting - Television	5,781,474	694,698	-	1,121,449	-	325,581	610,852	286,017	3,038,597	279,567	162,379	2,819,736	39,886	9,819	3,311,387	(655)	(273,445)	5,508,029
Public Broadcasting - Radio	521,845	-	-	-	-	-	-	19,088	242,739	32,342	15,846	178,403	-	-	226,721	(73)	15,945	537,790
Total Public Service	6,798,401	694,698	-	1,121,449	-	325,581	834,503	459,303	3,435,534	317,097	178,236	3,043,759	39,886	10,930	3,589,908	(24,473)	(178,847)	6,619,554
Instructional Support						223,651												
Midwest Inst. for International/Intercultural																		
Education Grant	-	-	-	6,084	-	1,500	-	-	7,584	-	-	7,584	130	-	7,584	-	-	-
ECMC Foundation Workcred C&D Pathways Grant	-	-	-	18,475	-	-	-	-	18,475	8,466	2,807	6,119	-	1,083	18,475	-	-	-
MEDC Cobot	-	56,675	-	-	-	-	-	-	56,675	-	-	985	55,690	-	56,675	-	-	-
American Chemical Society Grant	-	-	-	3,122	-	-	-	-	3,122	1,056	183	1,883	-	-	3,122	-	-	-
CFCP Semiconductor	-	24,235	-	-	-	-	-	-	24,235	16,706	6,090	-	-	1,439	24,235	-	-	-
NEO-Ask Every Student Grant	-	-	-	1,994	-	-	-	-	1,994	-	-	1,994	-	-	1,994	-	-	-
Water Treatment Instruction Development	2,576	-	-	-	-	-	-	-	-	1,036	402	-	-	-	1,438	-	(1,438)	1,138
NFS NEVTEX Grant	-	21,376	-	-	-	-	-	-	21,376	-	-	6,736	14,640	-	21,376	-	-	-
Perkins Local Leadership Grant	-	9,200	-	-	-	-	-	-	9,200	7,009	2,191	-	-	-	9,200	-	-	-
Perkins Voc Ed Grant - Professional & Curriculum Dev	-	108,438	-	-	-	-	-	-	108,438	62,128	41,682	214	-	4,414	108,438	-	-	-
MEDC STEM Curriculum	-	-	236,590	-	-	-	-	-	236,590	-	-	108,432	57,908	70,250	236,590	-	-	-
ATD Engaging Adjunct Faculty Grant	11,969	-	-	-	-	-	-	-	-	-	116	-	-	-	-	-	-	11,376
Total Instructional Support	14,545	219,924	236,590	29,675	-	1,500	-	-	487,689	96,878	53,471	133,947	128,238	77,186	489,720	-	(2,031)	12,514
Student Services																		
AT&T Becoming a Pioneer Grant	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26
Perkins Voc Ed Grant - Special Needs	-	464,439	-	-	-	-	-	-	464,439	194,981	114,968	196,982	-	2,388	509,319	44,885	593	-
MICUP STEP/CMU Partnership Grant	-	-	589	-	-	-	-	-	589	371	218	-	-	-	589	-	-	-
MICUP/MTU Partnership Grant	-	-	3,864	-	-	-	-	-	3,864	-	-	3,054	-	810	3,864	-	-	-
Improving Economic Mobility for Adult Learners	-	-	-	35,167	-	-	-	-	35,167	93	22	35,052	-	-	35,167	-	-	-
MCCA Academic Catch-up Grant	-	72,373	-	-	-	-	-	-	72,373	-	-	72,373	-	-	72,373	-	-	-
Michigan Reconnect Ages 21-24	-	1,972,272	-	-	-	-	-	-	1,972,272	-	-	1,972,272	-	-	1,972,272	-	-	-
Michigan Reconnect Credit for Prior Learning	-	-	22,800	-	-	-	-	-	22,800	-	-	-	-	-	-	(22,800)	-	-
Access & Equity E-Sports Camp Grant	-	-	-	(337)	-	500	-	-	163	-	-	163	-	-	163	-	-	-
Pell Grants	-	19,218,129	-	-	-	-	-	-	19,218,129	-	-	19,218,129	-	-	19,218,129	-	-	-
Supplemental Educational Opportunity Grant	-	434,122	-	-	-	-	-	-	434,122	-	-	434,122	-	-	434,122	-	-	-
TRIO Educational Opportunity Grant	-	274,540	-	-	-	-	-	-	274,540	181,424	75,186	10,789	-	7,141	274,540	-	-	-
Federal Workstudy Grant	-	147,998	-	-	-	-	-	-	147,998	194,040	-	-	-	-	194,040	46,042	-	-
Job Locator and Development Grant	-	17,500	-	-	-	-	-	-	17,500	9,744	7,664	-	-	92	17,500	-	-	-
Federal Workstudy Off-Campus	-	-	-	-	-	1,102	-	-	1,102	1,102	-	-	-	-	1,102	-	-	-
VA Program Support	10,174	-	-	-	-	2,864	-	-	2,864	-	(56)	-	-	5,880	5,824	-	(2,960)	7,214
Delta College Food Pantry	-	-	-	-	-	-	20,712	-	20,712	-	-	6,793	-	-	6,793	-	13,919	13,919
Talent First Grant	-	-	10,000	-	-	-	-	-	10,000	-	-	-	-	10,000	10,000	-	-	-
Michigan Reconnect IT Intervention	-	10,000	-	-	-	-	-	-	10,000	-	-	-	-	-	-	(10,000)	-	-
Michigan Reconnect Financial Aid Compliance	-	30,000	-	-	-	-	-	-	30,000	19,681	10,319	-	-	-	30,000	-	-	-

Supplemental Schedules of Other Financial Information
Details of Expendable Restricted Fund - Continued
Delta College
Year Ended June 30, 2025

	Revenues									Expenses								
	Net Position July 1, 2024	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)	Net Increase (Decrease) In Net Assets	Net Position June 30, 2025
Student Services (continued)																		
Michigan Reconnect Marketing	\$ -	\$ 12,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,202	\$ -	\$ -	\$ 12,202	\$ -	\$ -	\$ 12,202	\$ -	\$ -	\$ -
MILEAP Barrier Removal Grant	-	44,710	-	-	-	-	-	-	44,710	-	-	44,710	-	-	44,710	-	-	-
MILEAP Quick Start Grant	-	38,644	-	-	-	-	-	-	38,644	-	-	38,644	-	-	38,644	-	-	-
Scholarships & Awards	2,080,763							590,672	891,599	5,500	502	762,434				8,127	131,290	2,212,053
Total Student Services	2,090,963	22,736,929	37,253	34,830	-	4,466	321,639	590,672	23,725,789	606,936	208,823	22,807,719	-	26,311	23,649,789	66,249	142,249	2,233,212
Operation and Maintenance of Facilities																		
MILEAP College Success Grant	-	11,500	-	-	-	-	300,927	-	11,500	-	-	11,500	-	768,436	11,500	-	-	-
Michigan Law Enforcement CPE	4,000	-	8,000	-	-	-	-	-	8,000	-	-	-	-	-	-	-	8,000	12,000
Michigan Justice Training & Drug Enforcement Grants	2,280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,198
Total Operation and Maintenance of Facilities	6,280	11,500	10,814	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,198
Total Expendable Restricted Fund	\$ 9,755,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	2,814	-	-	-	-	-	2,814	22,314	-	1,896	13,396	-	1,896	13,396	-	8,118	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	27,395,547	456,969	-	567,405	359,647	1,176,142	1,205,803	32,347,467	-	1,294,836	27,870,895	573,917	134,074	32,484,152	-	(91,035)	9,664,543	-
			1,185,954	-	-	-	-	-	2,610,430						45,650			