Delta College

Audited Financial Statements and Other Financial Information

June 30, 2026

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Management's Discussion and Analysis

Management's Discussion and Analysis 1-17

Audited Financial Statements

Report of Independent Auditors 18-20
Statements of Net Position 21
Statements of Revenue, Expenses and Changes in Net Position 22
Statements of Cash Flows 23-24
Delta College Foundation Statements of Financial Position 25
Delta College Foundation Statements of Activities 26
Notes to Financial Statements 27-57

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability and Contributions for Michigan Public School Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information 58
Schedule of Proportionate Share of Net OPEB Liability and Contributions for Michigan Public School Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information 59

Other Supplementary Information

Consolidating Statement of Net Position 60-61
Consolidating Statement of Revenue, Expenses and Changes in Net Position 62
Details of Certain General Fund Revenues 63
Details of General Fund Operating Expenses 64-66
Details of Designated Fund 67-68
Details of Auxiliary Activities Fund 69
Details of Expendable Restricted Fund 70

Management's Discussion and Analysis
Delta College
Year Ended June 30, 2026

The management's discussion and analysis (MD&A) of the financial statements of Delta College (the College) provides an overview of the College's financial activities for the years ended June 30, 2026, 2025 and 2024. Management has prepared the financial statements, the related footnote disclosures, the required supplementary information, along with this discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

Overview of the Financial Statements

The enclosed financial statements of the College are reported 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.

The Statements of Net Position report information on all College assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Net position is derived from total assets and deferred outflows of resources less total liabilities and deferred inflows of resources. The change in net position is a result of the activities reported in the Statement of Revenue, Expenses and Changes in Net Position.

The Statements of Revenue, Expenses and Changes in Net Position report information showing how the College's net position changed during the year. Charges for services and Pell federal grant revenue are recorded as operating revenues while state appropriations and property tax levies are recorded as noncapital subsidies. A public community college's reliance on state funding and local property taxes will result in reporting an operating loss.

The Statements of Cash Flows classify cash inflows and outflows into the following classifications: operating activities, noncapital financing activities, capital financing activities, and investing activities. This information is useful in assessing the College's ability to meet maturing financial obligations. The Statements of Cash Flow helps users assess the ability to generate future net cash flows, the ability to meet obligations as they come due, and needs for external financing.

Also included as a discretely presented component unit, are the Delta College Foundation (Foundation) Statements of Financial Position and Statements of Activities. 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 Statements of Financial Position report assets, liabilities, and net assets while the Statements of Activities report information showing how the Foundations net assets changed during the year. Like the College, the Foundation reports on the accrual basis of accounting, whereby revenues and assets are recognized when the service is performed and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

Financial Summary

Following is a summary of the major components of the College Statement of Net Position as of June 30, 2026, 2025 and 2024, in millions:

	2026	2025	2026-2025 Change	2024	2025-2024 Change
Current Assets	$ 95.3	$ 95.4	$ (.1)	$ 83.0	$ 12.4
Long-Term Assets:					
Capital Assets, Net of Depreciation and Amortization	123.8	117.7	6.1	109.7	8.0
Other	63.6	52.8	10.8	46.2	6.6
Total Assets	282.7	265.9	16.8	238.9	27.0
Deferred Outflows of Resources	21.4	23.8	(2.4)	32.4	(8.6)
Current Liabilities	11.7	12.1	(.4)	11.6	.5
Non-Current Liabilities	63.9	74.9	(11.0)	96.6	(21.7)
Total Liabilities	75.6	87.0	(11.4)	108.2	(21.2)
Deferred Inflows of Resources	40.7	45.9	(5.2)	37.8	8.1
Net Position:					
Net Investment in Capital Assets	120.9	114.6	6.3	108.4	6.2
Restricted – Expendable	26.9	22.6	4.3	11.5	11.1
Unrestricted	40.0	19.6	20.4	5.4	14.2
Total Net Position	$ 187.8	$ 156.8	$ 31.0	$ 125.3	$ 31.5

Financial Summary – Continued

The following summarizes the major components of the College's Statements of Revenue, Expenses and Changes in Net Position for the years ended June 30, 2026, 2025 and 2024, in millions:

	2026	2025	2026-2025 Change	2024	2025-2024 Change
Operating Revenue:					
Tuition and Fees	$ 25.3	$ 23.0	$ 2.3	$ 23.2	$ (.2)
Pell Federal Grant Revenue	19.6	19.2	.4	14.0	5.2
Grants and Contracts	6.4	9.1	(2.7)	6.0	3.1
Auxiliary Services	3.4	3.2	.2	3.5	(.3)
Other	2.5	1.7	.8	1.4	.3
Total Operating Revenue	57.2	56.2	1.0	48.1	8.1
Operating Expenses:					
Instruction	35.3	34.7	.6	35.4	(.7)
Public Services	2.7	4.4	(1.7)	3.2	1.2
Information Technology	4.8	3.7	1.1	4.0	(.3)
Instructional Support	5.8	6.0	(.2)	5.8	.2
Student Services	22.4	21.3	1.1	20.1	1.2
Institutional Administration	7.2	7.6	(.4)	8.2	(.6)
Operation and Maintenance of Facilities	7.0	7.2	(.2)	8.3	(1.1)
Depreciation and Amortization	7.3	7.7	(.4)	6.9	.8
Total Operating Expenses	92.5	92.6	(.1)	91.9	.7
Operating Loss	(35.3)	(36.4)	1.1	(43.8)	7.4
Noncapital Subsides					
State Appropriations	27.5	30.0	(2.5)	29.9	.1
Property Taxes	29.9	28.5	1.4	26.5	2.0
Public Broadcasting Gifts	1.2	.8	.4	.8	-
Gifts	.8	1.7	(.9)	.6	1.1
Total Noncapital Subsidies	59.4	61.0	(1.6)	57.8	3.2
Operating Loss and Noncapital Subsidies	24.1	24.6	(.5)	14.0	10.6

Financial Summary – Continued

(continued from previous page)

	2026	2025	2026-2025 Change	2024	2025-2024 Change
Other Nonoperating Revenue (Expense)					
Capital Appropriations, Grants and Gifts	$ 2.2	$ .8	$ 1.4	$ -	$ .8
Other	4.7	6.1	(1.4)	6.1	-
Total Other Nonoperating Revenue (Expense)	6.9	6.9	-	6.1	.8
Increase in Net Position	31.0	31.5	(.5)	20.1	11.4
Net Position					
Net Position – Beginning of Year	156.8	125.3	31.5	105.2	20.1
Net Position – End of Year	$ 187.8	$ 156.8	$ 31.0	$ 125.3	$ 31.5

Detailed Analysis

Statements of Net Position

During the year ended June 30, 2026, total assets increased by $16.8 million. The majority of the increase in assets consisted of a $5.6 million increase in cash, investments and beneficial interest in endowments held by the Foundation, primarily due to investment earnings resulting from increases in market value gains, a $4.5 million increase in the Michigan Public School Employees' Retirement System (MPSERS) net OPEB asset discussed below, and an $6.1 million increase in capital assets more fully described in the Significant Capital Asset and Long-Term Financing Activity section of the MD&A.

During the year ended June 30, 2025, total assets increased by $27.0 million. The majority of the increase in assets consisted of a $5.5 million increase in cash, investments and beneficial interest in endowments held by the Foundation, primarily due to investment earnings resulting from increases in interest rates and market value gains, an $11.3 million increase in the MPSERS net OPEB asset discussed below, and an $8.0 million increase in capital assets more fully described in the Significant Capital Asset and Long-Term Financing Activity section of the MD&A.

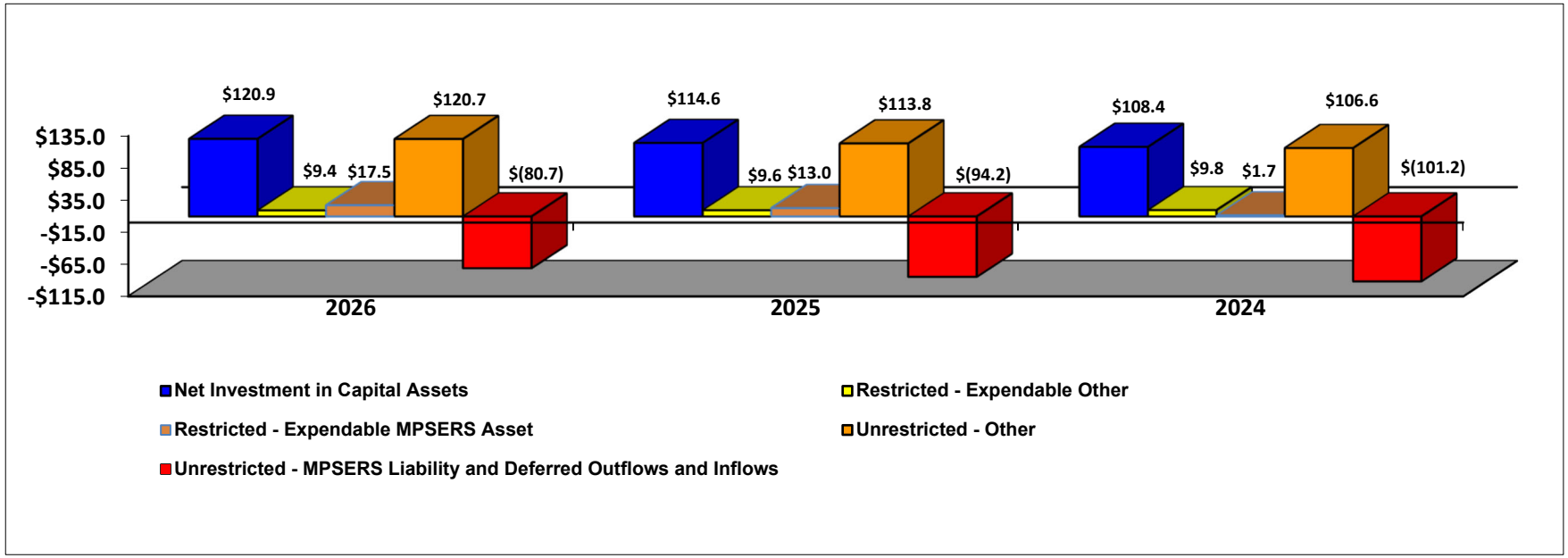
During the year ended June 30, 2026, total liabilities decreased by $11.4 million compared to a decrease during the year ended June 30, 2025 of $21.2 million. The majority of the decreases in liabilities consisted of a $10.6 million and $23.7 million decreases in the MPSERS net pension liability discussed below.

Detailed Analysis – Continued

Statements of Net Position – Continued

The College recognizes its calculated share of the net pension and OPEB liability and related expenses, deferred inflows of resources and deferred outflows of resources for the MPSERS. For the year ended June 30, 2026, the College reported a net MPSERS OPEB asset of $17.5 million and a pension liability of $61.9 million. In addition, the College reported deferred outflows of resources of $21.4 million, and deferred inflows of resources of $40.2 million related to the net OPEB asset and pension liability. As of June 30, 2026, the impact of the MPSERS net pension and OPEB activity resulted in a reduction in unrestricted net position for the College of $80.7 million, and an increase in restricted net position of $17.5 through a net revenue adjustment of $18.0 million. For the year ended June 30, 2025, the College reported a net MPSERS OPEB asset of $13.0 million, a pension liability of $72.5 million, deferred outflows of resources of $23.8 million, and deferred inflows of resources of $45.5 million. As of June 30, 2025, the impact of this standard resulted in a reduction in unrestricted net position for the College of $94.2 million, and an increase in restricted net position of $13.0 through a net revenue adjustment of $18.3 million. Fluctuations in the Colleges share of the net pension and OPEB liability and related deferred outflow and inflow accounts are a result of changes in actuarial information, such as differences in expected and actual experience and projected and actual earnings on plan investments, changes in assumptions and the proportion and differences between College contributions and its proportionate share of contributions, and College contributions subsequent to the measurement date. Refer to Note 5 to the financial statement for additional information related to the pension and OPEB plans.

The following chart provides a graphical breakdown of net position by category for the fiscal years ending June 30, 2026, 2025 and 2024, in millions:



Detailed Analysis – Continued

Statements of Net Position – Continued

The College's financial position improved during the years ended June 30, 2026 and 2025 with net position increasing by $31.0 million and $31.5 million, respectively. This equates to annual increases of approximately 19.8% and 25.1%, respectively. Of the $31.0 million and $31.5 million increases, $18.0 million and $18.3 million, respectively, relates to the MPSERS pension and OBEB activity described above, while the majority of the remaining $13.0 million and $13.2 million, respectively, relates to investment in capital assets of $6.3 million and $6.2 million, respectively, and unrestricted for future capital outlay of $4.8 million and $4.2 million, respectively. Additional details resulting in the increases in net position are further described in the Statement of Revenue, Expenses and Changes in Net Position section of the MD&A.

Statements of Revenue, Expenses and Changes in Net Position

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, including Pell, 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. Operating revenue changes are highlighted by the following factors for the year ended June 30, 2026 and 2025:

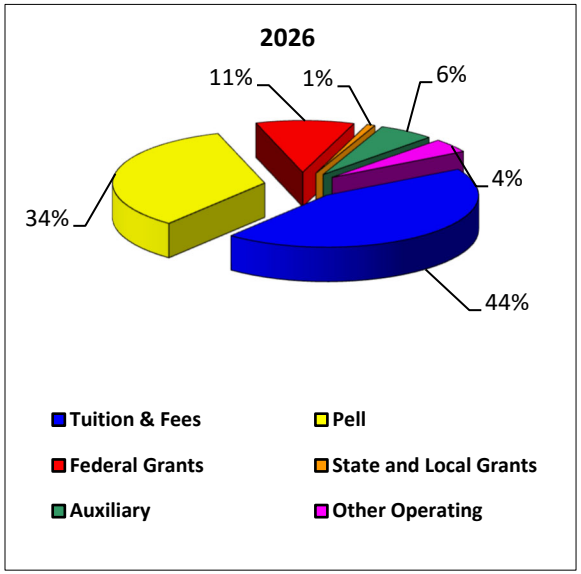
- The 2026 academic in-district tuition rate increased by $3.00 to $136 per contact hour, which represents an increase of 2.3% while the technology fee remained consistent at $25. Enrollment totaled 199,400 contact hours for fiscal year 2026, which represents an increase of 2.8% from 193,900 contact hours for the prior year. The combined net impact of the increase in tuition rates and increase in contact hours resulted in a $1.2 million increase in tuition and fee revenues generated by academic programs, offset by a decrease in the scholarship allowance of $1.1 million. The combined impact resulted in a net $2.3 million increase in tuition and fee revenue.
- 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. For the year ended June 30, 2025, 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 compared to the year ended June 30, 2024. The combined impact resulted in a net $200,000 decrease in tuition and fee revenue.
- Pell grants awarded to students were $19.2 million during the year ended June 30, 2025, 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%.
- Federal grants revenue decreased $1.5 million for the year ended June 30, 2026 and increased $3.3 million for the year ended June 30, 2025. The increase from fiscal year 2024 to 2025 was due to increased funding in MI Reconnect and ADN-to-BSN programs, which both provide grants to students, while the same funding decreased by $1.8 million for the year ended June 30, 2026. During fiscal year 2026 there was also a decrease of $1.0 million in local and nongovernmental grants and contracts, which was due to the closure of the Corporation of Public Broadcasting (CPB) in August of 2025, resulting in the elimination of CPB funding.

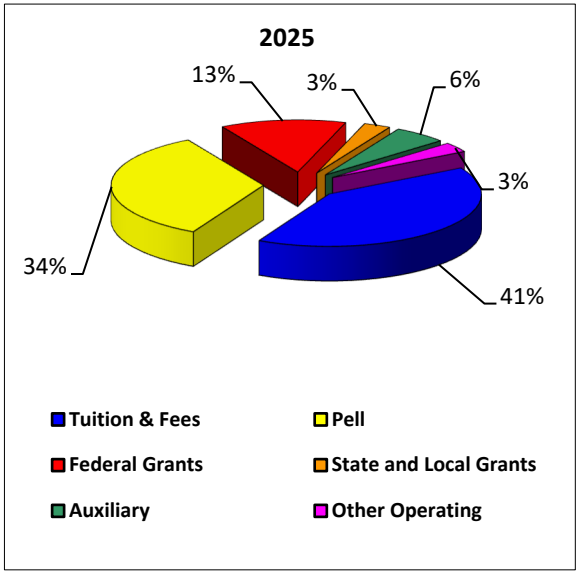
Detailed Analysis – Continued

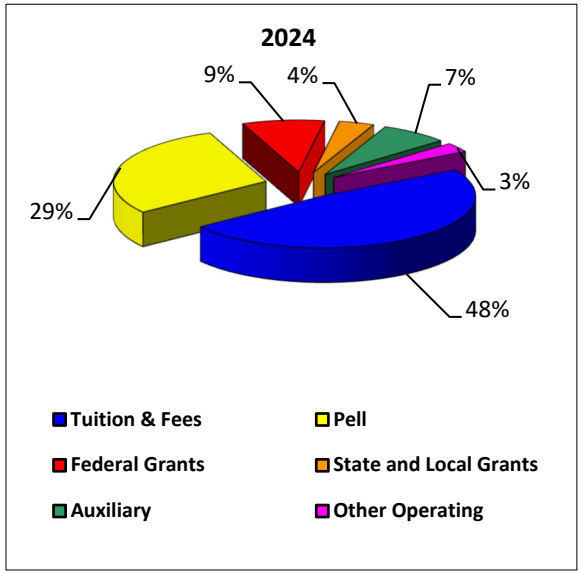
Statements of Revenue, Expenses and Changes in Net Position – Continued

Operating Revenue – Continued

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2026, 2025 and 2024:







Operating Expense

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College. Operating expense changes are highlighted by the following factors for the year ended June 30, 2026 and 2025:

- Base salary increases were 2.5% for 2026 and 2.0% for 2025 and the employee contribution toward medical insurance remained at 20.0% for both years. 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 $7.2 million, $6.5 million, and $6.1 million for the years ended June 30, 2026, 2025, and 2024, respectively; these increases are primarily due to an increase in actual claims. Salary and related benefit costs impact all operating expense areas except for depreciation expense.

Detailed Analysis – Continued

Statements of Revenue, Expenses and Changes in Net Position – Continued

Operating Expense – Continued

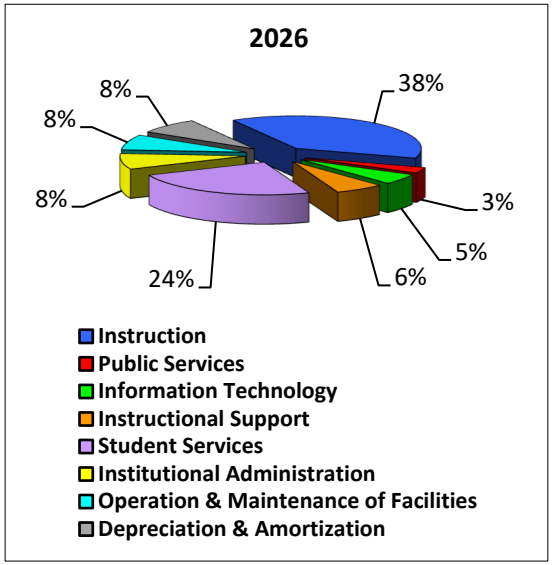
- In addition to the benefits described above, Public Act 300 of 2012 enacted by the State of Michigan legislature made significant reforms to the MPSERS that are designed to reduce overall benefit costs, but the cost reduction impact of the changes will not be experienced by employers for many years. During 2026 and 2025, the College's overall benefit expense for MPSERS including adjustments described above in the Statements of Net Position section, was $14.3 million and $16.2 million, respectively, a decrease of approximately $1.9 million and $1.4 million from the prior year. Of the $14.3 million and $16.2 million total, $10.1 million and $10.4 million was for the College's contributions to MPSERS, and $4.2 million 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 UAAL benefit expense was directly offset by the same amount in state appropriations noncapital subsidies.
- Public Services expense decreased $1.7 million for the year ended June 30, 2026 and increased $1.2 million for the year ended June 30, 2025. These fluctuations were mainly due to grant spending for the Delta College Public Broadcasting Television station and transfers made from Public Media to the Endowment Fund that occurred in fiscal year 2025.
- Student services expenses increased $1.1 million, or 5.2%, for the year ended June 30, 2026, and $1.2 million, or 6.0%, for the year ended June 30, 2025. The increase in fiscal year 2026 was mainly due to the decrease in scholarship allowances of $1.1 million while the increase in fiscal year 2025 was mainly due to an increase in Pell grant expenditures provided to students offset by an increase in scholarship allowances of $5.2 million and an increase in expenditures related to the MI Reconnect and ADN-to-BSN programs mentioned in the operating revenue section of the MD&A.
- Operation and Maintenance of Facilities expenses decreased $1.1 million, or 13.3%, from fiscal year 2024 to fiscal year 2025. 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.

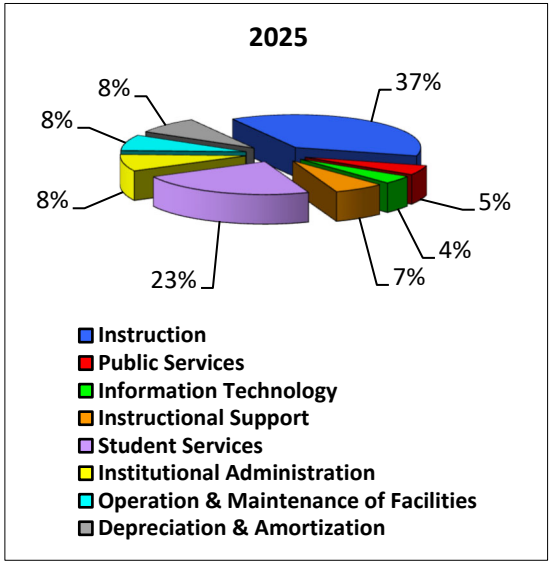
Detailed Analysis – Continued

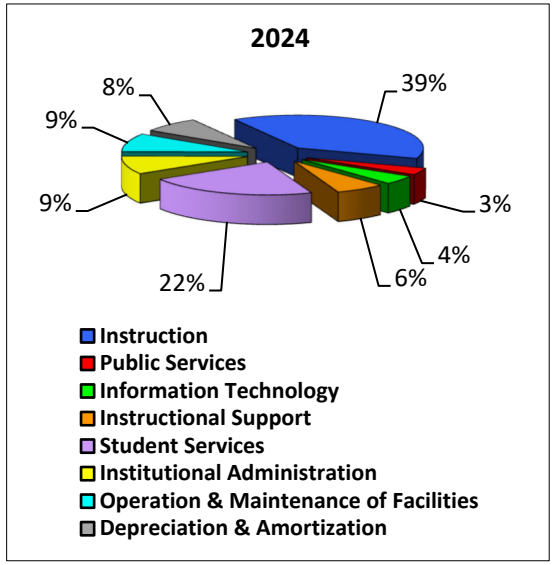
Statements of Revenue, Expenses and Changes in Net Position – Continued

Operating Expense – Continued

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2026, 2025 and 2024:







Noncapital Subsidies

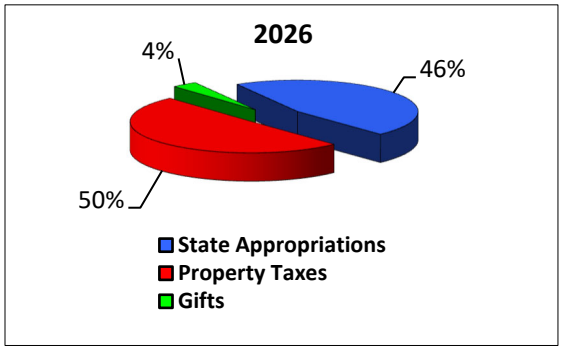
Noncapital subsidies included noncapital resources received from another party for which the College does not provide goods and services to and that directly or indirectly keep the College's current or future fees and charges lower than they would be otherwise. Included in the College's noncapital subsidies are state appropriations, property tax revenue and gifts to the College.

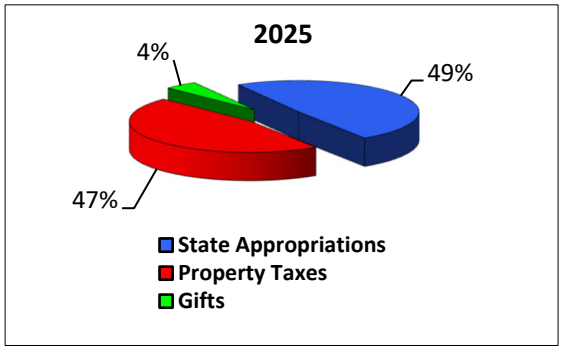
Detailed Analysis – Continued

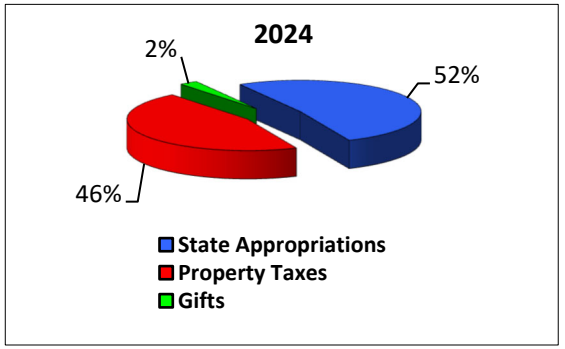
Statements of Revenue, Expenses and Changes in Net Position – Continued

Noncapital Subsidies – Continued

The following is a graphic illustration of noncapital subsidies by source for the years ended June 30, 2026, 2025 and 2024, in millions:







State appropriations fluctuate based on state funding and legislation. The following summarizes state appropriations for the years ended June 30, 2026, 2025 and 2024:

	2026	2025	2026-2025 Change	2024	2025-2024 Change
Base State Appropriations	$ 16.9	$ 16.6	$ .3	$ 15.9	$ .7
Performance Funding	.5	.2	.3	.7	(.5)
MSPERS Contributions Offsets	2.2	3.6	(1.4)	1.9	1.7
UAAL MPSERS Pass Through	4.2	5.8	(1.6)	8.1	(2.3)
Personal Property Tax Loss Reimbursements	3.4	3.2	.2	3.2	-
MPSERS Employee Healthcare Reimbursement	.1	.4	(.3)	-	.4
Small Business Taxpayer Exemption Reimbursement	.1	-	.1	-	-
Other	.1	.2	(.1)	.1	.1
Total State Appropriations	$ 27.5	$ 30.0	$ (2.5)	$ 29.9	$ .1

The total taxable value of property within the district increased approximately 4.8% for the year ended June 30, 2026 and 6.7% for the year ended June 30, 2025. The millage rate for fiscal year 2026 was levied at 2.0559 mills compared to 2.0563 mills for 2025 and 2.0427 mills for 2024. The increase in taxable value and changes in millage rates resulted in an increase in property tax revenues of approximately $1.4 million in fiscal year 2026 and $2.0 million in fiscal year 2025.

Detailed Analysis – Continued

Statements of Revenue, Expenses and Changes in Net Position – Continued

Noncapital Subsidies – Continued

Noncapital gifts include gifts for the College's TV and Radio stations as well as other general gifts, including in-kind contributions and gifts to the beneficial interest in endowment funds. For the year ended June 30, 2026, total gifts decreased $500,000 and for the year ended June 30, 2025, total gifts increased $1.1 million. These changes are primarily a result of a $1.0 million gift received in 2025 for the Delta College Public TV Fund quasi endowment and an increase in contributions in fiscal year 2026 to the Public Broadcasting as a direct response to CPB discontinuing federal funding.

Other Nonoperating Revenue (Expense)

Other nonoperating revenue (expenses) includes all other revenue and expense sources that are not operating or noncapital subsidies. They consist primarily of investment income (loss) (including realized and unrealized gains and losses), capital appropriations, grants and gifts, interest expense and gain (loss) on the disposal of capital assets. Other nonoperating revenue and expense changes are highlighted by the following factors for the years ending June 30, 2026 and 2025:

- During the year ended June 30, 2026, the College recognized $2.1 million dollars of state capital appropriations for the State's share of the K Wing renovation project. Additional information regarding this capital project can be found at Note 10 to the financial statements. During 2025, the College received a federal grant to be used for the Delta College Public Broadcasting Television station transmitter; $690,000 of this grant was recognized in fiscal year 2025 and an additional $150,000 in fiscal year 2026.
- Investment income, net of investment fees, decreased $800,000 for the year ending June 30, 2026. This decrease is primarily related to lower interest rates.
- The College disposed of buildings and furniture and equipment with a book value of $800,000, causing a larger loss to be recognized for fiscal year 2026 compared to $100,000 in 2025. The fiscal year 2026 disposals were primarily related to the old Delta College Public Broadcasting Television station transmitter and tower that was replaced through a federal grant as discussed above.

Significant Capital Assets and Long-Term Financing Activity

At June 30, 2026, the College had $229.0 million invested in capital assets, which net of accumulated depreciation and amortization of $105.2 million, resulted in a book value of $123.8 million. Capital assets increased by approximately $6.1 million in 2026, which included net additions of $13.4 million less annual depreciation and amortization charges of $7.3 million.

Significant Capital Assets and Long-Term Financing Activity – Continued

The table below provides details of these assets, shown net of accumulated depreciation and amortization, as of June 30, 2026, 2025 and 2024, in millions:

	2026	2025	2026-2025 Change	2024	2025-2024 Change
Land and Improvements	$ 5.2	$ 5.6	$ (.4)	$ 6.0	$ (.4)
Infrastructure	4.0	4.0	-	4.2	(.2)
Buildings	100.9	95.0	5.9	90.7	4.3
Furniture and Equipment	7.2	6.5	.7	6.2	.3
SBITAs	2.4	2.6	(.2)	1.2	1.4
Construction in Progress	4.1	4.0	.1	1.4	2.6
Totals	$ 123.8	$ 117.7	$ 6.1	$ 109.7	$ 8.0

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 2026 and 2025:

- 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 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 $1.1 million and recorded as construction in progress. During the year ending June 30, 2026, additional cost of $575,000 were incurred and the asset was capitalized at a total cost of $1.7 million.

Significant Capital Assets and Long-Term Financing Activity – Continued

- 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. During the year ending June 30, 2026, additional cost of $4.7 million were incurred and the asset was capitalized at a total cost of $6.2 million.
- 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. During the year ending June 30, 2026, additional cost of $143,000 were incurred and the asset was capitalized at a total cost of $806,000.
- In April 2026, the Board approved reconstruction of the facade and roof of the S-Wing to address several water leaks through the windows, fascia and vestibules. The total approved budget for this project is approximately $1.3 million. The project was anticipated to be complete by the Fall of 2026 however, due to supply issues for windows and construction materials, the project now is scheduled to be completed in the summer of 2027. Construction in progress at June 30, 2026 totaled $712,000.
- At its May 2026 meeting, The College's Board of Trustees approved a project for the design, fabrication, and installation of a full campus-wide wayfinding program; consisting of vehicular directional signs, pedestrian guidance signage, building identification, parking lot identification, regulatory signage, and campus entry features. The total approved budget for this project is approximately $1.4 million. The project is expected to be completed in November of 2026. Construction in progress at June 30, 2026 totaled $1.0 million.
- In March 2026, the Board approved the S-Wing flooring project with a total approved budget of $300,000. The project included the removal and replacement of existing flooring throughout portions of S-Wing. During the removal of the existing flooring, asbestos-containing mastic was discovered beneath the existing tile which was not found during the survey done prior to this project. This unforeseen condition was not included in the original flooring project scope and required additional environmental testing, abatement, encapsulation, management, and disposal work before the flooring replacement could proceed. This caused the project to be delayed until the summer of 2026. The project is anticipated to be completed in September 2026. As of June 30th, 2026, construction in progress at June 30, 2026 totaled $443,000.

Significant Capital Assets and Long-Term Financing Activity – Continued

- In May 2026, the Board approved for the full-depth road reconstruction of the Hotchkiss Drive entrance; including removal of existing payment, installation of new roadway section and entrance, as well as replacing the culvert. The total approved budget for this project is approximately $1.4 million. Construction in progress at June 30, 2026, totaled $363,000.

Refer to Note 10 to the financial statement for additional information related to the above capital projects.

The College had no long-term financing activity during the years ended June 30, 2026, 2025, or 2024.

Currently Known Facts, Decisions, or Conditions

Delta College Public Media

In July of 2026, Congress voted to approve a rescission of federal funding for the CPB. As a result, CPB announced August 1, 2026, 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 experience moderate growth during 2027, supported by continued consumer spending and income growth, although uncertainty surrounding trade policy, inflation, and interest rates may constrain business investment and economic expansion. Michigan's economy continues to expand at a pace below the national average, reflecting the state's structural transformation from traditional manufacturing toward electric and autonomous vehicle (EV/AV) production, clean energy, and automated digital systems. Statewide economic growth is projected at approximately 0.8% in 2026 and 0.7% in 2027, according to the May 2026 Consensus Revenue Estimating Conference (CREC) and University of Michigan RSQE forecasts. Michigan's economy faces additional challenges associated with changes in the automotive industry, evolving supply chains, and continued demand for a skilled workforce. According to the May 2026 CREC, U.S. real gross domestic product is projected to grow by 1.2% in calendar year 2026, while Michigan personal income is projected to increase by 3.6%. These economic conditions will continue to influence employment, state revenue collections, and the financial environment in which Michigan's community colleges operate.

Michigan's economic outlook remains closely tied to the performance of its manufacturing sector and its ability to adapt to changing technologies and workforce demands. Although employment and income levels provide support for continued economic activity, employers continue to face challenges related to workforce availability, specialized skills, and changing occupational requirements. These conditions reinforce the important role of Michigan's community colleges in workforce development, adult reskilling, and providing affordable access to postsecondary education. The College supports these efforts by preparing students for careers in advanced manufacturing, healthcare, information technology, automation, and other high-demand fields throughout the Great Lakes Bay Region.

Currently Known Facts, Decisions, or Conditions – Continued

Economic Factors That Will Affect the Future – Continued

Michigan's economic growth and workforce needs are also influenced by state initiatives designed to improve access to higher education. Programs such as Michigan Reconnect and the Community College Guarantee help reduce financial barriers for eligible students and support the development of a more skilled workforce. These initiatives provide opportunities for adult learners and recent high school graduates to pursue credentials and degrees aligned with regional employment needs. Continued state investment in these programs may contribute to stronger workforce participation, improved earning potential, and long-term economic competitiveness.

The College's financial outlook remains closely tied to the economic performance and fiscal health of Bay, Saginaw, and Midland counties, as well as the overall budget environment of the State of Michigan. State appropriations, local property tax revenues, tuition and fees, and enrollment levels remain significant factors in the College's financial planning. For the 2026–2027 fiscal year, the College's adopted budget assumed a 3% increase in state appropriations compared to only receiving a .08% increase. Actual appropriations and subsequent state budget decisions may differ from budget assumptions, making ongoing monitoring of state revenues and funding allocations an important component of the College's financial management.

State revenue collections are influenced by income, sales, and other taxes that support Michigan's General Fund and School Aid Fund. Changes in employment, consumer spending, personal income, and broader economic conditions can affect the amount of revenue available for public services, including community college operations. Although state revenue forecasts provide a basis for financial planning, economic uncertainty and changing legislative priorities may affect future appropriations. Accordingly, Delta College continues to monitor state funding developments and incorporate available information into its budget projections.

At the local level, property tax revenues across the College's tri-county service area remain an important source of operating and capital funding. Changes in property valuations, taxable values, and applicable tax limitations influence the amount of revenue available to support College operations and facilities. Inflation also continues to affect institutional expenditures, including employee compensation, employee benefits, utilities, technology, instructional equipment, and construction materials. These pressures require continued attention to expenditure management, long-term capital planning, and responsible allocation of available resources.

Student enrollment remains one of the most significant factors influencing the College's financial performance. Tuition revenue and state funding are affected by student participation, contact hours, and enrollment trends. The College continues to emphasize recruitment, retention, student success, and completion through expanded student support services, academic program management, and partnerships with regional K–12 school districts. Dual Enrollment and early-college opportunities remain important components of the College's enrollment strategy, allowing high school students to earn college credit while strengthening the pipeline to postsecondary education.

For fiscal year 2026–2027, the College established a budget target of approximately 187,000 general fund contact hours, reflecting a cautious but positive outlook for enrollment. This target builds on recent improvements and efforts to remove barriers to student participation. The College continues to evaluate enrollment trends and implement strategies intended to improve persistence, increase completion, and expand access for traditional students, adult learners, and students participating in workforce training programs. Actual contact hours for 2025-2026 were 199,402 exceeding the budget of 185,000.

Currently Known Facts, Decisions, or Conditions – Continued

Economic Factors That Will Affect the Future – Continued

Enrollment growth and student success contribute to the economic strength of the Great Lakes Bay Region by preparing individuals for employment, supporting career advancement, and helping employers meet workforce needs. Adult learners participating in Michigan Reconnect and other educational assistance programs represent an important component of this effort. By providing accessible pathways to certificates, associate degrees, and career-focused training, the College helps individuals develop the skills necessary to respond to changing labor market demands.

The College maintains a disciplined, long-term financial approach that emphasizes stability, responsible spending, and reinvestment in institutional priorities. The College's practice of allocating available General Fund surpluses to the Plant Fund supports facility renewal, infrastructure improvements, and capital projects while reducing reliance on external borrowing. This approach helps preserve financial flexibility and manage exposure to changing interest rates and construction costs. Continued evaluation of operating expenses, capital needs, and available resources remains essential to maintaining the College's financial stability.

The College also continues to align its financial planning with strategic priorities related to student success, workforce readiness, facilities, and technological modernization. Investments in academic equipment, information technology infrastructure, instructional resources, and digital learning environments support educational quality and the College's ability to respond to changing student and employer needs. Capital planning and facilities maintenance remain important considerations as the College evaluates long-term infrastructure requirements and the responsible use of available funding.

Looking ahead, the College will continue to serve as an important educational and economic partner for the Great Lakes Bay Region. While economic uncertainty, changing workforce requirements, inflation, and fluctuations in state funding present ongoing challenges, the College's commitment to financial stewardship, accessible education, and regional partnerships positions it to respond to evolving conditions. By aligning institutional resources with student needs and regional economic priorities, the College will continue working to strengthen educational attainment, support workforce development, and deliver long-term value to students, employers, taxpayers, and the communities it serves.

Delta College Foundation

The Foundation is discretely reported as a part of the College's reporting entity. The College provides personnel support, supplies and equipment to the Foundation at no charge. The amount of such assistance for the year ended June 30, 2026 and 2025, was approximately $693,000 and $673,000, respectively. In addition, the Foundation transferred payments to the College for student scholarships and support totaling approximately $1.5 million during fiscal year 2026 and $1.8 million during fiscal year 2025.

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, 2026 and 2025 approximated $8.7 million and $7.5 million, respectively.

Currently Known Facts, Decisions, or Conditions – Continued

Delta College Foundation – Continued

The net assets of the Foundation are as follows as of June 30, 2026, 2025 and 2024, in millions:

	2026	2025	2024
Without Donor Restriction	$ 3.5	$ 2.9	$ 2.9
With Donor Restriction	32.4	28.8	27.3
Total Net Assets	$ 35.9	$ 31.7	$ 30.2

Separate financial statements of the Foundation are available by contacting Delta College Foundation, 1961 Delta Road, University Center, MI 48710.

AHP
CPAs & ADVISORS

ANDREWS HOOPER PAVLIK PLC
5300 GRATIOT ROAD | SAGINAW, MI 48638

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, 2026 and 2025, 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, 2026 and 2025, 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 28, 2026, on our consideration of Delta College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Delta College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delta College's internal control over financial reporting and compliance.

Andrews Hooper Pavlik PLC

Saginaw, Michigan
October 28, 2026

Statements of Net Position
Delta College

	June 30, 2026	June 30, 2025
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	$ 24,008,452	$ 17,563,953
Short-term investments (Note 2)	59,401,701	66,473,077
Property taxes receivable	97,860	30,153
State appropriations receivable (Note 4)	4,405,121	3,981,231
Federal and state grants receivable	2,710,611	3,391,484
Accounts receivable, net of allowance of $2,693,538 in 2026 and $2,146,605 in 2025	558,023	819,913
Inventories	828,712	918,965
Prepaid expenses and other assets	3,330,663	2,203,707
Total Current Assets	95,341,143	95,382,483
Long-Term Investments (Note 2)	37,018,977	32,022,985
Long-Term Accounts Receivable	404,471	385,012
Beneficial Interest in Endowments Held by the Foundation (Note 2)	8,663,929	7,458,919
Net OPEB Asset (Note 5)	17,511,428	12,963,349
Capital Assets (Note 3)	123,748,774	117,683,374
Total Assets	282,688,722	265,896,122
Deferred Outflows of Resources (Note 5)	21,355,971	23,782,474
Liabilities		
Current Liabilities		
Accounts payable	2,472,254	3,415,412
Accrued payroll and other compensation	5,950,672	5,988,810
Unearned revenue	2,429,312	1,985,029
Subscription-based information technology arrangements (Note 3)	831,984	726,812
Total Current Liabilities	11,684,222	12,116,063
Non-Current Liabilities		
Long-term subscription-based information technology arrangements (Note 3)	2,037,469	2,331,891
Net pension liability (Note 5)	61,858,220	72,535,006
Total Non-Current Liabilities	63,895,689	74,866,897
Total Liabilities	75,579,911	86,982,960
Deferred Inflows of Resources (Note 5 and 6)	40,677,595	45,897,441
Net Position		
Net investment in capital assets	120,879,321	114,624,671
Restricted for:		
Expendable scholarships and awards	2,313,997	2,212,053
Instructional department uses	546,341	784,065
Public broadcasting activities	6,304,115	6,045,819
OPEB asset	17,511,428	12,963,349
Other restricted uses	266,103	622,606
Unrestricted (Note 1)	39,965,882	19,545,632
Total Net Position	$ 187,787,187	$

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, 2026	2025
Operating Revenue		
Tuition and fees, net of scholarship allowance of $12,233,916 in 2026 and $13,293,082 in 2025	$ 25,272,796	$ 22,968,077
Pell federal grant revenue	19,636,842	19,218,129
Federal grants and contracts	5,964,859	7,482,720
State grants and contracts	315,192	456,969
Local and nongovernmental grants and contracts	152,670	1,185,954
Michigan New Jobs Training Program	952,587	567,405
Auxiliary activities, net of scholarship allowance of $1,529,844 in 2026 and $1,489,610 in 2025	3,375,135	3,232,424
Miscellaneous	1,533,847	1,089,163
Total Operating Revenue	57,203,928	56,200,841
Operating Expenses		
Instruction	35,300,065	34,685,693
Public services	2,685,324	4,451,429
Information technology	4,771,488	3,749,635
Instructional support	5,810,563	5,972,485
Student services	22,414,153	21,315,997
Institutional administration	7,250,708	7,610,250
Operation and maintenance of facilities	6,951,517	7,184,469
Depreciation and amortization	7,346,932	7,666,672
Total Operating Expenses	92,530,750	92,636,630
Operating Loss	(35,326,822)	(36,435,789)
Noncapital Subsidies		
State appropriations	27,511,707	30,011,683
Property tax levy	29,917,133	28,464,946
Public broadcasting gifts	1,160,577	834,503
Gifts	826,269	1,758,486
Total Noncapital Subsidies	59,415,686	61,069,618
Operating Loss and Noncapital Subsidies	24,088,864	24,633,829
Other Nonoperating Revenue (Expenses)		
State capital appropriations	2,074,588	-
Federal capital grants	143,677	694,698
Capital gifts and grants	-	80,759
Investment income, net of investment expense of $201,917 in 2026 and $200,657 in 2025	5,719,254	6,523,560
Interest expense on subscription assets	(285,543)	(295,536)
Loss on disposition of capital assets	(751,848)	(127,727)
Total Other Nonoperating Revenue (Expenses)	6,900,128	6,875,754
Increase in Net Position	30,988,992	31,509,583
Net Position - Beginning of Year	156,798,195	125,288,612
Net Position - End of Year	$ 187,787,187	$

The accompanying notes are an integral part of these statements.

Statements of Cash Flows
Delta College

	Year Ended June 30, 2026	2025
Cash Flows from Operating Activities		
Tuition and fees	$ 25,473,078	$ 22,491,063
Pell federal grant revenue	19,489,973	19,117,733
Grants and contracts	7,163,045	7,650,984
Michigan New Jobs Training Program	952,587	567,405
Payments to suppliers	(58,950,570)	(59,803,381)
Payments to employees	(45,300,653)	(43,501,154)
Auxiliary enterprise charges	3,381,341	3,301,979
Other	1,618,787	
Net Cash Used In Operating Activities	(46,172,412)	(49,172,572)
Cash Flows from Noncapital Financing Activities		
State appropriations	27,087,817	30,457,633
Local property taxes	29,849,426	28,459,423
Public broadcasting gifts	1,160,577	837,108
Gifts and contributions for other than capital purposes	1,826,269	1,758,486
Custodial fund transactions	(102,562)	
Net Cash Provided By Noncapital Financing Activities	58,821,527	61,528,987
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital gifts, grants and appropriations	2,218,265	775,457
Purchase of capital assets	(14,989,403)	(13,986,824)
Proceeds from disposition of capital assets	5,075	
Net Cash Used In Capital and Related Financing Activities	(12,766,063)	(13,206,767)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	117,724,443	87,648,499
Investment income	4,570,693	2,282,986
Purchase of investments	(115,733,689)	
Net Cash Provided By (Used In) Investing Activities	6,561,447	4,600
Net Increase (Decrease) in Cash and Cash Equivalents	6,444,499	(14,655,852)
Cash and Cash Equivalents - Beginning of Year	17,563,953	
Cash and Cash Equivalents - End of Year	$ 24,008,452	$
	(103,736,985)	
	(13,805,500)	

The accompanying notes are an integral part of these statements.

Statements of Cash Flows - Continued
Delta College

	Year Ended June 30, 2026	2025
Reconciliation of Operating Loss to		
Net Cash Used in Operating Activities:		
Operating loss	$ (35,326,822)	$ (36,435,789)
Adjustment to reconcile operating loss to net cash		
used in operating activities:		
Depreciation and amortization	7,346,932	7,666,672
Allowance for uncollectible accounts	546,933	98,248
(Increase) decrease in assets:		
Federal and state grants receivable	827,742	(1,230,930)
Accounts receivable	(451,371)	(484,274)
Inventories	90,253	(203,866)
Prepaid expenses and other assets	(1,098,775)	(683,299)
Net OPEB asset	(4,548,079)	(11,238,698)
Decrease in deferred outflows of resources	2,426,503	8,664,709
Increase (decrease) in liabilities:		
Accounts payable	(495,241)	891,494
Accrued payroll and other compensation	(38,138)	(274,634)
Unearned revenue	444,283	(249,672)
Net pension and OPEB liability	(10,676,786)	(23,739,072)
Increase in deferred inflows of resources	(5,219,846)	
Net Cash Used In Operating Activities	$ (46,172,412)	$

The accompanying notes are an integral part of these statements.

8,046,539

(49,172,572)

Statements of Financial Position
Delta College Foundation

	June 30, 2026	June 30, 2025
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	$ 2,466,022	$ 1,854,685
Pledges receivable	77,387	125,287
Prepaid expenses and other assets	98,532	
Total Current Assets	2,641,941	2,086,819
Long-Term Investments (Note 2)	41,759,245	36,803,958
Long-Term Pledges Receivable	176,024	
Total Assets	$ 44,577,210	$
Liabilities and Net Assets	106,847	
Current Liabilities		
Accounts payable	$ 3,875	$ 44,469
Unearned revenue	25,370	
Total Current Liabilities	329,245	74,369
Funds Held as Agency Endowments (Note 2)	8,663,929	7,458,919
Total Liabilities	8,693,174	7,533,288
Net Assets		
Without donor restrictions	3,451,694	2,916,265
With donor restrictions (Note 13)	32,432,342	
Total Net Assets	35,884,036	31,692,630
Total Liabilities and Net Assets	$ 44,577,210	$

The accompanying notes are an integral part of these statements.

28,776,365

39,225,918

Statements of Activities
Delta College Foundation

	Year Ended June 30, 2026	2025
Revenues and Other Support		
Contributions	$ 2,298,644	$ 2,839,178
Nonfinancial assets	103,072	157,516
Support services/facility use from Delta College	693,382	673,297
Special events, net of expenses	44,440	47,254
Investment return, net	6,317,637	3,123,722
	9,457,175	6,840,967
Less: Change in funds held as agency endowments	(1,205,010)	(1,473,922)
Less: Amount raised on behalf of others	(1,226,592)	(834,503)
Total Revenues and Other Support	7,025,573	4,532,542
Expenses and Other Deductions		
Program:		
Endowment distributions	917,714	1,072,075
Grants and distributions to or for Delta College	575,312	767,692
Fundraising	91,703	212,865
Management and general	556,056	280,312
Total support services from Delta College	693,382	673,297
Total Expenses and Other Deductions	2,834,167	3,006,241
Change in Net Assets	4,191,406	1,526,301
Net Assets - Beginning of Year	31,692,630	30,166,329
Net Assets - End of Year	$ 35,884,036	$

The accompanying notes are an integral part of these statements.

31,692,630

Notes to Financial Statements
Delta College
June 30, 2026

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* as amended by GASB Statement No. 103, *Financial Reporting Model Improvements,* 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:

Adoption of New Standard and Reclassification

During the year ended June 30, 2026, the College adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The adoption of GASB Statement No. 103 was reported as a change in accounting principle in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections.* The adoption of GASB Statement No. 103 changed the presentation and classification of certain revenues and expenses in the statements of revenues, expenses, and changes in net position, including separate presentation of noncapital subsidies and revised presentation and classification of certain nonoperating revenues. Comparative amounts for the year ended June 30, 2025 have been reclassified, if practicable, to conform to the June 30, 2026 presentation. The reclassification affected only the presentation and classification of revenues and had no effect on the total change in net position, beginning net position, ending net position, assets, deferred outflows of resources, liabilities, or deferred inflows of resources.

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.

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 above:

- College Investments – These investments are comprised of government 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, 2026 or 2025. 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, 2026 and 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.

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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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:

	2026	2025
Designated for Workforce Strategies activities	$ 2,655,417	$ 2,334,948
Designated for future capital outlay	63,594,553	59,391,423
Other designated fund activities	29,439,540	28,837,416
Designated as endowments	8,663,929	7,458,919
MPSERS pension liability and MPSERS deferred outflow and inflow of resources	(80,709,242)	(94,233,599)
Unrestricted and unallocated	16,321,685	15,756,525
Total Unrestricted Net Position	$ 39,965,882	$ 19,545,632

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, 2026 and 2025, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately $1,017,000 and $933,000, respectively. Additionally, advance payments approximating $85,000 for the fall 2026 semester and approximately $105,000 for the fall 2025 semester were received before June 30, 2026 and 2025, respectively, and recorded as unearned revenue.

Internal Service Activities

Revenue and expenses related to internal service activities approximating $617,000 and $637,000 for 2026 and 2025, 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.

Subsequent Events

Management has evaluated subsequent events through October 28, 2026, the date the financial statements were available to be issued.

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 at June 30, 2026 and 2025:

	2026	2025
Cash and cash equivalents	$ 24,008,452	$ 17,563,953
Short-term investments	59,401,701	66,473,077
Long-term investments	37,018,977	32,022,985
Beneficial interest in endowments held by the Foundation	8,663,929	7,458,919
Total	$ 129,093,059	$ 123,518,934

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 above are classified in the following categories at June 30:

	2026	2025
Bank deposits (checking accounts, savings accounts and certificates of deposit)	$ 24,410,721	$ 19,259,651
Investments in securities and similar instruments	95,973,452	96,755,407
Petty cash and cash on hand	44,957	44,957
Beneficial interest in endowments held by the Foundation	8,663,929	7,458,919
Total	$ 129,093,059	$ 123,518,934

Bank Deposits – The above bank deposits at June 30, 2026 and 2025 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at $35.1 million and $30.7 million, respectively. Of these bank deposits at June 30, 2026 and 2025, approximately $5.3 million and $5.8 million, 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 and money market accounts 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 between one and five years, the anticipated duration of these investments is under three years.

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 and money market accounts remain with the financial institutions from which they were purchased or deposited, 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, 2026 and 2025.

Investment Composition – The following table presents the investments and maturities that the College held at June 30, 2026 including certificates of deposit and commercial paper classified as cash equivalents:

			By Maturity		
Investment Type	Quality Ratings	Fair Value	Less Than One Year	1-5 Years	More Than 5 Years
Certificates of Deposit	N/A	$ 3,685,268	$ 2,442,733	$ 1,242,535	$ -
Commercial Paper	A1+/P1 to A2/P2	36,089,846	36,089,846	-	-
U.S. Government Money Market Accounts	AAA	9,373,816	9,373,816	-	-
Collateralized Mortgage Obligations	Aa	2,800,526	2,800,526	-	-
U.S. Treasury Bills	Aa	179,245	179,245	-	-
U.S. Treasury Notes	Aa	47,156,652	11,380,211	35,776,441	-
Total Investments		$ 99,285,353	$ 62,266,377	$ 37,018,976	$ -

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, 2025 including certificates of deposit and commercial paper classified as cash equivalents:

			By Maturity		
Investment Type	Quality Ratings	Fair Value	Less Than One Year	1-5 Years	More Than 5 Years
Certificates of Deposit	N/A	$ 3,548,992	$ 3,548,992	$ -	$ -
Commercial Paper	A1+/P1 to A2/P2	37,089,101	37,089,101	-	-
U.S. Government Money Market Accounts	AAA	10,504,445	10,504,445	-	-
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		$ 99,551,642	$ 67,528,655	$ 31,383,503	$ 639,484

Beneficial Interest in Endowments Held by the Foundation – The College has a beneficial interest in endowments held by the Foundation of $8,663,929 at June 30, 2026 and $7,458,919 at June 30, 2025. 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:

	2026	2025
Endowment balance at beginning of year	$ 7,458,919	$ 5,984,997
Contributions and transfers	276,633	1,140,108
Investment earnings	1,287,620	659,564
Distributions	(240,507)	(225,629)
Investment and administrative fees	(118,736)	(100,121)
Endowment balance at end of year	$ 8,663,929	$ 7,458,919

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 $2,466,022 at June 30, 2026 and $1,854,685 at June 30, 2025. The Foundation's bank deposits at June 30, 2026 and 2025 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at $1,665,729 and $1,233,287, respectively. Of these bank deposits at June 30, 2026 and 2025, approximately $399,000 and $250,000, 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 Depository Receipts (ADR's); mutual funds; convertible securities, bonds and preferred stocks; and alternative investments made using mutual funds, exchange traded funds or separately managed accounts to ensure that daily valuations and liquidity are maintained. Alternative investments may not exceed 30% of the total fund measured by market value. The fixed income portfolio shall maintain a weighted average quality of investment grade, with no more than 15% of the portfolio invested in unrated and/or below investment grade securities. Additionally, all investments in The Fund must have a readily ascertainable market value and must be readily marketable.

The following investments are prohibited: margin purchases and securities of the Investment Manager including proprietary mutual funds, direct investment in tangible assets such as real estate, oil and gas and precious metals. Also prohibited is venture capital financing, private placements and hedge funds.

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

Concentration of Credit Risk – The 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, 2026 and 2025, the Fund did not hold any securities of any one issuer in excess of these limits.

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, 2026 and 2025, The Fund had the following investments and maturities:

			By Maturity			
Investment Type	S&P/Moody's Quality Ratings	Fair Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
June 30, 2026:						
Corporate Bonds	AA+ to BBB	$ 3,320,132	$ 407,839	$ 1,473,698	$ 1,204,648	$ 233,947
Corporate Convertible Bonds *	A to B+	1,713,232	447,112	1,266,120	-	-
Corporate Convertible Bonds *	Unrated	626,148	73,968	552,180	-	-
Municipal Bonds	AAA to A	1,272,181	-	118,094	388,865	765,222
Government & Agency Bonds	AAA to AA+	4,027,363	-	956,947	1,648,897	1,421,519
Government & Agency Bonds	Unrated	270,056	-	-	-	270,056
		11,229,112	$ 928,919	$ 4,367,039	$ 3,242,410	$ 2,690,744
Bond Funds	N/A	1,806,306				
Preferred Stock	N/A	659,769				
Equities	N/A	20,249,851				
International Equities	N/A	5,673,654				
Alternative Investments	N/A	2,140,553				
Total Investments		$ 41,759,245				

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

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

			By Maturity			
Investment Type	S&P/Moody's Quality Ratings	Fair Value	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.*

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, 2026 and 2025 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, 2026:				
College Investments	$ 99,285,353	$ -	$ 99,285,353	$ -
College Beneficial Interest in Endowments Held by the Foundation	8,663,929	-	-	8,663,929
Foundation Investments:				
Equities	25,923,505	25,923,505	-	-
Bond funds	13,035,418	-	13,035,418	-
Preferred stock	659,769	-	659,769	-
Total investments by fair value	147,567,974	$ 25,923,505	$ 112,980,540	$ 8,663,929
Alternative investments	2,140,553			
	$ 149,708,527			
June 30, 2025:				
College Investments	$ 99,551,642	$ -	$ 99,551,642	$ -
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	141,814,519	$ 21,117,167	$ 113,238,433	$ 7,458,919
Alternative investments	2,000,000			
	$ 143,814,519			

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 – Continued

Included in the Foundation investment composition and fair value measurement tables above is $8,663,929 and $7,458,919, as of June 30, 2026 and 2025, 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.

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, 2026 and 2025:

	Estimated Useful Life	Beginning Balance	Additions/ Depreciation and Amortization	Deletions	Ending Balance
June 30, 2026:					
Depreciable and Amortizable Capital Assets:					
Buildings	40 years	$ 160,123,347	$ 10,759,560	$ 1,922,289	$ 168,960,618
Land improvements	20-40 years	11,985,873	80,546	-	12,066,419
Infrastructure	20-25 years	14,147,620	463,784	30,928	14,580,476
Furniture and equipment	5-20 years	23,010,925	2,014,379	1,411,986	23,613,318
SBITAs	2-5 years	3,608,210	736,069	547,539	3,796,740
Non-depreciable Capital Assets:					
Construction in progress		3,961,675	11,489,105	11,374,188	4,076,592
Land		1,502,726	-	-	1,502,726
Fine art collection		390,325	-	-	390,325
Total Capital Assets		218,730,701	25,543,443	15,286,930	228,987,214
Less Accumulated Depreciation and Amortization:					
Buildings		65,138,838	4,279,589	1,347,388	68,071,039
Land improvements		7,892,023	453,202	-	8,345,225
Infrastructure		10,133,637	491,279	29,113	10,595,803
Furniture and equipment		16,927,164	1,098,827	1,231,779	16,794,212
SBITAs		955,665	1,024,035	547,539	1,432,161
Total Accumulated Depreciation and Amortization		101,047,327	$ 7,346,932	$ 3,155,819	105,238,440
Capital Assets, Net		$ 117,683,374			$ 123,748,774

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, 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		$ 109,674,058			$ 117,683,374

The College has SBITAs that are used for various software licenses and remote hosting arrangements, which meet the capitalization criteria specified by U.S. GAAP. Therefore, the SBITAs have been recorded at the present value of the future minimum payments as of the inception date using internal borrowing rates ranging from 3.50% to 8.50%. The asset cost, accumulated amortization, and payable under the SBITAs totaled approximately $3.8 million, $1.4 million, and $2.9 million, respectively, as of June 30, 2026 and approximately $3.6 million, $1.0 million, and $3.1 million, respectively, as of June 30, 2025.

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

Payments on the SBITAs for years succeeding June 30, 2026 are summarized as follows:

2027	$ 1,046,232
2028	954,854
2029	671,464
2030	705,037
Total minimum payments	3,377,587
Less amount representing interest	(508,134)
Present value as of June 30, 2026	$ 2,869,453

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, 2026 and 2025, respectively, state operating appropriation revenue totaled $27.5 million and $30.0 million. The $27.5 million and $30.0 million respective balances consist of the following: $16.9 million and $16.6 million in base appropriations, $493,000 and $240,000 performance funding, $2.2 million and $3.6 million MPSERS contributions offsets, Unfunded Actuarial Accrued Liability (UAAL) MPSERS pass through of $4.2 million and $5.8 million, and personal property tax (PPT) loss reimbursements of $3.4 million and $3.2 million. In addition, the College received an appropriation of $52,000 and $25,000 for Indian Tuition Waiver for the respective years, and $10,000 and $10,000 was received from the State for Renaissance Zone property tax reimbursement. The College also received $126,000 and $377,000 of MPSERS Employee Healthcare Reimbursement for the year ended June 30, 2026 and 2025, respectively, that was used to reimburse staff who had previously contributed to the health plan. For the year ended June 30, 2026, the College received $115,000 for the small business taxpayer exemption (SBTE) reimbursement. 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, 2026 and 2025, respectively, are $4.4 million and $4.0 million, and includes $903,000 and $624,000, respectively, to be passed through to MPSERS for the UAAL Stabilization payment.

State capital appropriation revenue for the State's portion of the K Wing Renovation project totaled $2.1 million for the year ended June 30, 2026. See Note 10 for further discussion regarding this project.

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.

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, 2024 valuation will be amortized over a 14-year period ending September 30, 2038.

Required contributions to the pension plan from the College were $12.9 million and $12.4 million for the years ending June 30, 2026 and 2025, respectively. Required contributions to the OPEB plan from the College were $271,000 and $2.5 million for the years ending June 30, 2026 and 2025, respectively.

Following are the employee and employer contribution rates associated with the MPSERS system for the year ended September 30, 2025:

	Pension Contribution Rates	
Benefit Structure	Member	Non-University Employer
Basic	0.0 – 4.0%	30.11%
Member Investment Plan	3.0 – 7.0%	30.11%
Pension Plus	3.0 – 6.4%	26.27%
Pension Plus 2	6.2%	27.16%
Defined Contribution	0.0%	20.96%

	OPEB Contribution Rates	
Benefit Structure	Member	Non-University Employer
Premium Subsidy	3.0%	1.25%
PHF	0.0%	0.00%

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	
	2025	**2024**	**2025**	**2024**
Total liability	$ 97,436,103,863	$ 95,765,499,515	$ 9,360,649,860	$ 9,991,545,923
Plan fiduciary net position	(77,403,114,236)	(71,283,482,728)	(15,439,767,833)	(14,295,943,589)
Net liability (asset)	$ 20,032,989,627	$ 24,482,016,787	$ (6,079,117,973)	$ (4,304,397,666)
Plan fiduciary net position as a percentage of total liability	79.44%	74.44%	164.94%	143.08%
Net liability (asset) as a percentage of covered employee payroll	181.01%	227.56%	(54.93)%	(40.01)%

Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense – At June 30, 2026 and 2025, respectively, the College reported a liability of $61.9 million and $72.5 million for its proportionate share of the net pension liability of MPSERS. At June 30, 2026 and 2025, respectively, the College reported an asset of $17.5 million and $13.0 million for its proportionate share of the net OPEB liability of MPSERS. The 2026 net pension and OPEB liability was measured as of September 30, 2025, 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, 2024. The College's portion of the 2026 and 2025 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, 2025, the College's pension proportionate share was .30878%, an increase of .01250% from its proportionate share measured as of September 30, 2024, which was .29628%. At September 30, 2025, the College's OPEB proportionate share was .28806%, a decrease of .01311% from its proportionate share measured as of September 30, 2024, which was .30117%.

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, 2026 and 2025, respectively, the College recognized MPSERS pension expense of $1.5 million and $2.6 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS pension from the following sources:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,395,946	$ 550,966	$ 1,967,926	$ 788,103
Net difference between projected and actual earnings on pension plan investments	-	14,782,790	-	13,842,754
Changes of assumptions	2,220,269	3,269,356	7,562,204	5,314,522
Changes in proportion and differences between College contributions and proportionate share of contributions	2,722,612	1,463,388	-	3,746,725
College contributions subsequent to the measurement date	11,453,892	-	11,163,226	-
Rate stabilization appropriations received after the measurement date	-	4,969,058	-	4,193,857
Total	$ 18,792,719	$ 25,035,558	$ 20,693,356	$ 27,885,961

For the years ended June 30, 2026 and 2025, respectively, the College recognized MPSERS OPEB revenue of $6.2 million and $5.4 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS OPEB from the following sources:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 11,989,153	$ -	$ 13,737,191
Net difference between projected and actual earnings on OPEB plan investments	-	2,460,737	-	2,454,111
Changes of assumptions	2,337,088	185,724	2,831,382	325,444
Changes in proportion and differences between College contributions and proportionate share of contributions	59,054	535,821	80,805	1,078,360
College contributions subsequent to the measurement date	167,110	-	176,931	-
Total	$ 2,563,252	$ 15,171,435	$ 3,089,118	$ 17,595,106

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 $11.5 million and $11.2 million, respectively, as of June 30, 2026 and 2025 and $.2 million of contributions subsequent to the measurement date related to OPEB as of June 30, 2026 and 2025. 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
2027	$ (1,108,364)	$ (3,506,016)
2028	(6,152,349)	(3,344,815)
2029	(4,315,126)	(3,042,342)
2030	(1,151,834)	(1,977,233)
2031	-	(692,537)
Thereafter	-	(212,350)
Total	$ (12,727,673)	$ (12,775,293)

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, 2025 and 2024 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, 2025, the annual money-weighted rate of return on pension plan and OPEB investment, net of pension and OPEB plan investment expense, was 9.81% and 9.24% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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, 2025 are summarized in the following table:

Investment Category	Pension Target Allocation	OPEB Target Allocation	Pension and OPEB Plan Long-term Expected Real Rate of Return
Domestic Equity Pools	21.0%	16.0%	5.8%
Private Equity Pools	16.0	16.0	9.3
International Equity Pools	14.0	11.0	5.6
Fixed Income Pools	15.0	26.0	2.5
Real Estate and Infrastructure Pools	8.0	5.0	7.0
Absolute Return Pools	13.0	15.0	4.4
Real Return/Opportunistic Pools	9.0	7.0	7.0
Short-Term Investment Pools	4.0	4.0	1.3
Total	100.0%	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, 2026 and 2025, 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, 2026	$ 97,615,683	$ 61,858,220	$ 32,076,831
June 30, 2025	$ 106,337,098	$ 72,535,006	$ 44,388,261

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, 2026 and 2025, 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 (5.50%-6.75%)	Net OPEB Asset at Current Rate (6.50%-7.75%)	Net OPEB Asset at 1.0% Increase (7.50%-8.75%)
June 30, 2026	$ (15,087,203)	$ (17,511,428)	$ (19,633,149)	$ (19,613,789)	$ (17,511,428)	$ (15,304,018)
June 30, 2025	$ (10,018,183)	$ (12,963,349)	$ (15,509,756)	$ (15,509,784)	$ (12,963,349)	$ (10,232,311)

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.

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, 2024 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: 7.75% 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 one 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, 2025 is based on the results of an actuarial valuation date of September 30, 2024, 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 4.4524 years for the pension plan and 6.4654 years for the OPEB plan and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2025 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, 2026 and 2025, the College reported $900,000 and $1,410,000, 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.

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 12.5% (10% in 2025) 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, 2026 and 2025, compensation covered under the ORP approximated $8.1 million and $8.5 million, respectively, which resulted in contributions by the College of approximately $1,009,000 and $845,000 for the years ended June 30, 2026 and 2025, 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 $139,000 and $129,000 for the years ended June 30, 2026 and 2025, respectively. The College reported a lease receivable of $538,000 and $483,000 as of June 30, 2026 and 2025, respectively, and a deferred inflow of resources of $471,000 and $416,000 as of June 30, 2026 and 2025, 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).

Note 9. Contractual Commitments

The College has outsourced the management and operational support of its information technology services. During March 2023, the College's Board of Trustees approved and accepted a contract renewal with Ellucian, with the new contract period beginning November 1, 2023 and ending October 31, 2031. The 7-year contract includes 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 as well as additional services related to the Ellucian Customer Relationship Management (eCRM) Advise and Recruit software applications. The 7-year contract calls for monthly payments ranging of $274,000, with a total contractual commitment of $23.0 million over the 7-year contract period.

Note 10. Capital Construction Projects

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.

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.

Note 10. Capital Construction Projects – Continued

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 $1.1 million and recorded as construction in progress. During the year ending June 30, 2026, additional cost of $575,000 were incurred and the asset was capitalized at a total cost of $1.7 million.

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. During the year ending June 30, 2026, additional cost of $4.7 million were incurred and the asset was capitalized at a total cost of $6.2 million.

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. During the year ending June 30, 2026, additional cost of $143,000 were incurred and the asset was capitalized at a total cost of $806,000.

Note 10. Capital Construction Projects – Continued

S Wing Façade and Roof – In April 2026, the Board approved reconstruction of the facade and roof of the S-Wing to address several water leaks through the windows, fascia and vestibules. The total approved budget for this project is approximately $1.3 million. The project was anticipated to be complete by the Fall of 2026 however, due to supply issues for windows and construction materials, the project now is scheduled to be completed in the summer of 2027. Construction in progress at June 30, 2026 totaled $712,000.

Wayfinding Project Upgrade – At its May 2026 meeting, The College's Board of Trustees approved a project for the design, fabrication, and installation of a full campus-wide wayfinding program; consisting of vehicular directional signs, pedestrian guidance signage, building identification, parking lot identification, regulatory signage, and campus entry features. The total approved budget for this project is approximately $1.4 million. The project is expected to be completed in November of 2026. Construction in progress at June 30, 2026 totaled $1.0 million.

S Wing Flooring – In March 2026, the Board approved the S-Wing flooring project with a total approved budget of $300,000. The project included the removal and replacement of existing flooring throughout portions of S-Wing. During the removal of the existing flooring, asbestos-containing mastic was discovered beneath the existing tile which was not found during the survey done prior to this project. This unforeseen condition was not included in the original flooring project scope and required additional environmental testing, abatement, encapsulation, management, and disposal work before the flooring replacement could proceed. This caused the project to be delayed until the summer of 2026. The project is anticipated to be completed in September 2026. As of June 30th, 2026, construction in progress at June 30, 2026 totaled $443,000.

Repair Hotchkiss Road – In May 2026, the Board approved for the full-depth road reconstruction of the Hotchkiss Drive entrance; including removal of existing payment, installation of new roadway section and entrance, as well as replacing the culvert. The total approved budget for this project is approximately $1.4 million. Construction in progress at June 30, 2026, totaled $363,000.

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, 2026 and 2025, Delta College property tax revenues were reduced by $429,000 and $287,000, respectively, under these programs. There are no abatements made by the College.

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.

Note 12. Related Parties – Continued

The College provides personnel support, supplies and equipment to the Foundation. The amount of such assistance for the year ended June 30, 2026 was approximately $693,000 and $673,000, for the year ended June 30, 2025. The Foundation provides revenue to the College General Fund to help offset these costs, including $215,000 for the year ended June 30, 2026 and $203,000 for the year ended June 30, 2025, that are in 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 $1,493,000 for the year ended June 30, 2026 and $1,840,000 for the year ended June 30, 2025.

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.

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

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

Composition of Endowment Net Assets

The following is a summary of the Foundation's 2026 and 2025 endowment and changes therein:

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Composition by type of Fund:						
Board-designated endowment funds	$ 2,755,567	$ -	$ 2,755,567	$ 2,397,540	$ -	$ 2,397,540
Donor-restricted gifts designated by the board as endowment funds	-	580,075	580,075	-	516,708	516,708
Donor-restricted endowment funds:						
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	17,867,931	17,867,931	-	17,517,660	17,517,660
Accumulated investment gains	-	12,723,026	12,723,026	-	9,641,346	9,641,346
Funds held as agency endowments	-	8,663,929	8,663,929	-	7,458,919	7,458,919
Total endowment funds	$ 2,755,567	$ 39,834,961	$ 42,590,528	$ 2,397,540	$ 35,134,633	$ 37,532,173
Changes in endowment net assets:						
Net investment income	$ 379,333	$ 5,477,110	$ 5,856,443	$ 175,799	$ 2,601,221	$ 2,777,020
Contributions and transfers	16,848	529,198	546,046	15,000	1,491,473	1,506,473
Appropriation of endowment assets for expenditure	(80,556)	(1,263,578)	(1,344,134)	(73,071)	(1,199,493)	(1,272,564)
Changes in endowment net assets	315,625	4,742,730	5,058,355	117,728	2,893,201	3,010,929
Endowment net assets:						
Beginning of year	2,397,540	35,134,633	37,532,173	2,279,812	32,241,432	34,521,244
Endowment transfer from with donor restrictions to without donor restrictions	42,402	(42,402)	-	-	-	-
End of year	$ 2,755,567	$ 39,834,961	$ 42,590,528	$ 2,397,540	$ 35,134,633	$ 37,532,173

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

Composition of Endowment Net Assets – Continued

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

	2026	2025
Permanent endowments held for the benefit of the College	$ 18,230,120	$ 17,860,511
Accumulated net investment gains on endowments held for the benefit of the College	12,940,912	9,815,203
Other funds restricted for purpose	342,239	347,268
Endowments in process	348,045	74,485
Instructional departmental use	175,426	104,852
Expendable scholarships and awards	395,600	574,046
Total net assets with donor restrictions	$ 32,432,342	$ 28,776,365

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, 2026 and 2025. When an endowment is underwater, it is the Foundation's intent to reinvest any dividends and interest until the endowment is made whole.

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.

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

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.

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, 2026 and 2025, respectively, the fee distributed to the Foundation amounted to $336,000 and $315,000.

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

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability and Contributions for Michigan Public School Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information
Delta College
June 30, 2026

	September 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Schedule of Proportionate Share of Net Pension Liability										
Delta College's proportion of the net pension liability:										
As a percentage	0.30878%	0.29628%	0.29745%	0.30379%	0.32250%	0.33565%	0.35693%	0.36190%	0.36091%	0.36396%
Amount	$ 61,858,220	$ 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
Delta College's covered payroll	$ 34,369,739	$ 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
Delta College's proportionate share of the net pension liability, as a percentage of the College's covered payroll	180.0%	225.7%	313.7%	379.7%	267.9%	399.5%	385.8%	351.7%	308.3%	298.4%
MPSERS fiduciary net position, as a percentage of the total non-university net pension liability	79.44%	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%

	June 30,									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Schedule of Contributions for MPSERS										
Delta College's statutorily required contributions	$ 12,860,848	$ 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
Delta College's contributions in relation to statutorily required contribution	12,860,848	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
Delta College's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Delta College's covered payroll	$ 35,898,923	$ 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
Delta College contributions as a percentage of covered payroll	35.8%	36.7%	33.8%	45.4%	35.0%	34.0%	31.5%	30.8%	32.2%	27.5%

Notes to Required Supplementary Information

Changes of benefit terms: There were no changes of benefit terms from September 30, 2016 through September 30, 2025.

Changes of assumptions: The discount rate for the September 30 valuation date was:
8.00% for 2016; 7.50% for 2017; 7.05% for 2018; 6.80% for 2019-2021; and 6.00% for 2022-2025.

Required Supplementary Information
Schedule of Proportionate Share of Net OPEB Liability and Contributions for Michigan Public School Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information
Delta College
June 30, 2026

	September 30,								
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Schedule of Proportionate Share of Net OPEB Liability									
Delta College's proportion of the net OPEB liability:									
As a percentage	0.28806%	0.30117%	0.30487%	0.30754%	0.31258%	0.32357%	0.34926%	0.36226%	0.36214%
Amount	$ (17,511,428)	$ (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	$ 34,369,739	$ 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	-51.0%	-40.3%	-5.6%	21.6%	16.7%	60.1%	81.8%	93.1%	105.7%
MPSERS fiduciary net position, as a percentage of the total non-university net OPEB liability	164.94%	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

	June 30,								
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Schedule of Contributions for MPSERS									
Delta College's statutorily required contributions	$ 270,913	$ 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	270,913	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	$ 35,898,923	$ 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	0.8%	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, 2025.

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 2022-2025.

Supplemental Schedules of Other Financial Information
Consolidating Statement of Net Position
Delta College
June 30, 2026

	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	$ 24,008,452	$ 3,583,191	$ 2,259,381	$ 3,476,660	$ 4,566,717	$ -	$ 10,001,854	$ -	$ 120,649
Short-term investments	59,401,701	2,977,699	17,934,490	2,303,413	2,432,141	-	33,753,958	-	-
Property taxes receivable	97,860	97,860	-	-	-	-	-	-	-
State appropriations receivable	4,405,121	4,405,121	-	-	-	-	-	-	-
Federal and state grants receivable	2,710,611	1,607,607	436,968	-	666,036	-	-	-	-
Accounts receivable	558,023	276,331	135,559	4,792	141,341	-	-	-	-
Inventories	828,712	140,033	-	688,679	-	-	-	-	-
Prepaid expenses and other assets	3,330,663	2,624,677	9,218						
Total Current Assets	95,341,143	15,712,519	20,775,616	6,473,544	7,836,330	-	44,422,485	-	120,649
Long-Term Investments	37,018,977	767,020	12,718,322	699,346	2,439,952		20,394,337	-	-
Long-Term Accounts Receivable	404,471	-	-	-	404,471	-	-	-	-
Beneficial Interest in Endowments	8,663,929	-	-	-	-	8,663,929	-	-	-
Net OPEB Asset	17,511,428	-	-	-	-	-	-	17,511,428	-
Capital Assets									
Land and improvements	13,569,145	-	-	-	-	-	13,569,145	-	-
Infrastructure	14,580,476	-	-	-	-	-	14,580,476	-	-
Buildings	168,960,618	-	-	-	-	-	168,960,618	-	-
Furniture and equipment	23,613,318	-	-	-	-	-	23,613,318	-	-
Subscription assets, net	2,364,579	-	-	-	-	-	2,364,579	-	-
Fine art collection	390,325	-	-	-	-	-	390,325	-	-
Construction in progress	4,076,592	-	-	-	-	-	4,076,592	-	-
Allowance for depreciation	(103,806,279)						(103,806,279)		
Total Capital Assets	123,748,774								
Total Assets	282,688,722	16,479,539	33,493,938	7,172,890	10,680,753	8,663,929	189,565,596	17,511,428	120,649
Deferred Outflows of Resources	21,355,971								

Supplemental Schedules of Other Financial Information
Consolidating Statement of Net Position - Continued
Delta College
June 30, 2026

	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	$ 2,472,254	$ 649,690	$ 53,100	$ 47,819	$ 378,727	$ -	$ 1,222,269	$ -	$ 120,649
Accrued payroll and other compensation	5,950,672	5,463,767	198,619	95,609	192,677	-	-	-	-
Unearned revenue	2,429,312	1,101,427	1,147,262	(27,568)	208,191	-	-	-	-
Subscription arrangements	831,984								
Total Current Liabilities	11,684,222	7,214,884	1,398,981	115,860	779,595	-	2,054,253	-	120,649
Non-Current Liabilities									
Long-term subscription arrangements	2,037,469	-	-	-	-	-	2,037,469	-	-
Net pension liability	61,858,220	-	-					61,858,220	
Total Non-Current Liabilities	63,895,689	-	-	-	-	-	2,037,469	61,858,220	-
Total Liabilities	75,579,911	7,214,884	1,398,981	115,860	779,595			61,858,220	120,649
Deferred Inflows of Resources	40,677,595								
Net Position									
Net investment in capital assets	120,879,321	-	-	-	-	-	120,879,321	-	-
Restricted for:									
Expendable scholarships and awards	2,313,997	-	-	-	2,313,997	-	-	-	-
Instructional department uses	546,341	-	-	-	546,341	-	-	-	-
Public broadcasting activities	6,304,115	-	-	-	6,304,115	-	-	-	-
OPEB asset	17,511,428	-	-	-	-	-	-	17,511,428	-
Other restricted uses	266,103	-	-	-	266,103	-	-	-	-
Unrestricted (deficit)	39,965,882	9,264,655	32,094,957	7,057,030			63,594,553	(80,709,242)	
Total Net Position	$ 187,787,187	$	$	$	$ 8,663,929	$	$	$ (63,197,814)	$

4,091,722
470,602
40,206,993
32,094,957
7,057,030
9,430,556
8,663,929
184,473,874
9,264,655

Supplemental Schedules of Other Financial Information
Consolidating Statement of Revenue, Expenses and Changes in Net Position
Delta College
Year Ended June 30, 2026

	Combined Total	Elimination	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund
Operating Revenue									
Tuition and fees, net of scholarship allowance of $12,233,916	$ 25,272,796	$ (12,233,916)	$ 36,220,605	$ 1,286,107	$ -	$ -	$ -	$ -	$ -
Pell federal grant revenue	19,636,842	-	-	-	-	19,636,842	-	-	-
Federal grants and contracts	5,964,859	-	-	-	-	5,964,859	-	-	-
State grants and contracts	315,192	-	-	-	-	315,192	-	-	-
Local and nongovernmental grants and contracts	152,670	-	-	-	-	152,670	-	-	-
Michigan New Jobs Training Program	952,587	-	-	-	-	952,587	-	-	-
Auxiliary activities, net of scholarship allowance of $1,529,844	3,375,135	(1,529,844)	-	-	4,904,979	-	-	-	-
Current year expenditures for capital equipment and facility improvements	-	(14,644,048)	-	-	-	-	-	14,644,048	-
Miscellaneous	1,533,847	(5,075)	495,174	356,346					
Total Operating Revenue	57,203,928	(28,412,883)	36,715,779	1,642,453	4,904,979	27,450,681	-	14,902,919	-
Operating Expenses									
Instruction	35,300,065	(579,778)	41,692,317	752,334	-	4,822,459	-	47,746	(11,435,013)
Public services	2,685,324	(108,717)	1,402,328	23,713	-	1,916,302	-	-	(548,302)
Information technology	4,771,488	(1,286,627)	4,969,144	-	-	-	-	1,131,193	(42,222)
Instructional support	5,810,563	(333,765)	7,015,026	211,456	-	222,216	-	65,774	(1,370,144)
Student services	22,414,153	(13,862,222)	10,311,137	110,314	4,911,380	23,248,602	-	-	(2,305,058)
Institutional administration	7,250,708	(261,283)	8,730,346	629,138	-	-	-	-	(1,847,493)
Operation and maintenance of facilities	6,951,517	(11,975,416)	8,285,637	-	-	126,558	-	11,814,142	(1,299,404)
Depreciation and amortization	7,346,932								
Total Operating Expenses	92,530,750	(28,407,808)	82,405,935	1,726,955	4,911,380	30,336,137			(18,847,636)
Operating Income (Loss)	(35,326,822)	(5,075)	(45,690,156)	(84,502)	(6,401)	(2,885,456)		(5,502,868)	18,847,636
Noncapital Subsidies									
State appropriations	27,511,707	-	28,286,907	-	-	-	-	-	(775,200)
Property tax levy	29,917,133	-	29,917,133	-	-	-	-	-	-
Public broadcasting gifts	1,160,577	-	-	-	-	1,160,577	-	-	-
Gifts	826,269			119,261			276,633	-	
Total Noncapital Subsidies	59,415,686			119,261		-	276,633		
Operating Income (Loss) and Noncapital Subsidies	24,088,864	(5,075)	12,728,486	34,759	(6,401)	(1,509,106)	276,633	(5,502,868)	18,072,436
Other Nonoperating Revenue (Expenses)									(775,200)
State capital appropriations	2,074,588	-	-	-	-	-	-	2,074,588	-
Federal capital grants	143,677	-	-	-	-	143,677	-	-	-
Investment income, net of investment expense of $201,917	5,719,254	-	1,721,011	112,575	-	1,041,969	928,377	1,915,322	-
Interest expense on subscription assets	(285,543)	-	-	-	-	-	-	(285,543)	-
Loss on disposition of capital assets	(751,848)	5,075							
Total Other Nonoperating Revenue (Expenses)	6,900,128	5,075	1,721,011	112,575			928,377	2,947,444	
Increase (Decrease) in Net Position	30,988,992	-	14,449,497	147,334	(6,401)	(323,460)	1,205,010	(2,555,424)	18,072,436
Transfers In (Out)	-			775,259					
Net Increase (Decrease) in Net Position	30,988,992	-	571,561	922,593	(6,401)	(233,987)	1,205,010	10,457,780	18,072,436
Net Position - Beginning of Year	156,798,195		(13,877,936)	31,172,364	7,063,431	9,664,543	7,458,919	174,016,094	(81,270,250)
Net Position - End of Year	$ 187,787,187	$ -	$	$	$	$	$	$ -	$

Supplemental Schedules of Other Financial Information
Details of Certain General Fund Revenues
Delta College
Year Ended June 30, 2026

Tuition and Fees

Tuition	$	30,161,182
Registration fees		872,098
Course and program fees:		
Technology fees		4,985,433
Health program fees		178,486
Lifelong wellness course fees		5,436
Auto course fees		10,551
Other fees		7,419
Total Tuition and Fees	$	36,220,605

Miscellaneous Revenue

Collegiate ads	$	3,675
Credit by exam		3,756
Live scan fees		13,455
Transcript revenue		38,160
Miscellaneous		124,134
Parking fines		140
Planetarium ticket sales		97,153
Rental of college facilities		153,094
Reserve parking		4,941
Testing		56,666
Total Miscellaneous Revenue	$	495,174

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses
Delta College
Year Ended June 30, 2026

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instruction						
Social Sciences	$ 3,757,599	$ 2,318,163	$ 16,337	$ -	$ 31,338	$ 6,123,437
Humanities	2,257,340	1,281,725	30,387	-	20,324	3,589,776
English	3,040,251	1,850,367	12,281	-	24,725	4,927,624
Mathematics & Computer Science	1,723,072	1,057,039	24,918	-	17,237	2,822,266
Sciences	4,080,791	2,436,715	99,789	-	41,508	6,658,803
Business & Information Technology	3,049,460	1,583,411	11,538	-	23,835	4,668,244
Health & Wellness	4,964,186	3,021,866	326,399	-	48,166	8,360,617
Technical Trades & Manufacturing	2,473,828	1,522,054	270,240	-	26,338	4,292,460
Instructional Equipment	-	-	137,268	111,822	-	249,090
Total Instruction	25,346,527	15,071,340	929,157	111,822	233,471	41,692,317
Public Services						
Television	402,471	292,258	-	-	2,550	697,279
Public Radio	104,795	75,391	-	-	1,258	181,444
Planetarium and Learning Center	288,893	177,081	54,167	-	3,400	523,541
President's Speakers Series	-	-	64	-	-	64
Total Public Services	796,159	544,730	54,231	-	7,208	1,402,328
Information Technology						
Communications Technology	55,858	37,155	59,489	-	375	152,877
Instructional Support Information Technology	104,911	291	2,152,586	-	-	2,257,788
Student Services Support Information Technology	-	-	746,199	-	-	746,199
Administrative Support Information Technology	16,596	11,042	1,782,731	-	1,911	1,812,280
Total Information Technology	177,365	48,488	4,741,005	-	2,286	4,969,144
Instructional Support						
Office of Vice President of Instruction & Learning Services	237,326	97,695	6,061	-	8,632	349,714
Associate Deans	1,009,718	567,418	73,541	-	15,080	1,665,757
Academic Deans	395,575	258,145	15,406	-	4,415	673,541
Faculty Secretarial & Instructional Support	116,039	73,702	398,833	-	275	588,849
Multimedia Laboratories	198,976	113,431	22,253	-	1,865	336,525
Library & Learning Resources Center	498,639	287,669	189,282	-	2,668	978,258
Teaching Learning and WRIT Centers	473,152	293,584	30,700	-	3,168	800,604
Academic Testing Center	133,406	68,707	1,500	-	250	203,863
Fitness & Aquatics Center Instructional Support	140,543	49,165	27,042	-	388	217,138

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2026

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instructional Support (continued)						
Teaching Enhancement Centers	$ 53,211	$ 45,716	$ 31,100	$ -	$ 5,249	$ 135,276
Center for Organizational Success	200	16	32,453	-	-	32,669
Accreditation & Assessment	7,735	3,649	39,939	-	1,215	52,538
Community Development & Strategic Partnerships	180,281	129,255	4,867	-	3,689	318,092
Service Learning & Community Engagement	21,064	23	4,870	6,892	-	32,849
Honors Program	51,878	43,900	4,689	-	2,524	102,991
eLearning	129,050	105,649	285,668	-	5,995	526,362
Total Instructional Support	3,646,793	2,137,724	1,168,204	6,892	55,413	7,015,026
Student Services						
Office of Vice President of Student & Education Services	255,927	175,757	63,400	-	4,563	499,647
Dean of Students	120,853	95,059	234,460	-	2,570	452,942
Dean of Enrollment Services	123,735	94,280	759	-	5,381	224,155
Admissions	553,047	346,059	56,120	-	4,980	960,206
Records & Registration	457,192	266,795	108,248	-	10,989	843,224
Counseling & Advising	1,572,109	1,136,139	50,878	-	19,867	2,778,993
Financial Aid	683,616	455,063	4,137	-	9,596	1,152,412
Dual Enrollment	8,079	4,582	-	-	-	12,661
Career & Employment Services	-	-	34	-	-	34
Enrollment Management & Student Goodwill	-	-	103,629	-	8,028	111,657
Student Engagement, Conduct, Leadership, & Organizations	68,193	52,700	44,703	-	530	166,126
Pioneer Connect	-	7,881	-	-	-	7,881
Marketing & Publications	-	-	493,286	-	2,164	495,450
Veteran Services	71,915	28,458	1,451	-	500	102,324
Collegiate Student Newspaper	31,137	5,198	12,828	-	773	49,936
Disability Resources	56,184	33,587	134,731	-	400	224,902
Commencement & Student Awards	-	-	19,058	-	-	19,058
Possible Dream Program	72,513	39,918	-	-	500	112,931
Student Testing & Assessment	27,193	23,605	4,773	-	250	55,821
Scholarships & Grants	-	-	311,113	-	-	311,113
Midland Center	142,491	77,643	14,778	-	1,527	236,439
Saginaw Center	219,154	160,537	59,207	-	1,000	439,898
Athletic Programs	334,585	179,486	208,631	22,287	308,338	1,053,327
Total Student Services	4,797,923	3,182,747	1,926,224	22,287	381,956	10,311,137

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2026

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Institutional Administration						
Board of Trustees	$ -	$ -	$ 20,548	$ -	$ 23,681	$ 44,229
Development Office	406,374	268,294	15,907	-	2,808	693,383
Diversity & Inclusion Office	154,025	69,742	33,766	-	4,145	261,678
Equity Office	77,554	49,970	2,370	-	1,348	131,242
President's Office	321,656	137,307	9,275	-	11,461	479,699
Memberships	-	-	186,528	-	35,217	221,745
Miscellaneous	4,428	2,391	88,689	-	3,753	99,261
Strategic Planning	-	-	8,122	-	-	8,122
Legal	-	-	133,402	-	-	133,402
Audit	-	-	63,933	-	-	63,933
Bank Fees, Collection Expenses & Bad Debts	-	-	620,044	-	-	620,044
Insurance, Unemployment & Other	-	85,814	530,705	-	-	616,519
Business Services	309,258	180,252	5,787	-	1,656	496,953
Finance Office	954,245	670,137	34,007	-	7,133	1,665,522
Human Resources & Staff Recruitment	648,333	478,588	124,389	-	7,895	1,259,205
Senate	33,844	28,054	1,694	-	138	63,730
Post Office	68,747	63,003	6,007	-	275	138,032
Institutional Advancement	445,495	366,255	4,044	-	7,688	823,482
Institutional Research	476,675	329,136	60,611	-	3,829	870,251
Wellness & Professional Development	-	13,484	26,284	-	146	39,914
Total Institutional Administration	3,900,634	2,742,427	1,976,112	-	111,173	8,730,346
Operation and Maintenance of Facilities						
Public Safety	561,596	332,425	63,906	-	5,928	963,855
Facilities Management	733,895	426,776	11,033	-	4,339	1,176,043
Facility Operations	1,614,229	1,227,301	653,205	-	1,500	3,496,235
Utilities	-	-	1,492,879	-	-	1,492,879
Facility Maintenance & Improvements	-	-	490,543	-	-	490,543
Off-Campus Centers & President's House	-	-	666,082	-	-	666,082
Total Operation and Maintenance of Facilities	2,909,720	1,986,502	3,377,648	-	11,767	8,285,637
Total General Fund Operating Expenses	$ 41,575,121	$	$	$	$	$
	25,713,958	14,172,581	141,001	803,274		82,405,935

Supplemental Schedules of Other Financial Information
Details of Designated Fund
Delta College
Year Ended June 30, 2026

	Net Position July 1, 2025	Revenues					Expenses						Transfers In (Out)	Net Increase (Decrease) In Net Assets	Net Position June 30, 2026
		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			
Instruction															
Workforce Strategies	$ 2,334,948	$ 869,817	$ -	$ -	$ -	$ 869,817	$ 99,095	$ 34,756	$ 185,669	$ -	$ 1,643	$ 321,163	$ (228,185)	$ 320,469	$ 2,655,417
Criminal Justice Training Programs	745,767	402,133	-	-	-	402,133	228,663	87,869	80,329	27,500	2,057	426,418	(106,721)	(131,006)	614,761
Lifelong Learning Programs	25,730	9,006					3,391	1,302	60						29,983
Total Instruction	3,106,445	1,280,956	-	-	-	1,280,956	331,149	123,927	266,058	27,500	3,700	752,334	(334,906)	193,716	3,300,161
Public Services															
Global Travel	27,245	-	-	-	1,848	1,848	-	-	2,500	-	-	2,500	-	(652)	26,593
Delta Productions	11,646	-	14,577	-	9,006	14,577	1,850	591	9,474	-	4,753	11,915	1,711	4,373	16,019
Dental Hygiene Powerbrush Program	(594)	-	865	-	-	865	-	-	82	-	-	82	-	783	189
Michigan MATYC Conference	2,446	-	-	-	-	-	-	-	-	-	-	-	(2,446)	(2,446)	-
Delta College Aids Walk	150	-	70	-	-	70	-	-	-	-	-	-	-	70	220
Telelearning Network	9,216														
Total Public Services	50,109	-	15,512	-	1,848	17,360	1,850	591	21,272	-	-	23,713	(735)	(7,088)	43,021
Information Technology															
Office Info Tech	-														
Total Information Technology	-	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000	100,000
Instructional Support															
Workforce Strategies Instructional Support	-	5,151	-	-	-	5,151	-	-	28	-	-	28	(5,123)	-	-
Criminal Justice Training Instructional Support	-	-	-	-	-	-	59,523	46,848	-	-	350	106,721	106,721	-	-
President's Scholarship Program	94,474	-	-	100	96,034	96,134	-	-	38,785	-	2,354	41,139	-	54,995	149,469
President's Innovation Projects	126,543	-	-	-	-	-	4,250	1,314	522	-	13,178	19,264	3,999	(15,265)	111,278
Prison Program	(38,595)	-	-	-	-	-	-	-	(1,949)	-	-	(1,949)	-	1,949	(36,646)
MEDC MAT2 Project	8,778	-	-	-	-	-	-	-	-	-	-	-	-	-	8,778
Faculty & Instructional Development	448,229	-	(996)	-	-	(996)	-	-	11,366	-	2,342	13,708	2,148	(12,556)	435,673
Developmental Education	4,156	-	-	-	-	-	-	-	-	-	-	-	(4,156)	(4,156)	-
Library Resource Replacement	63,953	-	34,589	-	-	34,589	-	-	10,692	-	-	10,692	14	23,911	87,864
Kenya Partnership	154	-	-	-	-	-	-	-	-	-	-	-	(154)	(154)	-
Art & Archive Projects	40,783					14,693							2,726	(4,434)	36,349
Total Instructional Support	748,475	5,151	33,593	100	110,727	149,571	63,773	48,162	81,297	-	18,224	211,456	106,175	44,290	792,765
Student Services															
Student Engagement & Service Learning Activities	7,414	-	14,161	14,693	-	14,161	-	21,853	2,199	-	21,853	2,199	(6,179)	5,783	13,197
VERSITI - MCAN Award	-	-	400	-	-	400	-	-	-	-	-	-	-	400	400
Girls Day Out Events	2,663	-	-	-	-	-	-	-	-	-	-	-	-	-	2,663
Math Placement Booster	4,699	-	-	-	-	-	-	-	-	-	-	-	(4,699)	(4,699)	-
Student Skills Achievement Programs	2,184	-	-	-	-	-	-	-	483	-	-	483	2,988	2,505	4,689
President's Honors Scholarship	221,757	-	-	-	-	-	-	-	-	-	-	-	18,230	18,230	239,987
Pioneer Athletic Fundraisers	20,609			37,323								107,632	6,181	45,570	66,179
Total Student Services	259,326	-	124,259	37,323	-	161,582	-	-	101,143	-	9,171	110,314	16,521	67,789	327,115
Institutional Administration															
Workforce Strategies Administration	-	109,698	18,229	-	147,021	18,229	72,836	96,822	38,461	35,553	-	1,326	206,537	188,308	-
Flexible Spending & Healthcare Reform Administration	108,706	-	5,441	-	-	5,441	-	-	2,688	9,171	-	2,688	-	2,753	111,459
Administrative Reserve for Budget Sustainability	14,485,046	-	-	-	-	-	-	-	-	-	-	-	250,000	250,000	14,735,046
Reserve for Strategic Initiatives	4,976,114	-	-	-	-	-	-	-	107,060	14,096	-	121,156	150,000	28,844	5,004,958
Administrative Development & Technology Projects	294,791	-	72,784	-	-	72,784	-	-	128,596	-	-	128,596	60,000	4,188	298,979
Self Insurance	7,143,352	-	86,528	-	-	86,528	-	-	795	87,528	-	88,323	89,896	88,101	7,231,453
Gifts In Kind	-														
Total Institutional Administration	27,008,009	-	182,982	81,838	-	264,820	72,836	96,822	356,530	101,624	1,326	629,138	738,204	373,886	27,381,895

Supplemental Schedules of Other Financial Information
Details of Designated Fund - Continued
Delta College
Year Ended June 30, 2026

		Revenues					Expenses								
	Net Position July 1, 2025	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)	Net Increase (Decrease) In Net Assets	Net Position June 30, 2026
Operation and Maintenance of Facilities															
Public Safety	$ -	$	$	$	$	$	$	$	$	$	$	$	$ 150,000	$ 150,000	$
Total Operation and Maintenance of Facilities	-													150,000	150,000
Total Designated Fund	$ 31,172,364	$ 1,286,107	$ 356,346	$ 119,261	$ 112,575	$ 1,874,289	$ 469,608	$ 269,502	$ 826,300	$ 129,124	$ 32,421	$ 1,726,955	$ 775,259	$ 922,593	$ 32,094,957
													150,000		
		-	-	-	-	-	-	-	-	-	-			150,000	
	-		-	-	-	-	-	-	-	-	-				
	-														

Supplemental Schedules of Other Financial Information
Details of Auxiliary Activities Fund
Delta College
Year Ended June 30, 2026

	Net Position July 1, 2025	Operating Revenues	Expenses					Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2026
			Salaries	Fringe Benefits	Supplies and Services	Capital Expenses	Total Expenses			
Auxiliary Activities										
Bookstore	$ 5,666,834	$ 3,534,926	$ 362,674	$ 172,397	$ 2,866,466	$ -	$ 3,401,537	$ 133,389	$ -	$ 5,800,223
Food Services	(755,042)	838,116	48,933	20,029	1,057,640	-	1,126,602	(288,486)	-	(1,043,528)
Fitness & Recreation Center	1,029,060	426,940	209,288	61,283	81,838	-	352,409	74,531	-	1,103,591
Planetarium Gift Shop & Conference Services	29,295	31,284								8
Total Auxiliary Activities	5,970,147	4,831,266	$	$	$	$		(74,883)		
Internal Service Operations							25,601			
Internal Service Operations	1,093,284	690,753	$ 130,309	$	$	$	4,906,149	68,482		34,97 5,895,264 1,161,766
Elimination of Rebilled Charges	-						5,683 (617,040)	-		
Net Internal Service Operations	1,093,284	620,895	253,709	4,031,545	-		5,231			
Total	$ 7,063,431	$ (617,040)	75,645	406,772	9,545	622,271	$ 4,911,380	$ -	$	$ 1,161,766
							68,482	-		- 7,057,030
	73,713						-			
	4,904,979							-		
							(6,401)			
								-		

Supplemental Schedules of Other Financial Information
Details of Expendable Restricted Fund
Delta College
Year Ended June 30, 2026

	Net Position July 1, 2025	Revenues: 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	Expenses: 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, 2026
Instruction																		
Workforce Strategies Grants	$ -	$ 2,133,198	$ 84,194	$ -	$ 500,998	$ -	$ -	$ -	$ 2,718,390	$ 1,360,000	$ 785,902	$ 555,681	$ -	$ 16,807	$ 2,718,390	$ -	$ -	$ -
Michigan New Jobs Training Programs	-	-	-	-	451,589	-	-	-	451,589	37,985	14,772	398,832	-	-	451,589	-	-	-
Motorcycle Safety Training Programs	(223)	-	134,052	-	-	27,173	-	-	161,225	76,374	32,301	11,261	41,066	-	161,002	-	223	-
Endowed Teaching Chair Program	174,611	-	-	-	-	-	-	-	-	11,399	3,703	136,520	-	3,000	154,622	-	(154,622)	19,989
ADN to BSN Completion Grant	-	568,716	-	-	-	-	-	-	568,716	86,760	42,462	438,994	-	500	568,716	-	-	-
League for Innovation Global Skills Grants	2,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,728
Wickes Diesel Program Startup	226,994	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	226,994
MEDC STEM Exploration	-	-	68,407	-	-	-	-	-	68,407	-	-	68,407	-	-	68,407	-	-	-
CFCP Semiconductor STEM	-	63,603	-	-	-	-	-	-	63,603	5,950	2,795	1,018	53,840	-	63,603	-	-	-
Haas Foundation CNC Grant	88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88
Dow Foundation STEM Explorer Program	379,867	-	-	-	-	-	-	118,000	118,000	110,702	49,088	38,299	-	3,236	201,325	-	(83,325)	296,542
Perkins Voc Ed Grant - Instructional Equipment	-												373,050					
Total Instruction	784,065	3,200,322	286,653	-	952,587	27,173	-	118,000	4,584,735	1,689,170	931,023	1,710,767	467,956	23,543	4,822,459	-	(237,724)	546,341
Public Service																		
Possible Dream Program	245,119	-	-	-	-	-	-	9,767	9,767	2,913	63	62,343	-	1,590	66,909	(17,628)	(74,770)	170,349
Humanities Learning Center	615	-	-	-	-	-	-	-	-	-	-	109	-	-	109	-	(109)	506
Planetarium Be A Star	328,001	-	-	-	-	-	-	35,884	35,884	-	-	25,310	-	-	25,310	-	10,574	338,575
Public Broadcasting - Television	5,508,029	143,677	-	146,064	-	353,850	841,003	215,405	1,699,999	300,641	164,214	1,034,741	108,717	5,196	1,613,509	-	86,490	5,594,519
Public Broadcasting - Radio	537,790	-	-				319,574	15,189	382,271	54,015	33,434	122,886	-		210,465			709,596
Total Public Service	6,619,554	143,677	-	146,064	-	401,358	1,160,577	276,245	2,127,921	357,569	197,711	1,245,389	108,717	6,916	1,916,302	(17,628)	193,991	6,813,545
Instructional Support																		
MEDC Cobot	-	20,378	-	-	-	-	-	-	20,378	-	-	9,515	10,863	-	20,378	171,806	-	-
American Chemical Society Grant	-	-	-	4,711	47,508	-	-	-	4,711	2,112	417	2,182	130	-	4,711	-	-	-
CFCP Semiconductor	-	24,499	-	-	-	-	-	-	24,499	16,073	3,809	-	-	4,617	24,499	-	-	-
Water Treatment Instruction Development	1,138	-	-	-	-	-	-	-	-	500	194	-	-	-	694	-	(694)	444
NFS NEVTEX Grant	-	41,663	-	-	-	-	-	-	41,663	-	-	(909)	34,770	7,802	41,663	-	-	-
Perkins Voc Ed Grant - Professional & Curriculum Dev	-	126,059	-	-	-	-	-	-	126,059	54,338	36,678	737	-	34,306	126,059	-	-	-
Perkins - MEATA	-	4,212	-	-	-	-	-	-	4,212	-	-	4,212	-	-	4,212	-	-	-
ATD Engaging Adjunct Faculty Grant	11,376																	
Total Instructional Support	12,514	216,811	-	4,711	-	-	-	-	221,522	73,023	41,098	15,737	45,633	46,725	222,216	-	(694)	11,820
Student Services																		
AT&T Becoming a Pioneer Grant	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26
Perkins Voc Ed Grant - Special Needs	-	465,088	-	-	-	-	-	-	465,088	234,502	144,335	129,487	-	1,646	509,970	44,882	11,376	-
MICUP STEP/CMU Partnership Grant	-	-	28	-	-	-	-	-	28	16	12	-	-	-	28	-	-	-
MICUP/MTU Partnership Grant	-	-	7,319	-	-	-	-	-	7,319	-	-	2,554	-	4,765	7,319	-	-	-
Improving Economic Mobility for Adult Leaners	-	-	-	2,052	-	-	-	-	2,052	-	-	-	-	-	-	-	2,052	2,052
MI Reconnect Now	-	8,000	-	-	-	-	-	-	8,000	-	-	952	-	-	952	(7,048)	-	-
MI Nursing Board School Grant	-	-	12,725	-	-	-	-	-	12,725	-	-	12,725	-	-	12,725	-	-	-
Michigan Reconnect Ages 21-24	-	803,114	-	-	-	-	-	-	803,114	-	-	1,091,140	-	-	1,091,140	-	(288,026)	(288,026)
Pell Grants	-	19,636,842	-	-	-	-	-	-	19,636,842	-	-	19,636,842	-	-	19,636,842	-	-	-
Supplemental Educational Opportunity Grant	-	517,481	-	-	-	-	-	-	517,481	-	-	517,481	-	-	517,481	-	-	-
TRIO Educational Opportunity Grant	-	277,849	-	-	-	-	-	-	277,849	178,384	69,097	16,196	-	14,172	277,849	-	-	-
Federal Workstudy Grant	-	150,591	-	-	-	-	-	-	150,591	201,631	219	-	-	-	201,850	50,356	(903)	(903)
Job Locator and Development Grant	-	25,000	-	-	-	-	-	-	25,000	15,338	9,562	-	-	100	25,000	-	-	-
VA Program Support	7,214	-	-	-	-	-	-	-	-	-	-	199	-	4,207	4,406	-	(4,406)	2,808
Delta College Food Pantry	13,919	-	-	-	-	-	7,186	-	7,186	-	-	5,563	-	-	5,563	-	1,623	15,542
MiLEAP Barrier Removal Grant	-	184,219	-	-	-	-	-	-	184,219	-	-	184,219	-	-	184,219	-	-	-
Scholarships & Awards	2,212,053							647,724	856,154	5,500	604	765,669			773,258	19,048	101,944	2,313,997
Total Student Services	2,233,212	22,068,184	20,072	1,895	-	-	215,773	647,724	22,953,648	635,371	223,829	22,363,027	-	26,375	23,248,602	107,238	(187,716)	2,045,496
Operation and Maintenance of Facilities																		
MiLEAP College Success Grant	-	116,384	-	-	-	208,587	-	-	116,384	58,329	20,918	36,656	1,485	344	116,247	(137)	-	-
AACC Award for Sustainability	-	-	-	-	-	-	-	-	-	-	-	18	-	-	18	-	(18)	(18)
Michigan Law Enforcement CPE	12,000	-	7,000	-	-	-	-	-	7,000	4,291	1,841	951	-	1,700	8,783	(1,226)	(3,009)	8,991
Michigan Justice Training & Drug Enforcement Grants	3,198		(157)	-	-											1,226	1,183	4,381
Total Operation and Maintenance of Facilities	15,198	116,384	8,467							62,620	22,759	39,135			126,558	(137)	(1,844)	13,354
Total Expendable Restricted Fund	$ 9,664,543	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
		1,467			70				124,851		1,510			2,044	1,510			
				-		-	-	-		-		-		-				
				-		-		-										
	-					1,376,350							105,603					
				952,587										30,336,137		(233,987)		
	25,745,378	315,192	-		428,531		1,041,969	30,012,677		1,416,420	25,374,055	-					9,430,556	
												622,306						