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**Delta College**  
**Board of Trustees Dinner Meeting**  
**Delta College N7**  
**Tuesday, November 12, 2024**  
**5:30 pm**

**Board Present:** A. Baldwin, A. Clark, S. Gannon, B. Handley-Miller, D. Middleton, M. Nash, M. Rowley, M. Thomas, M. Wood

**Board Absent:** None

**Others Present:** R. Battinkoff, T. Brown, P. Clark, A. Cramer, R. Curry, J. Delaney, J. Foco, J. Garn, M. Gavin, L. Govitz, D. Hopkins, G. Luczak, D. McQuiston, R. Morse, J. Mulders, K. Nelson, J. Perry, S. Raube, K. Schuler, E. Suniga, A. Ursuy, C. Wilson

**Press Present:** None

Board Chair, M. Thomas called the meeting to order at 6:00 pm. She turned the meeting over to Jon Foco, Vice President of Business and Finance to present the FY 2023 – 2024 Financial Statements and Audit. J. Foco thanked his staff especially, Angela Cramer, Controller and Jill Mulders, Assistant Controller. He then introduced Randy Morse from our auditing firm Andrews, Hooper and Pavlik, PLC. R. Morse then presented the results of the firm’s audit for the fiscal year ending, June 30, 2024.

R. Morse also thanked the finance staff along with the entire College for their cooperation with the audit. He gave an overview of the services provided which included the audits of Delta College, the Foundation, WDCQ-TV, and WUCX-FM which all received an unmodified opinion.

R. Morse noted the move of the Endowment and the Foundation Funds out of the College. The July 1, 2022, beginning net position was restated with a decrease of \$25 million. The beneficial interest in endowments held by the Foundation of \$6 million was recorded. The Foundation – including the Endowment Fund are now discretely presented.

Future audit and accounting standards that will affect Delta College include GASB 101, Compensated Absences, Fiscal Year 2025; GASB 102, Certain Risk Disclosure, Fiscal Year 2025; GASB 103, Financial Reporting Model, Fiscal Year 2026; and GASB 104, Disclosure of Certain Capital Assets, Fiscal Year 2026.

R. Morse gave an overview of the operating results for the Fiscal Year 2024 which included fluctuations between 2023 and 2024 and are as follows:

- an increase of 7% in operating revenue,
- an increase of 1% in operating expense,
- an increase of 22% in state operating appropriations,
- an increase of 5% in property tax levy,
- an increase of 26% in Pell federal grant revenue,
- a decrease in HEERF revenue due to the close out of these grants, and
- a reported \$6.1 million in income compared to a \$3.4 million in the prior year.

The overview of net position for Fiscal Year 2024 (all funds) included:

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- a \$10.6 million increase in cash and investments,
- a \$4.0 million decrease in capital assets, and
- a \$12.5 million decrease in pension and other postemployment benefit plan liabilities and related deferred inflow and outflow of resources.

The unrestricted net position is \$7.1 million at June 30, 2024 compared to the prior year of \$(16.1) million. The total net position change is \$20.1 million.

R. Morse noted that there were no difficulties encountered during the audit, no audit adjustments, no passed adjustments, no disagreements with management, and no management letter. Additional information included the operating funds – revenue sources; operating funds – expenses; COVID-19 Grants; and the Uniform Guidance Summary.

R. Morse provided graphs showing operating funds revenue sources and expenditures for the fiscal year 2024 and provided comparisons to all other Michigan community colleges. Delta College's revenue sources included: 35% - tuition and fees; 31% - state aid; 30% - property taxes; and 4% - all other. The expense side included: 50% - instruction; 12% - institutional administration; 12% - student services; 10% - plant operations; 8% - instructional support; 6% information technology; and 2% - public service.

R. Morse shared information on the grants awarded in relation to COVID. This included the Higher Education Emergency Relief Fund (HEERF); Coronavirus Aid Relief and Economic Security (CARES) Act; Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA); American Rescue Plan Act (ARPA); CARES Act Pass Through the Corporation of Public Broadcasting (CPB); and CARES Act Coronavirus Relief Funds (CRF). The total awarded was over \$35 million. All of these grants have come to a close.

R. Morse then discussed the Uniform Guidance Audit where a single audit is done on the federal money that the college receives, \$24.3 million. This is done in a separate statement. The major programs reviewed this year included the Higher Education Emergency Relief Fund (HEERF): Strengthening Institutions Program; Coronavirus State and Local Fiscal Recovery Funds Student Financial Aid Assistance Cluster: Federal Pell Grant Program, Federal Work-Study and American Reads Program, Federal Family Education Loans, and the Federal Supplemental Education Opportunity Grants Program. There were no material weaknesses, and no significant deficiencies identified.

M. Gavin also expressed his appreciation to the staff and all College employees for their work leading up to the audit.

There being no further business, the dinner meeting was adjourned at 6:23 pm.

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Talisa Brown, Assistant Board Secretary

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Andrea Ursuy, Board Secretary