



Delta College

**Audited Financial Statements
and Other Financial Information**

June 30, 2023

Delta College

Audited Financial Statements and Other Financial Information

June 30, 2023

Audited Financial Statements

Management’s Discussion and Analysis 1-17
Report of Independent Auditors 18-20
Balance Sheets..... 21
Statements of Revenue, Expenses and Changes in Net Position..... 22
Statements of Cash Flows..... 23-24
Notes to Financial Statements..... 25-54

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 55
Schedule of Proportionate Share of Net OPEB Liability and Contributions for Michigan Public School Employees’ Retirement System (MPSERS),
and Notes to Required Supplementary Information 56

Supplemental Schedules of Other Financial Information

Consolidating Balance Sheet 57
Consolidating Statement of Revenue, Expenses and Changes in Net Position 58
Details of Certain General Fund Revenues 59
Details of General Fund Operating Expenses 60-62
Details of Designated Fund..... 63
Details of Auxiliary Activities Fund 64
Details of Expendable Restricted Fund..... 65-66
Details of Endowment Fund 67-72

Management's Discussion and Analysis
Delta College
Year Ended June 30, 2023

The discussion and analysis of the financial statements of Delta College (the College) provides an overview of the College's financial activities for the years ended June 30, 2023, 2022 and 2021. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

Using This Report

These financial statements are prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. The financial statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Capital expenditures are capitalized on the Balance Sheet instead of recording as an expense, and depreciation is recorded.

Activities are reported as either operating or nonoperating in accordance with the GASB Statement No. 35. Charges for services are recorded as operating revenues. Essentially all other types of revenue, including state appropriations, property tax levies and Pell and other federal grant revenue are nonoperating. A public community college's reliance on state funding, local property taxes and Pell federal grant assistance to students will result in reporting an operating deficit.

This annual financial report complies with these requirements and includes this management's discussion and analysis, the report of independent auditors, the financial statements, notes to financial statements, required supplementary information, and supplemental information similar to commercial enterprises and private-sector institutions.

Over time, increases or decreases in net position provides one indication of the financial health of an organization. To assess the overall health of the College, many other non-financial factors also need to be considered such as trends in enrollment, condition of facilities, attention to workforce needs, success of graduates, and the strength of the faculty and staff.

Adoption of New Accounting Standard

The GASB issued GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, (GASB 96) which requires the College to calculate and report subscription-based information technology arrangement (SBITA) activities. The College adopted the Statement effective July 1, 2021. The balances were calculated using the facts and circumstances that existed as of July 1, 2021 as prescribed by GASB 96. There was no impact to beginning net position as of July 1, 2022.

COVID-19

While continuing to recover from the lingering effects of the Pandemic, the College experienced some positive outcomes during fiscal year 2023, the third full fiscal year since the onset on the COVID-19 pandemic. The College's on campus presence of students, staff and the community members has continued to increase, but has not returned to pre-Pandemic levels, which the College anticipates will continue to be the case in the long term. Early on in the Pandemic, online courses were the only option for students, and now that both in-person and online options are available, the online course modality continues to be popular with students, and the College is now better equipped to meet this demand than it was pre-Pandemic.

Approximately 37% of enrolled contact hours were in face-to-face course sections during fiscal year 2023, compared to 32% during fiscal year 2022. Currently, approximately 39% of enrolled contact hours for the fall 2023 semester are in a face-to-face modality. In comparison, this percentage was 78% for fiscal year 2019,

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

COVID-19 – Continued

prior to the Pandemic. The increased on-campus presence during fiscal year 2023 helped to improve the financial position of the College's Auxiliary operations, including the Bookstore, Food Services and the Fitness and Recreation Center (FRC); however, since their revenues continued to lag pre-Pandemic levels, the College was able to offset a portion of these lost revenues from COVID relief grants.

While enrolled contact hours still lags below pre-Pandemic levels, fiscal year 2023 was the first time in over a decade that current year enrollment exceeded that of the prior year. Contact hours totaled 166,784 for the year ending June 30, 2023, compared to 158,529 and 162,814, respectively, for the years ended June 30, 2022 and 2021. The College is optimistic that enrollment for the 2024 fiscal year will exceed that of 2023 since fall 2023 semester enrollment is currently exceeding fall 2022 enrollment by approximately 4,530 contact hours, which equates to a 6.2% increase. The college-wide strategic efforts focused on recruitment, retention and completion are producing positive results. The College recognizes that our students come to us with a variety of needs, which have increased as a result of COVID-19. The College has put many supports in place to help our students both in and out of the classroom, which we believe has helped to bolster our enrollment numbers. The College has been able to utilize the federal Higher Education Emergency Relief Fund (HEERF) COVID-19 relief grants mentioned below, to help fund many of these supports, which include enhancements to the College's food pantry services, including free meal vouchers, computers and other equipment and supplies for students, additional Student Success Advisors, enhancements to the College's Early Alert system and additional mental health services, just to name a few.

The Coronavirus Aid, Relief and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA) were passed by Congress and signed into law to provide economic relief from COVID-19. The College was awarded a total of \$14.6 million in HEERF Grants specifically for student financial assistance, \$19.8 million in HEERF institutional grants and \$1.5 million in HEERF Title III Strengthening the Institutions Program (SIP) Relief Funding. The College has recognized grant nonoperating revenue of \$6.5 million, \$15.2 million and \$12.1 million during the years ended June 30, 2023, 2022 and 2021, respectively, related to these HEERF grants. As of June 30, 2023, the College has expended all but approximately \$229,000 of SIP funding. The College was granted a no-cost extension to spend this remaining amount for specified purposes during fiscal year 2024. Additional information related to these grants is provided in Note 2 to the audited financial statements.

Financial Highlights

The College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 75, *Postemployment Benefits Other Than Pensions (OPEB)* in prior years. The provisions of these statements resulted in the College recognizing for the first time, its calculated share of the net pension and OPEB liability and related expenses, deferred inflows and deferred outflows for the Michigan Public School Employees' Retirement System (MPERS).

For the years ended June 30, 2023 and 2022, respectively, the College reported a net MPERS pension liability of \$114.3 million and \$76.3 million. In addition, the College, reported deferred outflows of resources of \$33.4 million and \$14.9 million, and deferred inflows of resources of \$17.1 million and \$36.6 million, for each of the two respective years. As of June 30, 2023 and 2022, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$98.0 million for both years and a negative MPERS pension expense adjustment of \$3.9 million for the year ended June 30, 2022 (there was no pension expense impact for the year ended June 30, 2023).

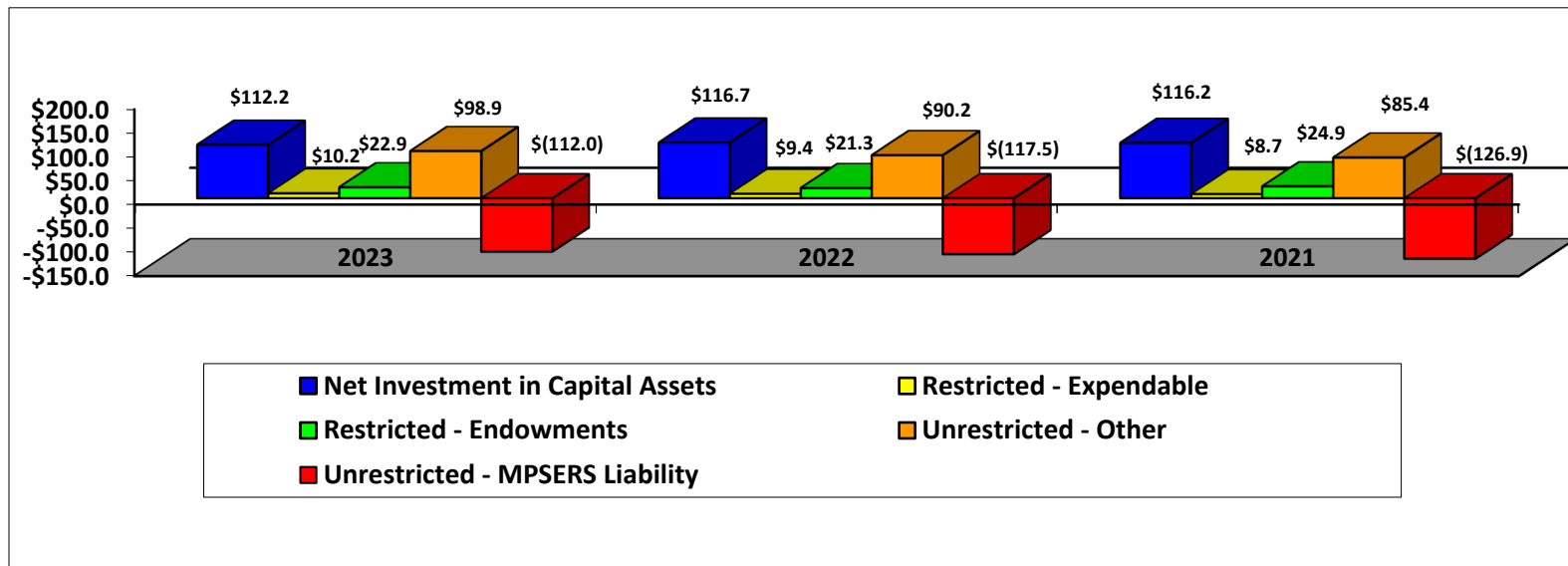
For the years ended June 30, 2023 and 2022, respectively, the College reported a net MPERS OPEB liability of \$6.5 million and \$4.8 million. In addition, the College reported deferred outflows of resources of \$8.1 million and \$5.8 million, and deferred inflows of resources of \$15.6 million and \$20.5 million, for each of the two respective years. As of June 30, 2023 and 2022, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$14.0 million and \$19.5 million and a negative MPERS OPEB expense adjustment of \$5.5 million and \$5.6 million.

Management’s Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2023

Financial Highlights – Continued

Excluding the significant and distorting effects of implementing the MPSERS pension and OPEB adjustments in accordance with the aforementioned GASB Statements No. 68, 71 and 75, the College’s financial position improved during both fiscal years ended June 30, 2023 and 2022, respectively, with net position increasing by \$6.6 million and \$2.4 million. This equates to annual increases of approximately 2.8% and 1.0% for the two respective years. During the year ended June 30, 2023, the College’s total assets increased \$8.0 million, to \$257.2 million. This \$8.0 million increase resulted primarily from a \$12.2 million increase in cash and investments offset by a decrease in capital assets of \$5.1 million. Total liabilities increased \$1.4 million primarily as a result of a \$1.3 million increase in accounts payable. Additional details resulting in the increases in net position for the two years are further described in the revenue and expense section of this discussion and analysis.

The following chart provides a graphical breakdown of net position by category for the fiscal years ending June 30, 2023, 2022 and 2021, in millions:



Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

Summary of Selected Financial Data

Following is a summary of the major components of the financial position of the College as of June 30, 2023, 2022 and 2021, in millions:

	2023	2022	2023-2022 Change	2021	2022-2021 Change
Current Assets	\$ 80.3	\$ 79.5	\$.8	\$ 88.5	\$ (9.0)
Long-Term Assets:					
Capital Assets, Net of Depreciation and Amortization	113.7	118.8	(5.1)	116.2	2.6
Other	63.2	50.9	12.3	40.0	10.9
Total Assets	257.2	249.2	8.0	244.7	4.5
Deferred Outflows of Resources	41.5	20.7	20.8	31.3	(10.6)
Current Liabilities	11.6	9.7	1.9	8.7	1.0
Non-Current Liabilities	121.6	82.4	39.2	132.6	(50.2)
Total Liabilities	133.2	92.1	41.1	141.3	(49.2)
Deferred Inflows of Resources	33.3	57.7	(24.4)	26.4	31.3
Net Position:					
Net Investment in Capital Assets	112.2	116.7	(4.5)	116.2	.5
Restricted – Expendable	10.2	9.4	.8	8.7	.7
Restricted – Endowments	22.9	21.3	1.6	24.9	(3.6)
Unrestricted	(13.1)	(27.3)	14.2	(41.5)	14.2
Total Net Position	\$ 132.2	\$ 120.1	\$ 12.1	\$ 108.3	\$ 11.8

June 30, 2023: During the year ended June 30, 2023, total assets increased by \$8.0 million and total liabilities increased by \$41.1 million. The majority of the increase in assets consisted of a \$12.2 million increase in cash and investments, primarily due to investment earnings resulting from increases in interest rates and market value gains. Also contributing to the increase in cash and investments was the College’s increase in enrollment and an influx of payments during fiscal year 2023 for MNJTP training agreements, that the College was holding as of June 30, 2023. This increase was offset by a \$5.1 million dollar decrease in capital assets due to the sale of land and a building and current year depreciation and amortization charges. The majority of the increase in liabilities consisted of a \$39.7 million increase in the MPSERS net pension and OPEB liabilities.

June 30, 2022: During the year ended June 30, 2022, total assets increased by \$4.5 million and total liabilities decreased by \$49.2 million. The majority of the increase in assets consisted of a \$3.3 million increase in cash and investments, primarily due to HEERF drawdowns. The majority of the decrease in liabilities consisted of a \$51.5 million decrease in the MPSERS net pension and OPEB liabilities.

Management's Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2023

Summary of Selected Financial Data – Continued

The following summarizes the major components of the College's operating results for the years ended June 30, 2023, 2022 and 2021, in millions:

	2023	2022	2023-2022 Change	2021	2022-2021 Change
Operating Revenue:					
Tuition and Fees	\$ 22.1	\$ 20.2	\$ 1.9	\$ 19.9	\$.3
Grants and Contracts	5.2	4.9	.3	5.1	(.2)
Public Broadcasting Gifts	.8	.9	(.1)	.9	-
Auxiliary Services	3.2	2.7	.5	2.1	.6
Other	1.3	1.2	.1	1.4	(.2)
Total Operating Revenue	32.6	29.9	2.7	29.4	.5
Operating Expenses:					
Instruction	35.4	31.3	4.1	38.0	(6.7)
Public Services	3.0	2.7	.3	2.7	-
Information Technology	4.0	3.4	.6	3.9	(.5)
Instructional Support	6.7	6.5	.2	6.6	(.1)
Student Services	19.3	24.6	(5.3)	21.7	2.9
Institutional Administration	8.0	5.7	2.3	7.8	(2.1)
Operation and Maintenance of Facilities	8.0	7.4	.6	7.5	(.1)
Depreciation and Amortization	7.0	7.2	(.2)	5.6	1.6
Total Operating Expenses	91.4	88.8	2.6	93.8	(5.0)
Operating Loss	(58.8)	(58.9)	.1	(64.4)	5.5
Nonoperating Revenue (Expenses)					
State Appropriations	24.5	24.5	-	23.2	1.3
Property Taxes	25.2	23.9	1.3	23.4	.5
Pell Federal Grant Revenue	11.1	10.5	.6	10.8	(.3)
HEERF and CRF	6.6	15.2	(8.6)	13.8	1.4
Other	2.7	(6.0)	8.7	7.8	(13.8)
Net Nonoperating Revenue (Expenses)	70.1	68.1	2.0	79.0	(10.9)

Management’s Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2023

Summary of Selected Financial Data – Continued

(continued from previous page)

	2023	2022	2023-2022 Change	2021	2022-2021 Change
Other Revenue					
State Capital Appropriations	\$.4	\$ 1.0	\$ (.6)	\$ -	\$ 1.0
Additions to Permanent Endowments	.4	1.6	(1.2)	1.1	.5
Total Other Revenue	.8	2.6	(1.8)	1.1	1.5
Increase in Net Position	12.1	11.8	.3	15.7	(3.9)
Net Position					
Net Position – Beginning of Year	120.1	108.3	11.8	92.6	15.7
Net Position – End of Year	\$ 132.2	\$ 120.1	\$ 12.1	\$ 108.3	\$ 11.8

Operating Revenue

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

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

- The 2023 academic in-district tuition rate increased by \$2.00 to \$121 per contact hour, which represents an increase of 1.7% and the technology fee was increased \$1.00 to \$25. Enrollment totaled 166,800 contact hours for fiscal year 2023, which represents an increase of 5.2% from 158,500 contact hours for the prior year. The combined net impact of the increase in tuition and technology rates and increase in contact hours resulted in a \$1.9 million increase in tuition and fee revenues generated by academic programs, net of scholarship allowances.
- Auxiliary services revenue consists primarily of sales in the Bookstore of \$3.2 million, which had offsetting scholarship allowances approximating \$795,000. Bookstore sales compared to the prior year increased by \$304,000, or 10.6%, due in part to an increase in enrollment over the prior year, coupled with an increase in students attending on campus courses, who are more likely to frequent the campus bookstore than those whose classes are fully online. Food services and FRC operating revenues also experienced an increase from the prior year of \$130,000 and \$77,000, respectively. These Auxiliary operations have benefitted from an increase in students, staff and community members returning to campus in higher numbers over the prior year. However, revenue continues to lag pre-Pandemic levels, and accordingly, the College was able to offset lost revenues for the FRC, Food Services and Printing Services operations by a total of \$262,000 from its HEERF COVID-19 relief grants.

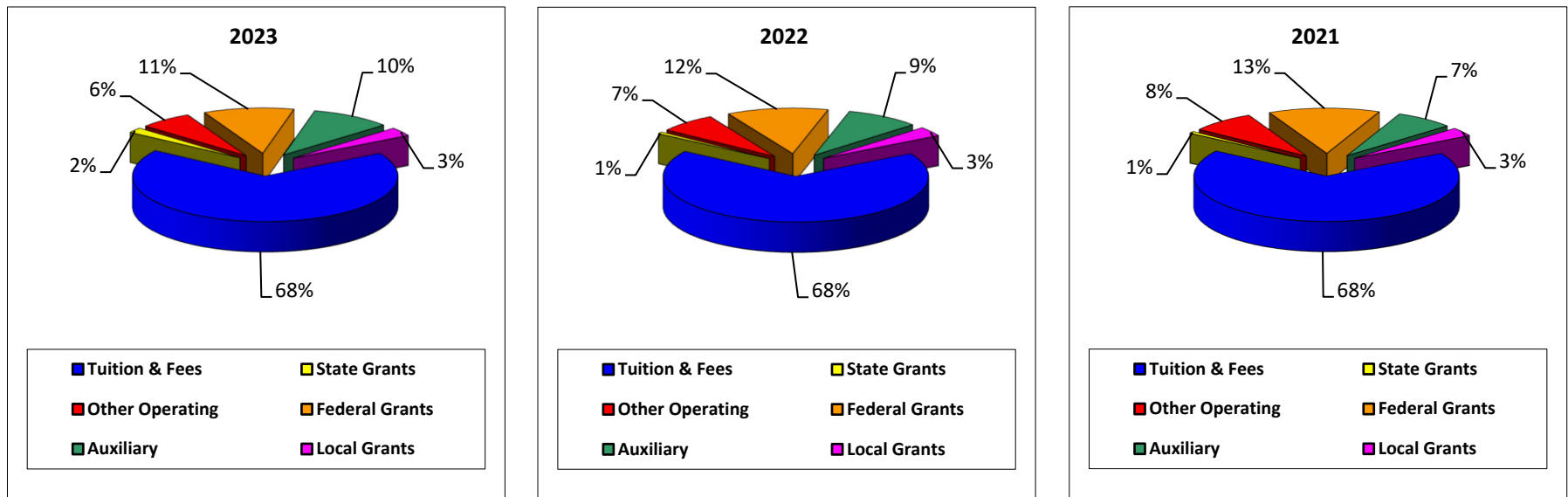
Management’s Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2023

Operating Revenue – Continued

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

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

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2023, 2022 and 2021:



Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

Operating Expenses

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

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

- Base salary increases were 2.5% for 2023 and the employee contribution toward medical insurance remained at 20.0%. Under the self-funded employee medical coverage contract with Blue Cross Blue Shield (BCBS) of Michigan, the College pays for actual claims incurred, up to a maximum \$150,000 per claim, in addition to monthly stop-loss and administrative fees. In an effort to reduce costs, the stop-loss threshold was increased from \$150,000 to \$200,000 in January 2023. The College's health insurance costs were \$5.4 million for the year ended June 30, 2023, compared to \$4.7 million for the prior year, primarily due to increased claims. The College had increased the amount budgeted per person by 5% for fiscal year 2023, and has increased this amount by an additional 7% in its fiscal year 2024 budget.
- 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 2023, the College's overall benefit expense for MPSERS including adjustments due to GASB 68 and 75, was \$12.7 million, an increase of approximately \$600,000 from the prior year. Of the \$12.7 million total, \$8.0 million was for the College's contributions to MPSERS, and \$4.7 million was due to the annual Unfunded Actuarial Accrued Liability (UAAL) Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment is paid to the College for pass-through to MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$4.7 million UAAL benefit expense was directly offset by the same amount in state appropriations non-operating revenue, as noted in the non-operating revenue section.
- Instruction expenses increased \$4.1 million, or 13.1%, from the prior year. This increase was partially due to GASB 68 and 75 pension and OPEB changes and additional increases in salaries and fringe benefits. The increase in instructional salaries was due both to increases in pay rates and additional compensation necessary to add course sections to meet student demand resulting from the increase in enrollment.
- Student services operating expenses decreased \$5.3 million, or 21.5%, from the prior year. This decrease was mainly due to a decrease in emergency grants in the amount of \$8.1 million awarded to students from grant funding provided to the College through HEERF. These grants are intended to provide financial relief to students and can be used for any component of the student's cost of attendance or for emergency costs that arise due to the Coronavirus, such as tuition, food, housing, healthcare and childcare.

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

- Base salary increases were 1.5% for 2022 and the employee contribution toward medical insurance remained at 20.0%. Under the self-funded employee medical coverage contract with BCBS of Michigan, the College pays for actual claims incurred, up to a maximum \$150,000 per claim, in addition to monthly stop-loss and administrative fees. The College's health insurance costs were \$4.7 million for the year ended June 30, 2022, compared to \$3.9 million for the prior year, due to increased claims. Claims began increasing in the latter part of the prior fiscal year after being held down due to COVID-19.
- Public Act 300 of 2012 enacted by the State of Michigan legislature made significant reforms to the MPSERS that are designed to reduce overall benefit costs, but the cost reduction impact of the changes will not be experienced by employers for many years. During 2022, the College's overall benefit expense for MPSERS including adjustments due to GASB 68 and 75, was \$12.1 million, an increase of approximately \$600,000 from the prior year. Of the \$12.1 million total, \$7.7 million was for the College's contributions to MPSERS, and \$4.4 million was due to the annual UAAL Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment is paid to the College for pass-through to MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$4.4 million UAAL benefit expense was directly offset by the same amount in state appropriations non-operating revenue, as noted in the non-operating revenue section.

Management’s Discussion and Analysis - Continued

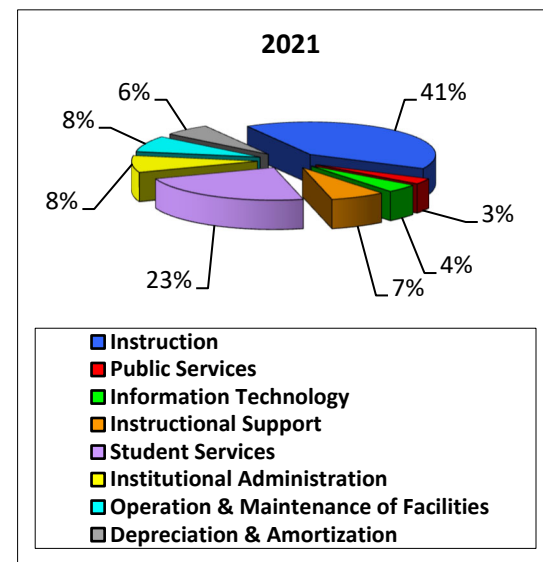
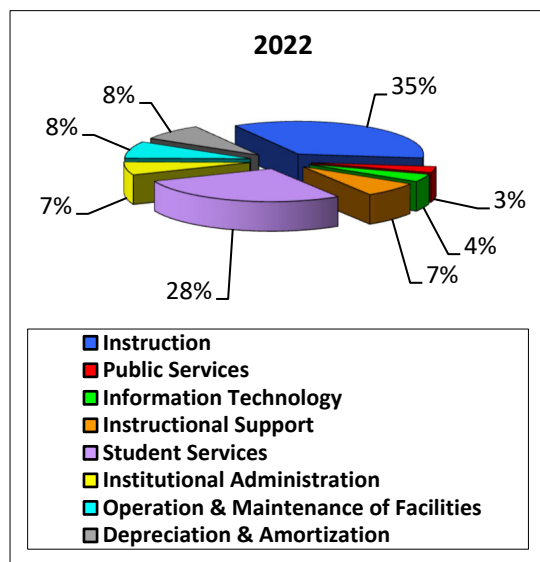
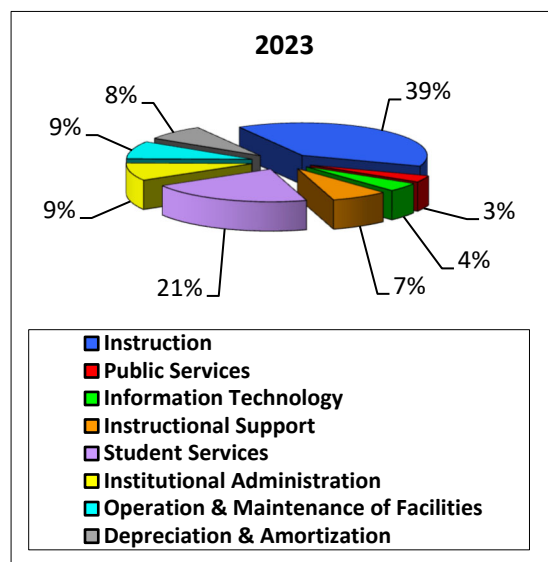
Delta College

Year Ended June 30, 2023

Operating Expenses – Continued

- Instruction expenses decreased \$6.7 million, or 17.6%, from the prior year. This decrease was mainly due to GASB 68 and 75 pension and OPEB changes from the prior year.
- Student services operating expenses increased \$2.9 million, or 13.4%, over the prior year. This increase was mainly due to an increase in emergency grants in the amount of \$2.5 million awarded to students from grant funding provided to the College through HEERF. These grants are intended to provide financial relief to students and can be used for any component of the student’s cost of attendance or for emergency costs that arise due to the Coronavirus, such as tuition, food, housing, healthcare and childcare.

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2023, 2022 and 2021:



Nonoperating Revenue (Expenses)

Nonoperating revenue (expenses) includes all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, investment income (loss) (including realized and unrealized gains and losses), gifts and grants, including Pell grants to students, and contracts that do not require any services to be performed. In addition, nonoperating revenue also includes HEERF grants, which were described earlier in the COVID-19 section of this discussion and analysis. Nonoperating expenses are those that are not primarily incurred for operating purposes.

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

- Base State appropriations remained unchanged compared to the prior year appropriation of \$15.2 million. The College’s performance funding increased from \$143,000 in the prior year to \$728,000 in 2023. The College also received an appropriation during the current year in the amount of \$40,000 for costs associated with the Indian Tuition Waiver, a decrease of \$20,000 from the prior year.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

Nonoperating Revenue (Expenses) – Continued

- Also included in the College's State Appropriations revenue is MSPERS contributions offsets. During the current year, the College received MSPERS offsets of approximately \$837,000, which represents an increase of \$14,000 from the prior year. Renaissance Zone property tax reimbursement appropriations amounted to approximately \$44,000, which represents a decrease of \$40,000 from the prior year, which resulted due to phase outs.
- An additional \$5.0 million and a one-time supplement of \$3.1 million were received specifically for pass-through to the MSPERS for purpose of the UAAL Rate Stabilization payment. The entire \$8.1 million of the UAAL Rate Stabilization Payment and supplement was recorded as a deferred inflow of resources and will be recognized as revenue in the next fiscal year. Accordingly, the UAAL revenue deferred in the prior year of \$4.7 million was recognized during the current year and is included in the State Appropriation line item.
- Also included in State Appropriations revenue for the year is personal property tax (PPT) loss reimbursement payments received from the State's Local Community Stabilization Authority in the amount of \$3.0 million. This amount represents a \$200,000, or 6.3%, decrease from the prior year.
- The total taxable value of property within the district increased approximately 5.0% from the prior year, which resulted in an increase in property tax revenues of approximately \$1.3 million, to \$25.2 million in 2023. The College currently levies property taxes at a rate of 2.0427 mills.
- The College recognized net investment income of \$5.2 million, which is a \$11.5 million increase over the prior year. The \$5.2 million investment income consisted of combined earnings and gains on investments net of investment fee expenses in the Endowment Fund totaling \$2.7 million, and net general College investment earnings and gains of \$2.5 million.
- Pell grants awarded to students were \$11.1 million, an increase of \$.6 million, or 5.7%, over 2022. The number of students receiving Pell awards remained unchanged from the prior year, while the average award increased \$173, or 5.4%.
- The College recognized \$6.6 million of HEERF grant revenue for the year ended June 30, 2023. This is a decrease of \$8.6 million compared to the prior year. More information regarding the HEERF grant funding can be found in the COVID-19 section of this discussion and analysis.

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

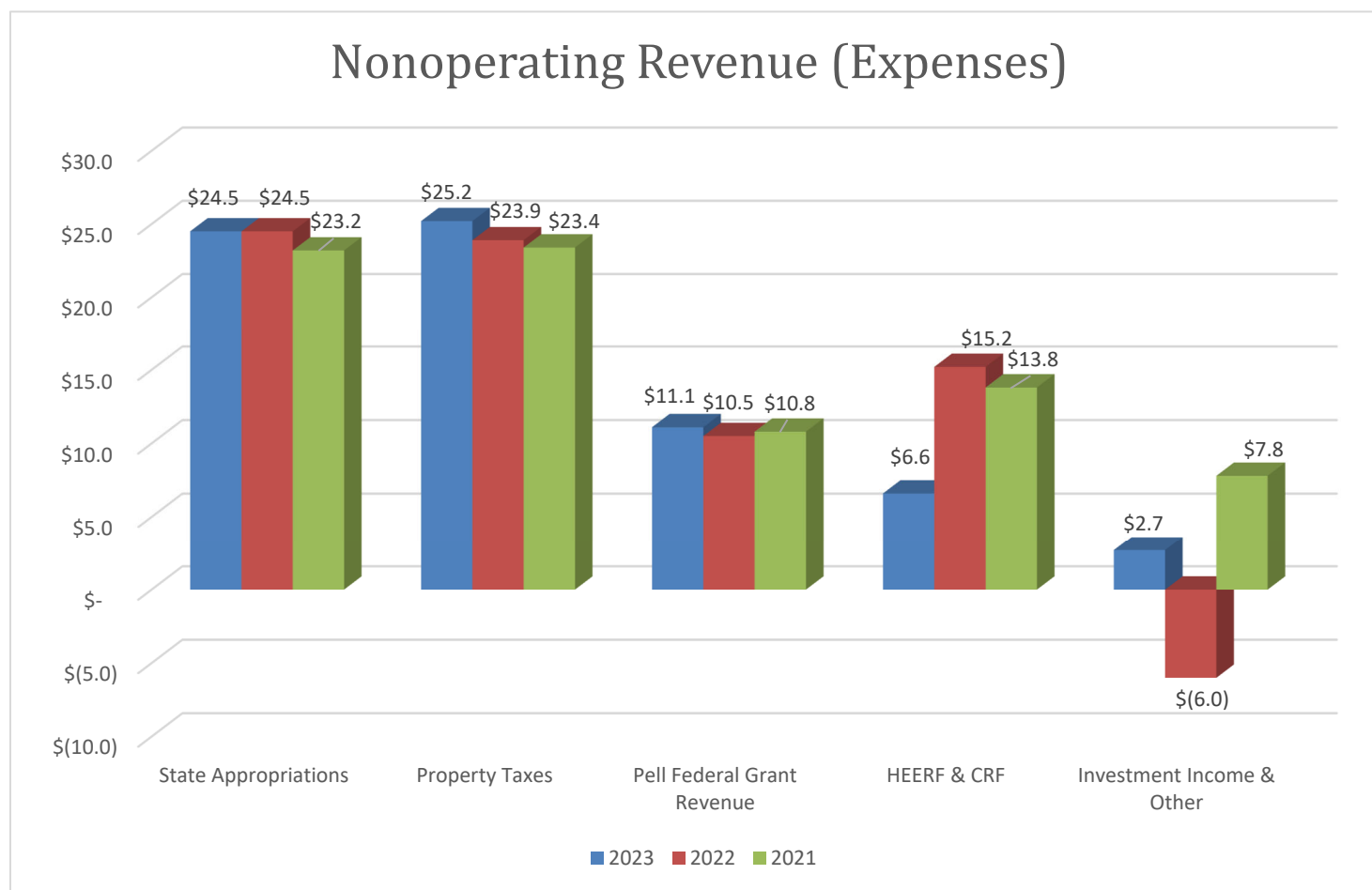
- Base State appropriations remained unchanged compared to the prior year appropriation of \$15.2 million. The College's performance funding increased from zero in the prior year to \$143,000 in 2022. The College also received an appropriation during the current year in the amount of \$60,000 for costs associated with the Indian Tuition Waiver, an increase of \$12,000 over the prior year. In addition, the College received a one-time supplemental appropriation of \$595,000.
- Also included in the College's State Appropriations revenue is MSPERS contributions offsets. During the current year, the College received MSPERS offsets of approximately \$823,000, which represents a decrease of \$21,000 from the prior year. Renaissance Zone property tax reimbursement appropriations amounted to approximately \$84,000, which represents a decrease of \$58,000 from the prior year, which resulted due to phase outs.
- An additional \$4.7 million was received specifically for pass-through to the Michigan Public School Employees' Retirement System for purpose of the UAAL Rate Stabilization payment. The entire \$4.7 million of the UAAL Rate Stabilization Payment was recorded as a deferred inflow of resources and will be recognized as revenue in the next fiscal year. Accordingly, the UAAL revenue deferred in the prior year of \$4.4 million was recognized during the current year and is included in the State Appropriation line item.
- Also included in State Appropriations revenue for the year is PPT loss reimbursement payments received from the State's Local Community Stabilization Authority in the amount of \$3.2 million. This amount represents a \$200,000, or 6.7%, increase over the prior year.
- The total taxable value of property within the district increased slightly over the prior year, which resulted in an increase in property tax revenues of approximately \$500,000, to \$23.9 million in 2022. The College currently levies property taxes at a rate of 2.0427 mills.
- The College recognized net investment loss of \$6.3 million, which is a \$14.2 million decrease from the prior year. The \$6.3 million loss consisted of a combined net loss on investments and investment fee expenses in the Endowment Fund totaling \$6.0 million, and general investment losses of \$.3 million.

Management’s Discussion and Analysis - Continued
Delta College
Year Ended June 30, 2023

Nonoperating Revenue (Expenses) – Continued

- Pell grants awarded to students were \$10.5 million, a decrease of \$.3 million, or 2.8%, from 2021. The number of students receiving Pell awards decreased by 4.0% from the prior year, while the average award increased \$51, or 1.6%.
- The College recognized \$15.2 million of HEERF grant revenue for the year ended June 30, 2022. This is an increase of \$1.4 million compared to the prior year, which also included \$1.7 million of CRF. More information regarding the HEERF grant funding can be found in the COVID-19 section of this discussion and analysis.

The following is a graphic illustration of nonoperating revenue (expenses) by source for the years ended June 30, 2023, 2022 and 2021, in millions:



Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

Other Revenue

Other revenue consists of items that are typically nonrecurring, extraordinary, or unusual to the College. Examples would be state capital appropriations, capital gifts and grants, additions to permanent endowments, and transfers from related entities.

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

- State capital appropriations totaled \$.4 million for 2023. This revenue represented the State's remaining portion of the Electronic Media Broadcasting project expenses, which is more fully explained in the Capital Asset section of this Management's Discussion and Analysis.
- Additions to permanent endowments decreased \$1.2 million, due to a large endowment received in the prior year.

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

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

Statement of Cash Flows

The primary purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- The ability to generate future net cash flows
- The ability to meet obligations as they come due
- Needs for external financing

The following summarizes the major cash flow components for the College for the years ended June 30, 2023, 2022 and 2021, in millions:

	2023	2022	2023-2022 Change	2021	2022-2021 Change
Cash Provided by (Used in):					
Operating Activities	\$ (55.9)	\$ (62.6)	\$ 6.7	\$ (56.2)	\$ (6.4)
Noncapital Financing Activities	67.6	79.4	(11.8)	67.9	11.5
Capital and Related Financing Activities	(4.6)	(7.1)	2.5	(5.3)	(1.8)
Investing Activities	(6.8)	(17.8)	11.0	(14.5)	(3.3)
Net Increase (Decrease) in Cash	.3	(8.1)	8.4	(8.1)	-
Cash and Cash Equivalents – Beginning of Year	36.7	44.8	(8.1)	52.9	(8.1)
Cash and Cash Equivalents – End of Year	\$ 37.0	\$ 36.7	\$.3	\$ 44.8	\$ (8.1)

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

Statement of Cash Flows – Continued

June 30, 2023: Cash and cash equivalents increased by \$300,000 during the year ended June 30, 2023. The slight increase in cash is due to the College continuing to invest excess cash in investment securities.

June 30, 2022: Cash and cash equivalents decreased by \$8.1 million during the year ended June 30, 2022. The \$8.1 million decrease in cash from prior year was mainly due to the College purchasing investments of slightly longer terms in an effort to get a better interest rate. This also accounts for offsetting increases in short-term and long-term investments. The decrease in cash is also the result of an increase in operating expenses due to COVID-19, which impacted enrollment and caused a full or partial shut-down of certain operations such as food services and the FRC in the prior year. The decrease in cash due to more operating expenses was offset by an increase in HEERF grant revenue, some of which was used to reimburse the College for lost revenue as a result of the pandemic.

Capital Assets

At June 30, 2023, the College had \$204.3 million invested in capital assets, which net of accumulated depreciation and amortization of \$90.6 million, resulted in a book value of \$113.7 million. Capital assets decreased by approximately \$5.1 million in 2023, which included net additions of \$1.9 million less annual depreciation and amortization charges of \$7.0 million. The table below provides details of these assets, shown net of accumulated depreciation and amortization, as of June 30, 2023, 2022 and 2021, in millions:

	2023	2022	2023-2022 Change	2021	2022-2021 Change
Land and Improvements	\$ 6.5	\$ 7.6	\$ (1.1)	\$ 7.9	\$ (.3)
Infrastructure	4.7	5.3	(.6)	5.7	(.4)
Buildings	93.9	93.3	.6	84.2	9.1
Furniture and Equipment	6.5	6.4	.1	6.3	.1
SBITAs	1.5	2.0	(.5)	-	2.0
Construction in Progress	.6	4.2	(3.6)	12.1	(7.9)
Totals	<u>\$ 113.7</u>	<u>\$ 118.8</u>	<u>\$ (5.1)</u>	<u>\$ 116.2</u>	<u>\$ 2.6</u>

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 2023 and 2022:

- In April 2019, the College broke ground for its new Downtown Midland Center construction project. This 30,000 square foot facility is located in downtown Midland on land donated by Chemical Bank and the Dow Chemical Company. The Delta College Foundation received several generous pledges and cash gifts totaling \$9.2 million from area foundations to help fund the estimated \$13.0 million cost of construction. The remaining funding needs of approximately \$3.8 million for this project were paid for from accumulated reserves in the College's Plant Fund. The new Midland Center was completed in August 2021, and the building project was capitalized at a total cost of \$12.5. This amount does not include the cost of equipment which is capitalized separately based on the College's capitalization threshold. This new facility held its first classes in the 2021 fall semester.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

Capital Assets – Continued

- The College began its west campus site improvements project in summer 2018. This project has a total approved budget of \$4.5 million and contains many components including parking lot upgrades, a new baseball field, soccer and softball field improvements, a functional ADA accessible observatory, a multi-use athletic facility, recreational trail system and Delta walk/plaza. The College capitalized \$3.2 million to capital assets in fiscal year 2021 while the remaining \$54,000 related to the observatory portion of the project remained recorded in construction in progress at June 30, 2021. No additional work took place on the observatory project during fiscal year 2022. Construction resumed during fiscal year 2023 and an additional \$56,000 of costs were incurred. Construction in progress at June 30, 2023 totaled \$110,000.
- At its March 2021 meeting, the Board of Trustees approved the Natatorium HVAC and Pool Equipment Replacement Project, which included replacing the air handler to the natatorium and pool filtration and disinfection equipment. The total budget for this project was \$1.3 million and was paid for through reserves in both the Plant and Auxiliary Funds since the pool is used for academic classes and community patrons. This project was completed during the year ended June 30, 2022 and was capitalized at a total cost of \$1.1 million.
- In June 2021, the Board approved a combination of HVAC projects identified by the Facilities department related to improving ventilation and air quality at all of its sites. Some of the College's air handlers, terminal units and HVAC controls did not meet the currently recommended COVID-19 mitigation strategies from the ASHRAE (American Society of Heating, Refrigeration, and Air-Conditioning Engineers). College administration felt that addressing these air quality issues in an effort to protect its students and staff was a prudent use of a portion of its HEERF institutional grant allocations to fund this project. The original budget approved by the Board for all the various project components was \$3.5 million; however, due to supply chain issues and the grant spending deadline, the project was scaled back to approximately \$2.5 million. As of June 30, 2022, the College had incurred project expenses of approximately \$400,000 which has been recorded in construction in progress. An additional \$1.8 million of costs were incurred during fiscal year 2023 and the asset was capitalized at a total cost of \$2.2 million.
- During the year ended June 30, 2021, the College commenced work on a project to renovate its Electronic Media Broadcasting area in the lower A Wing on main campus. These facilities were constructed in 1961, and although maintained well, many of the architectural finishes, mechanical and electrical systems were at, or nearing the end of their useful life. When upgraded and revitalized, this area will be the platform for state-of-the-art learning and creation of a wide variety of digital media productions for students and producers. The \$2.8 million of budgeted costs for this project was covered 50% by the State, with the remaining 50% being paid for out of Plant Fund reserves. The College received official approval from the State in August 2021 to award contracts and commence work on the project. As of June 30, 2022, the project was ongoing with total costs of nearly \$2.2 million included in construction in progress. The project was completed and capitalized during fiscal year 2023 at a total asset value of \$2.5 million. Once the College expended their 50% of the project, the State began reimbursing the College for the remaining 50% of project expenses. The College recorded a capital appropriation receivable from the State in the amount of \$497,000 for this project as of June 30, 2022. All funds due from the State for their share of the project had been received as of June 30, 2023.
- During the year ending June 30, 2022, the College began a project aimed at replacing portions of its roofing on main campus. The total approved budget for this project was \$1.7 million. At June 30, 2022, the College had incurred project costs totaling \$1.5 million, which were included in construction in progress. The project was completed and capitalized in fiscal year 2023 in the amount of \$1.6 million.
- At its February 2023 meeting, the College's Board of Trustees approved a project to replace the roof, skylights and roof deck on the Delta College Planetarium in downtown Bay City. The existing roof was original to the building, which was completed in 1996, and was at the end of the useful life, and the skylights were cracked and compromised. The approved budget for this project was approximately \$664,000. As of June 30, 2023, this project was completed and capitalized at a total cost of \$693,000. The Board approved a \$445,000 project at its August 2022 meeting to replace the Planetarium's chiller system that was also original to the building. It had reached its life expectancy and had been requiring frequent repairs and was no longer reliable. At June 30, 2023, this project is included in construction in progress with spending to date of approximately \$378,000.

Refer to Note 13 to the financial statement for additional information related to the above capital projects.

Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

Debt

During the year ended June 30, 2012, the College became involved in the Michigan New Jobs Training Program (MNJTP), which was authorized by state legislature in 2008. Under this program, the College may enter into agreements with employers to provide worker education and job training that is funded by state income tax withholdings on the new employees hired by the employers. The agreements provide for the employer to prepay the College the costs for the training and education, and the College then issues non-interest-bearing revenue bonds payable to the employer equal to the prepayments. The employer remits state income tax withholdings for these new employees directly to the College. The College then remits these state income tax withholdings back to the employer on a quarterly basis to reimburse the employer for the costs of the training, thus reducing the College’s MNJTP bonds payable. Beginning in fiscal year 2022, the College has entered into additional MNJTP training agreements that no longer use the bond model, but rather a prepayment model. The College had two agreements under the bond model, ECO-Bio Plastics and Xalt Energy MI, LLC that both ended during fiscal year 2023. The ECO-Bio contract reached its expiration date and the remaining funding the College was holding was returned to ECO-Bio who is responsible to remit the funds to Treasury. The Xalt training agreement was terminated during fiscal year 2023 due to a change in company ownership that occurred, when the company was acquired by Freudenberg Battery Systems. At June 30, 2023, the College was working on finalizing the details of the Xalt agreement closeout, and was still holding approximately \$1.1 million of unused training and program administration funds, and has recorded this amount as accounts payable. Subsequent to the change in company ownership, Delta College Corporate Services established a separate MNJTP agreement with the new company, Freudenberg Battery Systems. Refer to Note 8 to the financial statements for more detailed information about the MNJTP program.

Economic Factors That Will Affect the Future

The State of Michigan continues to maneuver through uncertainty with what some have called an “induced recession” and historically high inflation rates, with low unemployment levels. The transformation in a post COVID-19 economy from a manufacturing-based economy, more and more residents are looking to community colleges to provide education and training for the new economy. This includes students who would otherwise attend a residential four-year university, students who in the past may not have attended college and students seeking retraining for new occupations.

The State recognizes the role of community colleges in workforce and economic development. While state appropriations have experienced minimal increases in recent years, a more substantial increase was realized in the 2022 fiscal year and again in the 2023 fiscal year. State equalized values and taxable values increased significantly over the prior years. It wasn’t until the 2022 taxable valuations that Delta experienced property tax growth in our District that finally exceed the values of 2010.

The economic position of the College is closely tied to our region within Bay, Saginaw and Midland Counties and that of the fiscal budget of the State of Michigan.

Michigan economists and fiscal analysts from the State Revenue Estimating Conference held in Lansing, Michigan on May 19, 2023, reported that the impact of COVID-19 on the Michigan economy was, and continues to be, substantial. The updated economic forecast anticipates moderate changes in the United States and Michigan economies through calendar year 2025. Growth in the national economy (as measured by the percentage change in real gross domestic product) is expected to slow down in 2023 and 2024, before growing a bit faster in 2025, while the Michigan economy is expected to grow more slowly than the nation. Short-term forecast risks shared are tilted to the downside: inflation remaining elevated, continued supply chain disruptions, financial valuations of financial investment markets, and the uncertainty of how long the autoworkers strike will continue. On the longer term, economists stated that an unsuccessful transition to electric vehicles could be a major risk to our economy.

Management’s Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

Economic Factors That Will Affect the Future – Continued

State appropriations are expected to be stable for the next fiscal year. The Senate Fiscal Agency Monthly Revenue Report prepared by economists, indicated that the School Aid Fund (SAF) revenue collections were \$11.7 million above the level expected based on the May 2023 consensus revenue estimates. The growth in SAF revenue in both fiscal year 2024 and 2025 reflects moderate growth in gross income tax revenue, sales tax revenue, and the State education tax. These three revenue sources account for more than 80% of SAF revenue. Community colleges receive state aid appropriations from the School Aid Fund.

Another significant factor that impacts the College’s finances is student enrollment levels. The College’s enrollment levels have been on a continual decline. Prior to the pandemic, Delta College was experiencing an enrollment loss in contact hours at an average of approximately 4.5% annually over the last five-year period. In addition, the region’s K-12 graduating class sizes have declined, commensurate with the loss in regional population from the recessionary years a decade ago. Competition for students among institutions has also heightened. However, this past year, with the implementation of enrollment strategies and initiatives, Delta has experienced success, and our targeted efforts are finally producing growth in new student enrollments and in the retention of our current students. While our overall contact hours are still less than pre-pandemic enrollment levels, the College is anticipating our actual contact hours will exceed our budgeted target of 165,000.

Our strategic enrollment and retention initiatives have proven very effective for Fall 2023 in comparison to Fall 2022 enrollment. The College has increased its Fall 2023 enrollment by 6.2% over the actual Fall 2022 enrollment numbers.

The Board of Trustees hired Dr. Michael Gavin, its fifth president, in July 2021. Through his leadership, the College implemented the new four-year strategic plan (2023-2027). The plan’s strategic initiatives provide a broad, goal-oriented description of the way in which the College will work to attain success in each of our four Strategic plan Pillars: Student Engagement, Retention and Completion, People Focus, Community –Centered, and Social Impact. These initiatives affirm what Delta College will continue to focus on and be the direction for the forthcoming years.

Since the onset of the Coronavirus pandemic in March 2020, the College was awarded in excess of \$35.9 million of HEERF grants from the U.S. Dept. of Education. These amounts were provided through three rounds of federal legislation, the CARES Act, approved in March 2020, the CRRSAA passed in December 2020, and finally the ARPA, signed into law March 2021. These three rounds of funding are referred to by the U.S. Dept. of Education as HEERF I, II and III.

The deadline for spending of all HEERF awards was June 30, 2023; however, the U.S. Dept. of Education allowed institutions of higher education to apply for a no cost extension that had to provide a detailed plan of how the remaining funds would be spent. The College made an application for a no cost extension and received approval from the U.S. Dept. of Education. As of June 30, 2023, the College has expended all but approximately \$229,000 of HEERF funding.

We have been fortunate enough to be able to use a portion of our Federal COVID grant dollars to offset revenue losses resulting from the Pandemic over the last three fiscal years.

Management's Discussion and Analysis - Continued

Delta College

Year Ended June 30, 2023

Economic Factors That Will Affect the Future – Continued

Delta College's leadership and the Board of Trustees have established a long history of fiscal policies and practices that focus on long-term stability. Those important decisions include having designated savings for the future and setting aside reserves for unexpected contingencies, revenue shortfalls or emergencies. Some examples are as follows:

- Delta's 10% Fund Balance Policy – It is a current long-term goal of the College to maintain a fund balance in the General Fund of 10% of its operating budget. It is the recommendation that we continue at this level of a 10% reserve. The 2023 ending fund balance exceeds the 10% threshold.
- We have established a *Reserve for Budget Sustainability* in the Designated Fund, for contingencies or unidentified needs that was established from annual one-time savings, which essentially is an added layer of savings in addition to the 10% fund balance. This reserve would have been an essential cushion during the COVID-19 pandemic, had we not received the level of Federal COVID relief funding that we did.

We are currently working to establish an academic equipment life-cycle replacement plan. The College has invested approximately \$13 million dollars over time, in academic program equipment across our campuses, which our students use on a daily basis. The replacement plan would commit dollars on an annual basis, ensuring our ability to fund the future replacement of the institution's academic equipment needs.

The College has established savings, avoiding the need to borrow. This policy is to protect the assets of the College and to maintain the future sustainability of its infrastructure and state-of-the-art facilities. Through the commitment to transfer a portion of any annual General Fund surplus to our Plant Fund, the College has accumulated resources for construction projects and infrastructure needs without incurring debt.

Reflections From the President

We, at Delta, are doing excellent work for the community and students we serve. Led by our Board of Trustees, and supported by committed and engaged faculty and staff, we are well on our way to becoming the national leader in innovative community college education. The administration, faculty, staff, and community understand the higher calling of education and the role it plays in ensuring a region, state, and country that is aligned with the values of equity and democracy. We are focused and clear on our goals, and the budget is well aligned with those goals. I am grateful to be part of the Delta community, and look forward to furthering our student success agenda.

Report of Independent Auditors

Board of Trustees
Delta College

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Delta College, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Delta College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Delta College, as of June 30, 2023 and 2022, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Delta College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for pension and other postemployment benefit plans and related notes, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of other financial information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023, on our consideration of Delta College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Delta College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delta College's internal control over financial reporting and compliance.

Andrews Hooper Paulik PLC

Saginaw, Michigan
October 24, 2023

Balance Sheets
Delta College

	June 30,	
	2023	2022
Assets		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 37,000,406	\$ 36,698,872
Short-term investments (Note 3)	34,165,254	34,412,738
Property taxes receivable	58,405	58,969
State appropriations receivable (Note 6)	4,003,278	4,339,756
Federal and state grants receivable	2,400,225	2,117,951
Accounts receivable, net of allowance of \$1,319,254 in 2023 and \$1,510,943 in 2022 (Note 9)	425,275	493,780
Pledges receivable (Note 4)	100,364	81,887
Inventories	705,026	682,965
Prepaid expenses and other assets	1,429,670	606,869
Total Current Assets	80,287,903	79,493,787
Long-Term Investments (Note 3)	62,252,072	50,075,302
Long-Term Accounts Receivable (Note 9)	583,130	558,944
Long-Term Pledges Receivable (Note 4)	335,081	292,111
Capital Assets (Note 5)	113,703,339	118,752,862
Total Assets	257,161,525	249,173,006
Deferred Outflows of Resources (Note 7)	41,480,226	20,726,423
Liabilities		
Current Liabilities		
Accounts payable	3,100,480	1,755,130
Accrued payroll and other compensation	6,023,574	5,753,214
Unearned revenue	1,716,605	1,412,552
Subscription-based information technology arrangements (Note 5)	771,532	818,750
Total Current Liabilities	11,612,191	9,739,646
Non-Current Liabilities		
Long-term subscription-based information technology arrangements (Note 5)	771,996	1,263,981
Net pension and OPEB liability (Note 7)	120,763,952	81,124,578
Total Non-Current Liabilities	121,535,948	82,388,559
Total Liabilities	133,148,139	92,128,205
Deferred Inflows of Resources (Note 7 and 9)	33,311,043	57,691,404
Net Position		
Net investment in capital assets	112,159,811	116,670,131
Restricted for:		
Donor-restricted endowments	22,941,520	21,272,446
Expendable scholarships and awards	2,435,626	2,133,211
Instructional department uses	1,029,970	1,085,288
Public broadcasting activities	5,748,625	5,342,346
Other restricted uses	927,264	907,606
Unrestricted (Note 1)	(13,060,247)	(27,331,208)
Total Net Position	\$ 132,182,569	\$ 120,079,820

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,	
	2023	2022
Operating Revenue		
Tuition and fees, net of scholarship allowance of \$6,775,855 in 2023 and \$6,883,639 in 2022	\$ 22,075,240	\$ 20,216,617
Federal grants and contracts	3,604,947	3,716,438
State grants and contracts	603,700	161,599
Local and nongovernmental grants and contracts	1,023,419	1,039,373
Michigan New Jobs Training Program	250,202	356,216
Public broadcasting gifts	854,221	858,634
Auxiliary activities, net of scholarship allowance of \$795,378 in 2023 and \$770,603 in 2022	3,167,581	2,689,502
Miscellaneous	1,020,155	868,796
Total Operating Revenue	<u>32,599,465</u>	<u>29,907,175</u>
Operating Expenses		
Instruction	35,351,257	31,306,263
Public services	2,968,900	2,719,285
Information technology	4,014,338	3,343,529
Instructional support	6,689,830	6,524,191
Student services	19,279,097	24,583,969
Institutional administration	8,024,114	5,725,805
Operation and maintenance of facilities	7,978,967	7,397,046
Depreciation and amortization	7,005,615	7,148,559
Fundraising expenses	46,425	33,013
Total Operating Expenses	<u>91,358,543</u>	<u>88,781,660</u>
Operating Loss	(58,759,078)	(58,874,485)
Nonoperating Revenue (Expenses)		
State appropriations	24,500,383	24,504,167
Property tax levy	25,170,166	23,915,994
Pell federal grant revenue	11,102,588	10,524,513
Gifts	719,748	533,098
Higher Education Emergency Relief Fund	6,547,198	15,154,543
Special events, net of expenses of \$66,674 in 2023 and \$57,446 in 2022	63,111	65,528
Investment income (loss), net of investment expense of \$306,291 in 2023 and \$287,357 in 2022	5,220,442	(6,279,244)
Interest expense on subscription assets	(104,018)	(98,079)
Gain (loss) on disposition of capital assets	(2,863,412)	16,360
Foundation grants and distributions to or for Delta College	(299,828)	(278,762)
Net Nonoperating Revenue (Expenses)	<u>70,056,378</u>	<u>68,058,118</u>
Net Income Before Other Revenue	11,297,300	9,183,633
Other Revenue		
State capital appropriations	356,724	1,011,293
Additions to permanent endowments	448,725	1,603,059
Total Other Revenue	<u>805,449</u>	<u>2,614,352</u>
Increase in Net Position	12,102,749	11,797,985
Net Position - Beginning of Year	<u>120,079,820</u>	<u>108,281,835</u>
Net Position - End of Year	<u>\$ 132,182,569</u>	<u>\$ 120,079,820</u>

The accompanying notes are an integral part of these statements.

Statements of Cash Flows
Delta College

	Year Ended June 30,	
	2023	2022
Cash Flows from Operating Activities		
Tuition and fees	\$ 22,567,529	\$ 20,370,012
Grants and contracts	5,384,194	3,676,516
Michigan New Jobs Training Program	250,202	356,216
Public broadcasting gifts	866,848	846,007
Payments to suppliers	(50,116,980)	(53,311,709)
Payments to employees	(39,195,719)	(38,240,082)
Auxiliary enterprise charges	3,193,722	2,615,778
Other	1,186,172	1,060,814
Net Cash Used In Operating Activities	(55,864,032)	(62,626,448)
Cash Flows from Noncapital Financing Activities		
State appropriations	24,339,747	24,381,977
Local property taxes	25,170,730	23,994,130
Pell federal grant revenue	11,111,027	10,576,295
Higher Education Emergency Relief Fund revenue	6,107,613	18,522,933
Gifts and contributions for other than capital purposes	1,108,066	2,173,680
Foundation special events receipts	86,026	75,759
Foundation grants and distributions to or for Delta College	(299,828)	(278,762)
Custodial fund transactions	17,799	(10,191)
Net Cash Provided by Noncapital Financing Activities	67,641,180	79,435,821
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital gifts, grants and appropriations	853,838	564,179
Purchase of capital assets	(5,779,781)	(7,660,733)
Proceeds from disposition of capital assets	317,056	714
Net Cash Used in Capital and Related Financing Activities	(4,608,887)	(7,095,840)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	86,678,226	56,336,773
Investment income	1,585,102	686,256
Purchase of investments	(95,130,055)	(74,837,044)
Net Cash Used In Investing Activities	(6,866,727)	(17,814,015)
Net Increase (Decrease) in Cash and Cash Equivalents	301,534	(8,100,482)
Cash and Cash Equivalents - Beginning of Year	36,698,872	44,799,354
Cash and Cash Equivalents - End of Year	<u>\$ 37,000,406</u>	<u>\$ 36,698,872</u>

The accompanying notes are an integral part of these statements.

Statements of Cash Flows - Continued
Delta College

	Year Ended June 30,	
	2023	2022
Reconciliation of Operating Loss to		
Net Cash Used in Operating Activities:		
Operating loss	\$ (58,759,078)	\$ (58,874,485)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	7,005,615	7,148,559
Allowance for uncollectible accounts	(191,689)	(516,712)
(Increase) decrease in assets:		
Federal and state grants receivable	148,872	(1,166,279)
Accounts receivable	234,968	494,498
Inventories	(22,061)	(20,222)
Prepaid expenses and other assets	(664,918)	(252,134)
(Increase) decrease in deferred outflows of resources	(20,753,803)	10,566,296
Increase (decrease) in liabilities:		
Accounts payable	1,327,551	460,226
Accrued payroll and other compensation	270,360	66,671
Unearned revenue	281,138	(323,310)
Net pension and OPEB liability	39,639,374	(51,508,080)
Increase (decrease) in deferred inflows of resources	(24,380,361)	31,298,524
Net Cash Used In Operating Activities	\$ (55,864,032)	\$ (62,626,448)

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

Delta College

June 30, 2023

Note 1. Significant Accounting Policies

Reporting Entity

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

The College reports as a Business Type Activity, as defined by GASB Statement No. 35. Business Type Activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

The accompanying financial statements have been prepared in accordance with criteria established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment to GASB Statements No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College. Based on application of the criteria, the Delta College Foundation discussed in Note 15 is included in the College’s reporting entity.

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

Adoption of New Accounting Standard

The GASB issued GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, (GASB 96) which requires the College to calculate and report subscription-based information technology arrangement (SBITA) activities. The College adopted the Statement effective July 1, 2021. The balances were calculated using the facts and circumstances that existed as of July 1, 2021 as prescribed by GASB 96. There was no impact to beginning net position as of July 1, 2022.

Balances were restated as follows for the effects of the College’s adoption of GASB 96:

	June 30, 2022		June 30, 2022
	As Originally	GASB 96	As Restated
	Reported	Impact	
Capital assets	\$ 116,744,952	\$ 2,007,910	\$ 118,752,862
Current liabilities	(8,920,896)	(818,750)	(9,739,646)
Non-current liabilities	(81,124,578)	(1,263,981)	(82,388,559)
Net position effect	\$ 26,699,478	\$ (74,821)	\$ 26,624,657

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 1. Significant Accounting Policies – Continued

Accrual Basis

The financial statements of the College have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments with an initial maturity of three months or less when purchased.

Capital Assets

Capital assets are recorded at cost or, if acquired by gift, at the fair market value as of the date of acquisition. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is calculated on property and equipment using the straight-line method over the estimated useful lives of the assets. *The American Health Association's Estimated Useful Lives of Depreciable Hospital Assets* was utilized as a guide in establishing useful lives of the College's property and equipment.

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

Compensated Absences

Compensated absences represent the accumulated liability to be paid under the College's current vacation policy. Under the College's policy, employees accrue vacation on a bi-weekly basis at a rate that is dependent on the employee's pay class.

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.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 1. Significant Accounting Policies – Continued

Fair Value Measurements – Continued

The fair value of the following financial instruments was determined using the methods and assumptions described:

- Investments Excluding Endowment Fund Investments – These investments are comprised of municipal bonds, government and agency securities, collateralized mortgage obligations, commercial paper and certificates of deposit. The fair value of similar instruments can be obtained in the market classifying them as a level 2 valuation.
- Endowment Fund Investments – These investments are comprised of corporate bonds, corporate convertible bonds, municipal bonds, government and agency bonds, bond funds, preferred stock, equities, and international equities. The fair value of equities and international equities (collectively referred to as equities) are derived from quoted prices for identical assets in active markets classifying them as a level 1 valuation. The fair value of corporate bonds, corporate convertible bonds, municipal bonds, government and agency bonds, bond funds (collectively referred to as bond funds) and preferred stock are obtained from similar investments obtained in the market, classifying them as a level 2 valuation.

There have been no changes in valuation techniques used that have a significant impact on the results for the year ending June 30, 2023 or 2022. Refer to Note 3 for fair value classification balances for these various types of investments held by the College as of June 30, 2023 and 2022.

Gifts and Pledges

Gifts are recorded when received. Voluntary nonexchange transactions (pledges) are recognized in accordance with the GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded at their discounted present value, net of allowance for uncollectible pledges.

Inventories

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

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.

Internal Service Activities

Revenue and expenses related to internal service activities approximating \$558,000 and \$378,000 for 2023 and 2022, respectively, have been eliminated. These activities include services provided by the College's Bookstore, Food Services, Fitness & Recreation Center (FRC), and Planetarium Gift Shop & Conference Services, as well as the use of printing and copy services, and college vehicles.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

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.

Revenue Recognition

State appropriations for operations are recognized as revenue on a proportionate basis over the period for which they are appropriated (see Note 6). Restricted Fund revenue is primarily recognized only to the extent expended. Revenue received prior to year-end that is related to the next fiscal year is recorded as unearned revenue. As of June 30, 2023, and 2022, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately \$695,000 and \$674,000, respectively. Additionally, advance payments approximating \$194,000 for the fall 2023 semester and approximately \$185,000 for the fall 2022 semester were received before June 30, 2023 and 2022, respectively, and recorded as unearned revenue.

Unrestricted Net Position

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

	2023	2022
Designated for Corporate Services activities	\$ 2,322,990	\$ 2,102,263
Designated for future capital outlay	44,451,471	37,860,210
Designated for funds functioning as endowments	7,987,322	7,021,716
Other designated fund activities	28,926,227	27,457,880
MPSERS pension & OPEB liability	(111,946,279)	(117,456,172)
Unrestricted and unallocated	15,198,022	15,682,895
Total Unrestricted Net Position	<u>\$ (13,060,247)</u>	<u>\$ (27,331,208)</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 2. Impact of COVID-19

The College has now gone through three full fiscal year cycles since the onset of the COVID-19 pandemic in March of 2020, and the College, along with the rest of the Nation, is still dealing with its effects. Each year since has brought an increasing presence of staff, students and community members back to campus; however, enrollment in online courses is still significantly higher than it was pre-pandemic. Approximately 37% of enrolled contact hours were in face-to-face course sections during fiscal year 2023, compared to 32% during fiscal year 2022. Currently, approximately 39% of enrolled contact hours for the fall 2023 semester are in a face-to-face modality. In comparison, this percentage was 78% for fiscal year 2019, prior to the Pandemic. The increased on-campus presence during fiscal year 2023 helped to improve the financial position of the College’s Auxiliary operations, including the Bookstore, Food Services and the Fitness and Recreation Center; however, since their revenues continued to lag pre-Pandemic levels, the College was able to offset a portion of these lost revenues from COVID relief grants.

While enrolled contact hours still lag below pre-Pandemic levels, fiscal year 2023 was the first time in over a decade that current year enrollment exceeded that of the prior year. Contact hours totaled 166,784 for the year ending June 30, 2023, compared to 158,529 and 162,814, respectively, for the years ended June 30, 2022 and 2021. Due to the fiscal year 2023 increase in enrollment, it was not necessary to utilize HEERF funding for tuition and fee lost revenue as the College has the last three prior fiscal years. The College is optimistic that enrollment for the 2024 fiscal year will exceed that of fiscal year 2023 since fall 2023 semester enrollment is currently exceeding fall 2022 enrollment by approximately 4,530 contact hours, which equates to a 6.2% increase.

The following provides more details regarding the impacts of COVID-19 on College operations.

Higher Education Emergency Relief Grants (HEERF) – The Coronavirus Aid, Relief and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA) were passed by Congress and signed into law to provide economic relief from COVID-19. The College was awarded the following grants through the U.S. Department of Education, some of which have been classified in nonoperating revenues in the College’s Statements of Revenue, Expenses and Changes in Net Position:

	Awarded	Recorded Year Ended June 30, 2023	Recorded Year Ended June 30, 2022	Recorded Year Ended June 30, 2021	Recorded Year Ended June 30, 2020
HEERF Funding:					
CARES Act – Student	\$ 2,573,303	\$ -	\$ -	\$ 1,631,803	\$ 941,500
CARES Act – Institutional	2,573,303	-	-	1,867,946	705,357
CARES Act – Title III Strengthening the Institutions Program (SIP) Relief Funding	254,584	-	-	2,942	251,642
CRRSAA – Student	2,573,303	-	-	2,573,303	-
CRRSAA – Institutional	8,085,314	-	3,432,648	4,652,666	-
CRRSAA – SIP	442,926	442,784	-	142	-
ARPA – Student	9,490,800	-	8,090,082	1,400,718	-
ARPA – Institutional	9,157,959	5,526,146	3,631,813	-	-
ARPA - SIP	807,568	578,268	-	-	-
Total HEERF Funding	\$ 35,959,060	\$ 6,547,198	\$ 15,154,543	\$ 12,129,520	\$ 1,898,499

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 2. Impact of COVID-19 – Continued

Higher Education Emergency Relief Grants (HEERF) - continued – The HEERF student funds were provided to colleges to use for emergency financial aid grants to students for expenses related to the disruption of campus operations due to the Coronavirus. The College has fully awarded the entire \$14.6 million to students as of June 30, 2023.

The HEERF institutional funds that the College was awarded is intended to cover costs associated with significant changes to the delivery of instruction due to the Coronavirus. Other allowable uses of these funds include student refunds of tuition, fees and room and board, purchases of Personal Protection Equipment (PPE) necessary to prevent the spread of the virus, and reimbursement for continuing to pay employees who are unable to perform their work remotely. CRRSAA and ARPA expanded permissible uses of HEERF institutional funding to include reimbursement of lost revenue due to the Coronavirus which was not permitted under the initial CARES Act awards. The College may also choose to use Institutional Relief funding to provide additional emergency grants to students. In total, for the four years combined, the College has spent \$19.8 million of Institutional Relief Funding. The main expenditures recorded were \$5.6 million in lost academic and auxiliary revenue, \$2.6 million for various software, equipment and supplies to support remote instruction, \$1.9 million for COVID related compensation and reimbursement to the College for continuing to pay employees unable to work remotely, \$5.0 million in combined student emergency grants, student online fee refunds, and student debt relief, \$.8 million in vaccine incentives, \$2.0 million in HVAC updates, and \$.8 million of indirect cost allocation. The College has recorded \$1.3 million related to the HEERF SIP funds, primarily to recoup losses of auxiliary revenues and improve the HVAC systems throughout the campus. Lost revenue reimbursement was permissible under all three Acts for SIP awards.

Note 3. Cash and Cash Equivalents and Investments

The College considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The College considers all investments maturing within one year or less as of the balance sheet date to be short-term. The College's deposits and investments are included on the Balance Sheet at June 30 under the following classifications:

	2023	2022
Cash and cash equivalents	\$ 37,000,406	\$ 36,698,872
Short-term investments	34,165,254	34,412,738
Long-term investments	62,252,072	50,075,302
Total	<u>\$ 133,417,732</u>	<u>\$ 121,186,912</u>

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

	2023	2022
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 29,797,769	\$ 32,557,052
Investments in securities and similar instruments	103,574,756	88,584,653
Petty cash and cash on hand	45,207	45,207
Total	<u>\$ 133,417,732</u>	<u>\$ 121,186,912</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 3. Cash and Cash Equivalents and Investments – Continued

Bank Deposits

The above bank deposits at June 30, 2023 and 2022 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$30,807,099 and \$33,871,094, respectively. Of these bank deposits at June 30, 2023 and 2022, approximately \$6,400,000, respectively, was covered by federal depository insurance, and the remainder was uninsured and uncollateralized. The College believes that due to the dollar amounts of cash deposits and the limits of the Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all bank deposits. As a result, the College evaluates each financial institution within which it deposits College funds and assesses the level of risk of each. Only those institutions with an acceptable estimated risk level are used as depositories.

Investments – Excluding Endowment Fund Investments

Credit Risk – Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College’s policy for reducing credit risk is to invest surplus funds, excluding endowment fund monies, in accordance with the provisions set forth in Michigan Public Act 331 of 1966, as amended through 2012. This Act allows the College to invest in: bonds, bills or notes of the United States or its agencies; obligations of the State of Michigan or any of its political subdivisions rated as investment grade by at least one standard rating service; corporate commercial paper rated prime by at least one of the standard rating services; bankers acceptances issued by and certificates of deposit of financial institutions which are members of the FDIC; mutual funds and investment pools that are composed of authorized investment instruments; and certain repurchase agreements. The College does not have a formal investment policy further limiting its investment options. Endowment fund investments are subject to a separate investment policy which is discussed in detail later in this footnote.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have a formal policy limiting investment maturities; however, the College manages its exposure to interest rate risk by limiting the significant majority of investment maturities to less than three years. While the chart on the following page indicates that the College is holding a significant amount of investments with maturities in excess of three years, the anticipated duration of these investments is under three years.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the organization’s investment in a single issuer. The College does not have a formal policy limiting the amount the College is allowed to invest in any one issuer; however, the College follows a practice of investing no more than \$2,000,000 in a single issuer, with the exception of U.S. government or government agency securities. The College evaluates each issuer in which it invests College funds and assesses the level of risk of each. The College invests with only those issuers with an acceptable estimated risk level.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the College will not be able to recover the value of the investments that are in the possession of an outside party. The College does not have a formal policy addressing custodial credit risk; however, all of the College’s investments are issued in the name of the College. Custody of the College’s certificates of deposit remains with the financial institutions from which they were purchased, while the government and agency securities, bonds and commercial paper purchased through either PNC Capital Markets LLC or Morgan Stanley Smith Barney LLC (MSSB) were held in safekeeping by the Saginaw branch of MSSB, and a short-term fixed income manager, Sage Advisory Services Ltd. Co. (Sage) manages this investment portfolio. The College has authorized Sage to make investment decisions on the College’s behalf in order to maximize investment earnings while also managing risk.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 3. Cash and Cash Equivalents and Investments – Continued

Investments – Excluding Endowment Fund Investments – Continued

Custodial Credit Risk - continued – All investment purchases made by Sage must adhere to the parameters set forth under the Michigan Public Act discussed above. MSSB maintains oversight of this relationship with Sage. Custody of these investments resides with Comerica Bank. During the year ended June 30, 2022, the College also began purchasing investments through Fifth Third Securities. Fifth Third Securities maintains custody of the investments purchased through them, which consisted solely of commercial paper as of June 30, 2023 and 2022.

The following tables present the investments and maturities that the College held at June 30, 2023 and 2022 including certificates of deposit and commercial paper classified as cash equivalents, and excluding the endowment fund investments:

Investment Type	Quality Ratings	Fair Value	By Maturity		
			Less Than One Year	1-5 Years	More Than 5 Years
June 30, 2023:					
Certificates of Deposit	N/A	\$ 3,371,851	\$ 3,371,851	\$ -	\$ -
Commercial Paper	A1/P1 to A2/P2	27,456,718	27,456,718	-	-
Collateralized					
Mortgage Obligations	Aaa to Aa	7,696,125	1,985,166	3,219,862	2,491,097
Municipal Bonds	Aa	964,750	964,750	-	-
U.S. Agency Securities	Aaa	3,785,960	963,850	2,822,110	-
U.S. Treasury Notes	Aaa	32,532,678	9,205,356	23,327,322	-
Total Investments		<u>\$ 75,808,082</u>	<u>\$ 43,947,691</u>	<u>\$ 29,369,294</u>	<u>\$ 2,491,097</u>
June 30, 2022:					
Certificates of Deposit	N/A	\$ 2,068,150	\$ 2,068,150	\$ -	\$ -
Commercial Paper	A1/P1 to A2/P2	16,029,364	16,029,364	-	-
Collateralized					
Mortgage Obligations	Aaa to Aa	16,583,109	3,729,596	5,226,225	7,627,288
Municipal Bonds	Aa	963,730	-	963,730	-
U.S. Agency Securities	Aaa	3,793,810	-	3,793,810	-
U.S. Treasury Notes	Aaa	23,267,444	18,175,369	5,092,075	-
Total Investments		<u>\$ 62,705,607</u>	<u>\$ 40,002,479</u>	<u>\$ 15,075,840</u>	<u>\$ 7,627,288</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 3. Cash and Cash Equivalents and Investments – Continued

Endowment Fund Investments

Credit Risk – The College has attempted to mitigate credit risk associated with Delta College Endowment Fund (The Fund) investments by contracting with Morgan Stanley Wealth Management LLC to manage the investments of The Fund. The College has established a formal investment and distribution policy that Morgan Stanley Wealth Management LLC must adhere to in their management of The Fund. The investment and distribution policies of The Fund, as well as the investment returns, are established, monitored and evaluated by the College’s Investment Advisory Committee, which reports directly to the Board of Trustees.

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

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

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

Concentration of Credit Risk – The Delta College Endowment Fund Investment and Distribution Policy limits the investment in individual securities of any one issuer to 5% of the market value of the assets of The Fund, except for money market funds, mutual funds, and obligations of the United States government and its agencies. Additionally, The Fund is limited to a maximum composite of 25% invested in international equities and ADR’s, and a maximum composite of 30% invested in alternatives. As of June 30, 2023 and 2022, the Fund did not hold any securities of any one issuer in excess of these limits.

Custodial Credit Risk – The Delta College Endowment Fund Investment and Distribution Policy does not address the issue of custody. The Fund investments are held by Morgan Stanley Smith Barney LLC as custodian and are listed under the account name Delta College Endowment Fund. Morgan Stanley Smith Barney LLC’s carries investor protection coverage has been described on the previous page in the Custodial Credit Risk section related to the College’s investments outside of the Endowment Fund. In the event that Morgan Stanley Smith Barney LLC were to become insolvent, and the College’s investment account assets were not fully accounted for, the account would be protected up to a maximum of \$500,000 through Securities Investor Protection Corporation (SIPC). In addition, in the event that SIPC coverage is not adequate to cover a client’s loss, Morgan Stanley Smith Barney LLC also carries supplemental insurance protection subject to an aggregate loss limit maximum of \$1.0 billion for the firm, with a no per client limit for securities and a \$1.9 million per client limit for the cash portion of any remaining shortfall.

Foreign Currency Risk – All foreign investments held by The Fund are in the form of ADR’s and are denominated in U.S. currency.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 3. Cash and Cash Equivalents and Investments – Continued

Endowment Fund Investments – Continued

At June 30, 2023 and 2022, the Endowment Fund had the following investments and maturities:

Investment Type	S&P/Moody's Quality Ratings	Fair Value	By Maturity			
			Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
June 30, 2023:						
Corporate Bonds	AA+ to BBB	\$ 1,436,561	\$ -	\$ 288,138	\$ 929,022	\$ 219,401
Corporate Convertible Bonds *	A to B+	1,785,291	636,725	890,786	-	257,780
Corporate Convertible Bonds *	Unrated	792,494	-	621,503	-	170,991
Municipal Bonds	AAA to A	2,059,219	-	430,703	172,146	1,456,370
Municipal Bonds	Unrated	134,128	-	134,128	-	-
Government & Agency Bonds	AAA to AA+	1,261,523	-	926,786	79,553	255,184
Government & Agency Bonds	Unrated	846,989	-	-	-	846,989
		<u>8,316,205</u>	<u>\$ 636,725</u>	<u>\$ 3,292,044</u>	<u>\$ 1,180,721</u>	<u>\$ 3,206,715</u>
Bond Funds	N/A	2,112,808				
Preferred Stock	N/A	470,279				
Equities	N/A	14,903,302				
International Equities	N/A	<u>4,589,090</u>				
Total Investments		<u>\$ 30,391,684</u>				
June 30, 2022:						
Corporate Bonds	AA+ to BBB	\$ 1,126,354	\$ 199,918	\$ -	\$ 758,227	\$ 168,209
Corporate Convertible Bonds *	A to B+	1,876,694	100,442	1,343,091	-	433,161
Corporate Convertible Bonds *	Unrated	578,270	148,621	429,649	-	-
Municipal Bonds	AAA to A	2,218,527	115,128	328,925	-	1,774,474
Government & Agency Bonds	AAA to AA+	1,163,713	-	978,865	116,142	68,706
Government & Agency Bonds	Unrated	586,858	-	-	-	586,858
		<u>7,550,416</u>	<u>\$ 564,109</u>	<u>\$ 3,080,530</u>	<u>\$ 874,369</u>	<u>\$ 3,031,408</u>
Bond Funds	N/A	1,772,680				
Preferred Stock	N/A	466,686				
Equities	N/A	13,495,219				
International Equities	N/A	<u>4,082,892</u>				
Total Investments		<u>\$ 27,367,893</u>				

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

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 3. Cash and Cash Equivalents and Investments – Continued

Fair Value Measurement of Investments

The fair value of assets measured on a recurring basis at June 30, 2023 and 2022 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, 2023:				
Investments excluding endowment fund investments	\$ 75,808,082	\$ -	\$ 75,808,082	\$ -
Endowment Investments:				
Equities	19,492,392	19,492,392	-	-
Bond and bond funds	10,429,013	-	10,429,013	-
Preferred stock	470,279	-	470,279	-
Total investments by fair value	<u>\$ 106,199,766</u>	<u>\$ 19,492,392</u>	<u>\$ 86,707,374</u>	<u>\$ -</u>
June 30, 2022:				
Investments excluding endowment fund investments	\$ 62,705,607	\$ -	\$ 62,705,607	\$ -
Endowment Investments:				
Equities	17,578,111	17,578,111	-	-
Bond and bond funds	9,323,096	-	9,323,096	-
Preferred stock	466,686	-	466,686	-
Total investments by fair value	<u>\$ 90,073,500</u>	<u>\$ 17,578,111</u>	<u>\$ 72,495,389</u>	<u>\$ -</u>

Note 4. Pledges Receivable

As of June 30, 2023 and 2022, donors to the College (including the Delta College Foundation) have made unconditional promises to give (pledges) approximating \$495,300 and \$410,100, respectively. Such pledges are discounted to their present value, assuming their respective terms, at applicable discount rates with total discounts at June 30, 2023 and 2022, respectively, of approximately \$55,400 and \$32,300. Management has also established an allowance for uncollectible pledges approximating \$4,400 and \$3,800, respectively, as of June 30, 2023 and 2022. Pledges deemed uncollectible are charged against the allowance in the period that determination is made. Collection of pledges receivable, net of discount and allowance, as of June 30 are scheduled as follows:

	2023	2022
Less than one year	\$ 100,364	\$ 81,887
One to five years	335,081	292,111
Total	<u>\$ 435,445</u>	<u>\$ 373,998</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 5. 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, 2023 and 2022:

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

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 5. Capital Assets and Subscription-based Information Technology Arrangements – Continued

Year Ended June 30, 2022:	Estimated Useful Life	Beginning Balance	Additions/ Depreciation and Amortization	Deletions	Ending Balance
Depreciable and Amortizable Capital Assets:					
Buildings	40 years	\$ 138,115,536	\$ 12,865,074	\$ -	\$ 150,980,610
Land improvements	20-40 years	11,729,950	255,923	-	11,985,873
Infrastructure	20-25 years	13,379,948	517,034	-	13,896,982
Furniture and equipment	5-20 years	19,871,416	1,087,826	171,342	20,787,900
SBITAs	2-5 years	2,744,790	80,494	-	2,825,284
Non-depreciable Capital Assets:					
Construction in progress		12,116,289	5,732,275	13,638,031	4,210,533
Land		1,968,826	-	-	1,968,826
Fine art collection		322,430	-	-	322,430
Total Capital Assets		200,249,185	20,538,626	13,809,373	206,978,438
Less Accumulated Depreciation and Amortization:					
Buildings		53,946,834	3,752,599	32,999	57,666,434
Land improvements		5,767,457	546,380	-	6,313,837
Infrastructure		7,693,582	967,601	-	8,661,183
Furniture and equipment		13,856,132	1,064,605	153,989	14,766,748
SBITAs		-	817,374	-	817,374
Total Accumulated Depreciation and Amortization		81,264,005	\$ 7,148,559	\$ 186,988	88,225,576
Capital Assets, Net		\$ 118,985,180			\$ 118,752,862

The College has SBITAs that are used for various software licenses and remote hosting arrangements, which meet the capitalization criteria specified by generally accepted accounting principles. 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 \$2.8 million, \$1.4 million, and \$1.5 million, respectively, as of June 30, 2023. The asset cost, accumulated amortization, and payable under the SBITAs totaled approximately \$2.8 million and \$817,000, and \$2.1 million, respectively, as of June 30, 2022.

Payments on the SBITAs for years succeeding June 30, 2023 are summarized as follows:

2024	\$ 837,414
2025	790,886
2026	7,950
2027	7,950
Total minimum payments	<u>1,644,200</u>
Less amount representing interest	<u>(100,672)</u>
Present value as of June 30, 2023	<u>\$ 1,543,528</u>

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 6. Recognition of State Appropriations

The College records revenue from state operating appropriations in accordance with the accounting method described in the annual funding bill passed by the State of Michigan legislature, which provides that state appropriations are recorded as revenue in the period for which they were appropriated. Accordingly, the College recognizes 100% of the state's fiscal year appropriations as revenue during the College's fiscal year. For the years ended June 30, 2023 and 2022, respectively, state operating appropriation revenue totaled \$24.5 million. The \$24.5 million respective balances consist of the following: \$15.2 million in base appropriations for both years, \$728,000 and \$143,000 performance funding, \$837,000 and \$823,000 MPERS contributions offsets, Unfunded Actuarial Accrued Liability (UAAL) MPERS pass through of \$4.7 million and \$4.4 million, and personal property tax (PPT) loss reimbursements of \$3.0 million and \$3.2 million. In addition, the College received an appropriation of \$40,000 and \$60,000 for Indian Tuition Waiver for the respective years, and \$44,000 and \$84,000 was received from the State for Renaissance Zone property tax reimbursement. For the year ending June 30, 2022, the College also received a one-time supplemental state aid payment in the amount of \$595,000.

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, 2023 and 2022, respectively, are \$4.0 million and \$3.8 million, and includes \$912,000 and \$858,000, respectively, to be passed through to MPERS for the UAAL Stabilization payment.

State capital appropriation revenue for the State's 50% of the College's Electronic Media Broadcasting renovation construction project totaled \$357,000 for the year ended June 30, 2023 and \$1.0 million for the year ended June 30, 2022. Of this amount \$497,000 is recorded as a receivable from the State as of June 30, 2022. See Note 13 for further discussion regarding this construction project.

Note 7. Retirement Plans

MPERS Defined Pension and Other Postemployment Benefit Plans

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

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the MPERS Act (1980 PA 300 as amended). The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

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

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

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

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

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

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

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

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

Funding Policy – Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2021 valuation will be amortized over a 17-year period ending September 30, 2038.

Required contributions to the pension plan from the College were \$10.3 million and \$9.7 million for the years ending June 30, 2023 and 2022, respectively. Required contributions to the OPEB plan from the College were \$2.3 million for the years ending June 30, 2023 and 2022.

Following are the employee and employer contribution rates associated with the MPSERS system for the year ended September 30, 2022:

Benefit Structure	Pension Contribution Rates	
	Member	Non-University Employer
Basic	0.0 – 4.0%	20.14%
Member Investment Plan	3.0 – 7.0%	20.14%
Pension Plus	3.0 – 6.4%	17.22%
Pension Plus 2	6.2%	19.93%
Defined Contribution	0.0%	13.73%

Benefit Structure	OPEB Contribution Rates	
	Member	Non-University Employer
Premium Subsidy	3.0%	8.09%
PHF	0.0%	7.23%

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

MPSERS Plan Net Pension and OPEB Liability – Non-University – The MPSERS total non-university net pension and OPEB liability for the plan years ended September 30, was as follows:

	Pension		OPEB	
	2022	2021	2022	2021
Total liability	\$ 95,876,795,620	\$ 86,392,473,395	\$ 12,522,713,324	\$ 12,046,393,511
Plan fiduciary net position	(58,268,076,344)	(62,717,060,920)	(10,404,650,683)	(10,520,015,621)
Net liability	<u>\$ 37,608,719,276</u>	<u>\$ 23,675,412,475</u>	<u>\$ 2,118,062,641</u>	<u>\$ 1,526,377,890</u>
Plan fiduciary net position as a percentage of total liability	60.77%	72.60%	83.09%	87.33%
Net liability as a percentage of covered employee payroll	386.25%	261.68%	21.75%	16.87%

Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense – At June 30, 2023 and 2022, respectively, the College reported a liability of \$114.3 million and \$76.3 million for its proportionate share of the net pension liability of MPSERS. At June 30, 2023 and 2022, respectively, the College reported a liability of \$6.5 million and \$4.8 million for its proportionate share of the net OPEB liability of MPSERS. The 2023 net pension and OPEB liability was measured as of September 30, 2022, and the total liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2021. The College’s portion of the 2023 and 2022 net pension and OPEB liability was determined by dividing each employer’s statutorily required contributions to the System during the measurement period by the percent of contributions required from all applicable employers during the measurement period. At September 30, 2022, the College’s pension proportionate share was .30379%, a decrease of .01871% from its proportionate share measured as of September 30, 2021, which was .32250%. At September 30, 2022, the College’s OPEB proportionate share was .30754%, a decrease of .00504% from its proportionate share measured as of September 30, 2021, which was .31258%.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense - continued – For the years ended June 30, 2023 and 2022, respectively, the College recognized MPSERS pension expense of \$10.2 million and \$5.6 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS pension from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,142,900	\$ 255,451	\$ 1,182,747	\$ 449,631
Changes of assumptions	19,632,272	-	4,813,046	-
Net difference between projected and actual earnings on pension plan investments	267,917	-	-	24,547,378
Changes in proportion and differences between College contributions and proportionate share of contributions	-	8,746,857	28,229	6,837,407
College contributions subsequent to the measurement date	12,333,664	-	8,920,686	-
Rate stabilization appropriations received after the measurement date	-	8,118,183	-	4,717,718
Total	\$ 33,376,753	\$ 17,120,491	\$ 14,944,708	\$ 36,552,134

For the years ended June 30, 2023 and 2022, respectively, the College recognized MPSERS OPEB expense of a negative \$3.3 million and \$3.4 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,758,016	\$ -	\$ 13,618,943
Changes of assumptions	5,805,949	472,753	3,988,455	596,822
Net difference between projected and actual earnings on OPEB plan investments	509,104	-	-	3,596,111
Changes in proportion and differences between College contributions and proportionate share of contributions	30,985	2,311,293	41,920	2,694,007
College contributions subsequent to the measurement date	1,757,435	-	1,751,340	-
Total	\$ 8,103,473	\$ 15,542,062	\$ 5,781,715	\$ 20,505,883

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense - continued – The College reported deferred outflows of resources related to pension contributions subsequent to the measurement date of \$12.3 million and \$8.9 million, respectively, as of June 30, 2023 and 2022 and \$1.8 million of contributions subsequent to the measurement date related to OPEB as of June 30, 2023 and 2022. 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
2024	\$ 2,321,835	\$ (3,208,827)
2025	1,581,272	(2,881,368)
2026	2,089,795	(2,525,933)
2027	6,047,879	(365,569)
2028	-	(201,226)
Thereafter	-	(13,101)
Total	\$ 12,040,781	\$ (9,196,024)

Rate of Return, Discount Rate and Long-term Expected Rate of Return – The discount rate used to measure the total pension liability was 6.00% for the Basic, MIP, Pension Plus, and Pension Plus 2 Plan for the September 30, 2022 valuation year and 6.80% for the Basic, MIP, and Pension Plus Plans, and 6.00% for the Pension Plus 2 Plan for the September 30, 2021 valuation year, and was based on the long-term expected rate of return on pension investments. The discount rate used to measure the total OPEB liability was 6.00% for the September 30, 2022 valuation year and 6.95% for the September 30, 2021 valuation year, and was based on long-term expected rate of return on OPEB plan investments. The projection of cash flows used to determine this discount rate assumed that employee member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee member rate. Based on these assumptions, the pension and OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan and OPEB investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension plan and OPEB investment, net of pension and OPEB plan investment expense, was (4.18)% and (4.99)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

Rate of Return, Discount Rate and Long-term Expected Rate of Return - continued – Best estimates of arithmetic real rates of return for each major asset class included in the pension and OPEB plan’s target asset allocation as of September 30, 2022 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	25.0%	5.1%
Private Equity Pools	16.0	8.7
International Equity Pools	15.0	6.7
Fixed Income Pools	13.0	(0.2)
Real Estate and Infrastructure Pools	10.0	5.3
Absolute Return Pools	9.0	2.7
Real Return/Opportunistic Pools	10.0	5.8
Short-Term Investment Pools	2.0	(0.5)
Total	100.0%	

Sensitivity of the Net Pension and OPEB Liability to Changes in the Discount and Healthcare Cost Trend Rate – The following presents the College’s proportionate share of the net pension liability, calculated using the discount rate of 6.00% for June 30, 2023 and 6.80% for the Basic, MIP Plans and the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan for June 30, 2022, 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%)
Year Ended June 30, 2023	\$ 150,767,771	\$ 114,250,163	\$ 84,158,009
	Net Pension Liability at 1.0% Decrease (5.80% Basic, MIP and Pension Plus and 5.00% Pension Plus 2)	Net Pension Liability at Current Discount Rate (6.80% Basic, MIP and Pension Plus and 6.00% Pension Plus 2)	Net Pension Liability at 1.0% Increase (7.80% Basic, MIP and Pension Plus and 7.00% Pension Plus 2)
Year Ended June 30, 2022	\$ 109,164,678	\$ 76,353,416	\$ 49,150,728

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

Sensitivity of the Net Pension and OPEB Liability to Changes in the Discount and Healthcare Cost Trend Rate - continued – The following presents the College’s proportionate share of the net OPEB liability, calculated using the discount rate of 6.00% for June 30, 2023 and 6.95% for June 30, 2022, and current healthcare cost trend rate, as well as what the College’s proportionate share of the net OPEB liability would be if it were calculated using a rate that is 1.0% point lower or 1.0% point higher than the current rates:

	Discount Rate			Healthcare Cost Trend Rate		
	Net OPEB Liability at 1.0% Decrease (5.00%)	Net OPEB Liability at Current Rate (6.00%)	Net OPEB Liability at 1.0% Increase (7.00%)	Net OPEB Liability at 1.0% Decrease (4.25%-6.75%)	Net OPEB Liability at Current Rate (5.25%-7.75%)	Net OPEB Liability at 1.0% Increase (6.25%-8.75%)
Year Ended June 30, 2023	\$ 10,926,254	\$ 6,513,789	\$ 2,797,945	\$ 2,727,663	\$ 6,513,789	\$ 10,763,789
Year Ended June 30, 2022	\$ 8,865,680	\$ 4,771,162	\$ 1,296,379	\$ 1,161,263	\$ 4,771,162	\$ 8,832,733

Actuarial Valuations and Assumptions – An actuarial valuation to determine the total pension and OPEB liability is required to be performed every year. If the actuarial valuation is not calculated as of the plan’s fiscal year end, the total pension and OPEB liability is required to be rolled forward from the actual valuation date to the plan’s fiscal year end.

Actuarial valuations for the pension plan and OPEB involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 7. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

Actuarial Valuations and Assumptions - continued – The total pension and OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Assumed investment rate of return	6.00% for Basic, MIP, Pension Plus, Pension Plus 2 Plans, and 6.00% for OPEB
Wage inflation rate	2.75%
Projected rate of pay increases	2.75 to 11.55%, including wage inflation at 2.75%
Cost-of-living pension adjustments	3.00% annual non-compounded for MIP members
Healthcare cost trend rate	Pre-65: 7.75% year 1 graded to 3.50% year 15; 3.00% year 120 Post-65: 5.25% year 1 graded to 3.50% year 15; 3.00% year 120
Mortality basis	Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006. Active Members: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Other OPEB Assumptions:	
Opt Out Assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 valuation. The total pension and OPEB liability as of September 30, 2022 is based on the results of an actuarial valuation date of September 30, 2021, 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 4.3922 years for the pension plan and 6.2250 years for the OPEB plan and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2022 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, 2023 and 2022, the College reported \$1,761,000 and \$1,674,000, respectively, for the outstanding amount of required contributions to MPSERS for the years then ended, which included the UAAL pass-through payments due to MPSERS.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 7. Retirement Plans – Continued

ORP Defined Contribution Plan

As an alternative pension option, the College offers all full-time faculty and full-time salaried administrative, professional and Corporate Services employees the opportunity to participate in an Optional Retirement Plan (ORP) administered by Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). Upon eligibility to participate in the ORP, employees have 90 days in which to elect participation in either the ORP or the MPSERS plan. The election becomes irrevocable after the 90-day period.

Funding for the ORP consists entirely of employer contributions of 10% of each participating employee's includable compensation. Participants are immediately 100% vested in all ORP contributions. Participating employees elect their own allocation of contributions among the available investment vehicles offered by TIAA-CREF. ORP retirement benefits are based on the accumulation of contributions and the related investment income for each participant. Distribution of retirement benefits is available under the ORP when participants attain age 55, or upon separation of employment.

During the years ended June 30, 2023 and 2022, compensation covered under the ORP approximated \$8.1 million and \$8.3 million, respectively, which resulted in contributions by the College of approximately \$810,000 and \$834,000 for the years ended June 30, 2023 and 2022, respectively.

Note 8. MNJTP Bonds Payable

During the year ended June 30, 2012, the College became involved in the Michigan New Jobs Training Program (MNJTP). This program was created by the State of Michigan Public Acts 359 and 360 of 2008, and authorizes community college districts to enter into an agreement with an employer to (1) provide worker education and job training in order to create new jobs, and (2) establish a funding mechanism to pay for the education and training for persons employed in new jobs with the employer. The employer prepays training costs to the College, and the College subsequently issues non-interest-bearing revenue bonds payable to the employer equal to the prepayments. The employer remits state income tax withholdings for these new employees directly to the College. The College then remits the state income tax withholdings back to the employer on a quarterly basis to reimburse the employer for the costs of the training, thus reducing the College's MNJTP bonds payable. Any outstanding bonds payable to the employer are offset by a state income tax receivable from the company of an equal amount.

In connection with this program, during the year ended June 30, 2012, the College entered into a MNJTP agreement with Xalt Energy MI, LLC (formerly Dow Kokam MI, LLC), which provided for a maximum bond principal amount of \$6,190,000. During the year ended June 30, 2023, the College issued bond principal to the company totaling \$1,104,000, and repaid bond principal in the same amount. No bond issuances or repayments occurred during the year ended June 30, 2022. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with Xalt Energy as of June 30, 2022. During fiscal year 2023, this training agreement was terminated when Xalt was acquired by Freudenberg Battery Systems. At the point the agreement was terminated, total bonds issued under this agreement totaled \$5,070,000. As of June 30, 2023, the College was still in the process of closing out this agreement and was holding approximately \$1.1 million of unspent training and program administration funds. The College has recorded this amount in Accounts Payable as of June 30, 2023.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 8. MNJTP Bonds Payable – Continued

During the year ended June 30, 2013, the College entered into a MNJTP agreement with ECO-Bio Plastics Midland, Inc., with an initial maximum bond principal issue amount of \$200,000, and was amended later that year with an increased maximum bond issue of \$350,000. No bond issuances or repayments occurred during the years ended June 30, 2023 or 2022. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with ECO-Bio Plastics as of June 30, 2023 or 2022. During fiscal year 2022, the College received payroll tax payments from ECO-Bio Plastics in the amount of \$18,000 that had not yet been remitted back to ECO-Bio and were reflected in accounts payable as of June 30, 2022. During fiscal year 2023, this agreement expired and the College returned unspent funds in the amount of \$128,000 to ECO-Bio, who is responsible to return this amount to Treasury. Total bonds issued to under this agreement totaled \$147,000.

During fiscal year 2022, in consultation with MCCA and other Michigan community colleges that participate in the MNJTP program, the decision was made that all future MNJTP agreements will be administered under a prepayment model rather than the bond model that was previously used with ECO-Bio and Xalt. Under this prepayment model, the company diverts payroll taxes to the College to be deposited into a training account and once adequate funding has been accumulated, the employer may invoice the College for pre-approved completed training, or if adequate funding has not yet been accumulated, the employer may directly pay for the training up front and be reimbursed once adequate funds are available. As of June 30, 2023, the College has four such agreements in place with area employers, including the new owner of Xalt, Freudenberg Battery Systems.

Note 9. Leases

The College leases tower space to external parties. The College recognized revenue related to lease agreements, including lease interest income, in the amount of \$159,000 for the year ended June 30, 2023 and \$168,000 for the year ended June 30, 2022. The College reported a lease receivable of \$702,000 and \$676,000 as of June 30, 2023 and 2022, respectively, and a deferred inflow of resources of \$648,000 and \$633,000 as of June 30, 2023 and 2022, respectively.

Note 10. Contingent Liabilities

In the normal course of activities, the College is party to various legal actions. The College is of the opinion that the outcome of asserted claims outstanding will not have a material effect on the financial statements.

Note 11. Risk Management

The College participates in the Michigan Community College Risk Management Authority (Authority) with other Michigan-based community colleges for claims relating to auto, property and liability. The Authority provides a risk pool program that operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts up to maximum coverage limits. The College pays an annual premium to the Authority and is responsible for a deductible and all costs, including damages, indemnification, and allocated loss adjustment expenses, for each claim that is within the College's Self-Insured Retention (SIR) limit. The College also participates in the stop loss provision of the program, which is designed to limit the member's maximum cash payments during each July 1 through June 30 year to costs falling within the College's SIR limit. Reinsurance is purchased by the Authority to further limit the risk of loss. In addition, the College purchases commercial insurance for employee medical benefits and employee injuries (workers' compensation).

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 12. Contractual Commitments

The College has outsourced the management and operational support of its information technology services. At its September 2016 meeting, the College's Board of Trustees approved and accepted a contract renewal with Ellucian, with the new contract period beginning November 1, 2016 and ending October 31, 2023. The 7-year contract includes the expansion of services relating to technology support in the Health Professions Building, training support for standard software used College-wide and support of all classroom technology and audio-visual support for special events. The original 7-year contract fee schedule called for monthly payments ranging from \$201,000 to \$206,000 through October 2023, with a total contractual commitment of \$17.2 million over the 7-year contract period. The contract provides for an annual payment adjustment based on the Consumer Price Index (CPI). Due to CPI increases, the annual monthly payment to Ellucian under this base portion of the contract increases to approximately \$240,000 beginning in November 2022, for a total contractual commitment of \$18.1 million. In October 2017, the College made an addendum to the Ellucian contract for additional services related to the Ellucian Customer Relationship Management (eCRM) Advise and Recruit software applications. The original service period for this addendum commenced on November 1, 2017 and ended October 31, 2020 and increased the contractual monthly payments to Ellucian by \$11,000. In April 2020, the College agreed to renew this additional eCRM service for an additional three-year term from November 2020 through October 2023 at a monthly cost of approximately \$12,700, for a total of \$457,000 over the three-year term.

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

Note 13. Capital Construction Projects

Delta College Downtown Midland Center – In October 2017, Delta College submitted documentation to the State of Michigan identifying needed improvements at its aging Midland Center as its top priority in facility revitalization. As the community learned of the need for an upgraded facility, many reached out to Delta College's president to get more details and offer financial support. A property site was selected in downtown Midland on the block bound by Ellsworth, Townsend, Buttles and Cronkright which was owned by Chemical Bank and The Dow Chemical Company. After learning of Delta's interest in this particular location, both organizations generously agreed to donate the property to the Delta College Foundation. On August 14, 2018, the Delta College Board of Trustees unanimously approved this site for the new Downtown Midland Center facility. The Delta College Foundation received several generous pledges and cash gifts totaling \$9.2 million from area foundations to help fund the estimated \$13.0 million cost of construction for the 30,000 square foot building which will provide state-of-the-art technology. The remaining funding needs of approximately \$3.8 million for this project came from accumulated reserves in the College's Plant Fund. In April 2019, the College broke ground on this construction project. The Downtown Midland Center was completed in August 2021, with a total capitalized cost of \$12.5 million, not including equipment capitalized separately. The College held its first classes at the Downtown Midland Center during the fall 2021 semester.

Natatorium HVAC and Pool Equipment Replacement Project – At its March 2021 meeting, the Board approved a project to replace the air handler to the natatorium and pool filtration and disinfection equipment. The existing equipment dated back to 2004 and was at end of their useful life. The total budget for this project was \$1.3 million and will be paid for through reserves in both the Plant and Auxiliary Funds since the pool is used for academic classes and community patrons. This project was completed in May of 2022, with a total capitalized cost of \$1.1 million.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 13. Capital Construction Projects – Continued

Main Campus Roof Replacement Project – At its June 2021 meeting, the Board approved a project to repair portions of the roof on its main campus building. In March 2021, the College experienced a major water leak in its Library Learning Information Center (LLIC) roofing system. The LLIC portion of the roof was installed in 1999, as were other areas of the roof, which were also showing the same signs of deterioration. The replacement of these areas of the roof had been included in the College's 2020 5-year Capital Outlay Plan as a major maintenance item. The total approved budget for this project was \$1.7 million. At June 30, 2022, the College had incurred project costs totaling \$1.5 million, which were included in construction in progress. The project was completed and capitalized in fiscal year 2023 in the amount of \$1.6 million.

Electronic Media Broadcasting - A Wing Renovations – Delta College's Electronic Media Broadcasting – A Wing Renovations project was submitted to the State of Michigan in October 2018 in response to identified structural needs of current programs, learning environments and business and community needs. The scope of this project was upgrading the existing Electronic Media Broadcasting (EMB) in lower A wing on the College's main campus. These facilities were constructed in 1961, and although maintained well, many of the architectural finishes, mechanical and electrical systems were at, or nearing the end of their useful life. After upgraded and revitalized, this area is the platform for state-of-the-art learning and creation of a wide variety of digital media productions for students and producers. The EMB project was authorized for planning under Public Act 618 of 2018 and authorized for construction under Public Act 257 of 2020. Delta's Board approved this \$2.8 million cost share construction project at its November 2019 meeting. This project was funded 50% by the State, with the remaining 50%, or \$1.4 million, being paid for out of College Plant Fund reserves. The College received official approval from the State in August 2021 to award contracts and commence work on the project. As of June 30, 2022, the project was ongoing with total costs of nearly \$2.2 million included in construction in progress. The project was completed and capitalized during fiscal year 2023 at a total asset value of \$2.5 million. Once the College expended their 50% of the project, the State began reimbursing the College for the remaining 50% of project expenses. The College recorded a capital appropriation receivable from the State in the amount of \$497,000 for this project as of June 30, 2022.

HVAC Upgrades - HEERF Funded Project – In June 2021, the Board approved a combination of HVAC projects identified by the Facilities department related to improving ventilation and air quality at all of its sites. Some of the College's air handlers, terminal units and HVAC controls did not meet the currently recommended COVID-19 mitigation strategies from the ASHRAE (American Society of Heating, Refrigeration, and Air-Conditioning Engineers). These systems primarily provide ventilation and air filtration for the air supplied to classrooms and office areas. College administration felt that addressing these air quality issues in an effort to protect its students and staff was a prudent use of a portion of its HEERF institutional grant allocations. The original budget approved by the Board for all of the various project components was \$3.5 million. Due to supply chain issues and the grant spending deadline, which was extended to June 30, 2023, the project was scaled back and was expected to total approximately \$2.5 million. As of June 30, 2022, the College had expended approximately \$400,000 which has been recorded in construction in progress. An additional \$1.8 million of costs were incurred during fiscal year 2023 and the asset was capitalized at a total cost of \$2.2 million.

Delta College Planetarium – At its February 2023 meeting, the College's Board of Trustees approved a project to replace the roof, skylights and roof deck on the Delta College Planetarium in downtown Bay City. The existing roof was original to the building, which was completed in 1996, and was at the end of its useful life, and the skylights were cracked and compromised. The approved budget for this project was approximately \$664,000. As of June 30, 2023, this project was completed and capitalized at a total cost of \$693,000. The Board approved a \$445,000 project at its August 2022 meeting to replace the Planetarium's chiller system that was also original to the building. It had reached its life expectancy and had been requiring frequent repairs and was no longer reliable. At June 30, 2023, this project is included in construction in progress with spending to date of approximately \$378,000.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 14. Endowment Spending Rate Policy

The Investment and Distribution Policy for Endowment Funds as adopted by the Board of Trustees authorizes spending of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is distributed is required to be spent for the purposes for which the endowment was established. Under the policy established by the Board, four percent of the previous five-year quarterly moving average market value of each individual endowment is authorized to be distributed annually, although actual distribution is limited to not decrease the individual endowment balances below that of the cumulative original value of the endowment contributions.

Note 15. Delta College Foundation

The Delta College Foundation (the Foundation) is an independent tax-exempt 501(c)(3) corporation formed for the purpose of receiving funds for the sole benefit of the College. Contributions received by the Foundation are transferred to the College to be used in the support of the College's educational programs. Such activities include contributing funds to the College's scholarship programs and endowment funds, supplementing or paying for professional development activities of the College's faculty and staff, and transferring donated equipment to the College to be used in general and occupational education programs. The College provides personnel support, supplies and equipment to the Foundation.

On June 1, 2016, the Foundation's Board of Directors approved a 1% Endowment Administration Fee, to be applied to all funds held in the Endowment Fund. The fee, based on the endowment's fair market value, will be assessed by the Foundation annually, on June 30. The calculation of the annual fee will be consistent with the Distribution Policy and based on a five-year quarterly moving average market value of The Fund. The fee is in addition to the Investment Fees already charged by Morgan Stanley to manage the endowment's investments. Funds resulting from implementation of the 1% Endowment Administration Fee will be used to support the Foundation's operational needs for philanthropic growth at Delta College. This annual fee distribution was implemented for the first time in the year ending June 30, 2017. For the years ending June 30, 2023 and 2022, respectively, the fee distributed to the Foundation amounted to \$286,000 and \$262,000.

Based on the criteria set forth in GASB Statement No. 61, the Foundation is considered a component unit of Delta College. Accordingly, the activity and financial position of the Foundation have been blended with the College in the accompanying financial statements.

The Delta College Foundation issues a financial report that includes financial statements and supplementary information. That report may be obtained by writing to Delta College Foundation at 1961 Delta Road, University Center, MI 48710.

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 15. Delta College Foundation – Continued

Condensed financial information for the Foundation is provided below:

Delta College Foundation Condensed Balance Sheets		
	June 30, 2023	June 30, 2022
Assets		
Current assets	\$ 1,262,224	\$ 1,700,644
Long-term assets	335,081	292,111
Total Assets	1,597,305	1,992,755
Liabilities		
Current liabilities	47,140	27,755
Net Position		
Donor-restricted endowments	19,473	19,518
Restricted expendable	1,019,009	953,116
Unrestricted	511,683	992,366
Total Net Position	\$ 1,550,165	\$ 1,965,000

Delta College Foundation Condensed Statements of Revenue, Expenses and Changes in Net Position		
	Year Ended June 30, 2023	Year Ended June 30, 2022
Operating Revenue	\$ -	\$ -
Operating Expenses		
Institutional administration	147,014	122,722
Fundraising	114,073	95,017
Total Operating Expenses	261,087	217,739
Operating Loss	(261,087)	(217,739)

Notes to Financial Statements - Continued
Delta College
June 30, 2023

Note 15. Delta College Foundation – Continued

(continued from previous page)

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

	Year Ended June 30, 2023	Year Ended June 30, 2022
Nonoperating Revenue (Expenses)		
Gifts	\$ 1,155,528	\$ 2,134,725
Special events	63,111	65,528
Investment income	484,843	418,797
Foundation grants and distributions to or for Delta College	(1,857,230)	(2,403,363)
Net Nonoperating Revenue (Expenses)	(153,748)	215,687
Decrease in Net Position	(414,835)	(2,052)
Net Position		
Beginning of year	1,965,000	1,967,052
End of year	\$ 1,550,165	\$ 1,965,000

Delta College Foundation
Condensed Statements of Cash Flows

	Year Ended June 30, 2023	Year Ended June 30, 2022
Net Cash Used in Operating Activities	\$ (278,913)	\$ (214,386)
Net Cash Used in Noncapital Financing Activities	(676,083)	(155,363)
Net Cash Provided by Capital and Related Financing Activities	-	50,000
Net Cash Provided by Investing Activities	484,843	418,797
Net Increase (Decrease) in Cash and Cash Equivalents	(470,153)	99,048
Cash and Cash Equivalents		
Beginning of year	1,617,607	1,518,559
End of year	\$ 1,147,454	\$ 1,617,607

Notes to Financial Statements - Continued

Delta College

June 30, 2023

Note 16. Tax Abatements

Delta College receives reduced property tax revenue because of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by Bay, Midland and Saginaw Counties. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. For the years ended June 30, 2023 and 2022, Delta College property tax revenues were reduced by \$235,000 and \$292,000, respectively, under these programs. There are no abatements made by the College.

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability and Contributions for Michigan Public School
Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information
Delta College
June 30, 2023

	2022	2021	2020	2019	September 30, 2018	2017	2016	2015	2014
<u>Schedule of Proportionate Share of Net Pension Liability</u>									
Delta College's proportion of the net pension liability:									
As a percentage	0.30379%	0.32250%	0.33565%	0.35693%	0.36190%	0.36091%	0.36396%	0.35920%	0.36636%
Amount	\$ 114,250,163	\$ 76,353,416	\$ 115,298,289	\$ 118,203,451	\$ 108,794,674	\$ 93,526,507	\$ 90,806,454	\$ 87,735,519	\$ 80,695,808
Delta College's covered payroll	\$ 30,089,559	\$ 28,505,705	\$ 28,862,511	\$ 30,642,479	\$ 30,935,967	\$ 30,340,755	\$ 30,432,804	\$ 30,587,339	\$ 30,260,280
Delta College's proportionate share of the net pension liability, as a percentage of the College's covered payroll	379.7%	267.9%	399.5%	385.8%	351.7%	308.3%	298.4%	286.8%	266.7%
MPSERS fiduciary net position, as a percentage of the total non-university net pension liability	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

	2023	2022	2021	2020	June 30, 2019	2018	2017	2016	2015
<u>Schedule of Contributions for MPSERS</u>									
Delta College's statutorily required contributions	\$ 13,755,061	\$ 10,094,529	\$ 9,608,239	\$ 9,248,304	\$ 9,507,415	\$ 9,937,502	\$ 8,655,641	\$ 8,475,840	\$ 6,412,460
Delta College's contributions in relation to statutorily required contribution	<u>13,755,061</u>	<u>10,094,529</u>	<u>9,608,239</u>	<u>9,248,304</u>	<u>9,507,415</u>	<u>9,937,502</u>	<u>8,655,641</u>	<u>8,475,840</u>	<u>6,412,460</u>
Delta College's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delta College's covered payroll	\$ 30,296,921	\$ 28,861,214	\$ 28,224,284	\$ 29,347,350	\$ 30,871,381	\$ 30,883,232	\$ 31,475,611	\$ 30,304,431	\$ 29,660,019
Delta College contributions as a percentage of covered payroll	45.4%	35.0%	34.0%	31.5%	30.8%	32.2%	27.5%	28.0%	21.6%

Notes to Required Supplementary Information

Changes of benefit terms: There were no changes of benefit terms from September 30, 2014 through September 30, 2022.

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

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, 2023

	September 30,					
	2022	2021	2020	2019	2018	2017
<u>Schedule of Proportionate Share of Net OPEB Liability</u>						
Delta College's proportion of the net OPEB liability:						
As a percentage	0.30754%	0.31258%	0.32357%	0.34926%	0.36226%	0.36214%
Amount	\$ 6,513,789	\$ 4,771,162	\$ 17,334,369	\$ 25,069,227	\$ 28,796,063	\$ 32,069,557
Delta College's covered payroll	\$ 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	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	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

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

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.

Supplemental Schedules of Other Financial Information
Consolidating Balance Sheet
Delta College
June 30, 2023

	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	Foundation
Assets										
Current Assets										
Cash and cash equivalents	\$ 37,000,406	\$ 4,965,090	\$ 5,574,384	\$ 5,148,887	\$ 5,525,471	\$ 456,700	\$ 13,913,163	\$ -	\$ 269,257	\$ 1,147,454
Short-term investments	34,165,254	2,958,721	16,118,772	895,179	1,040,880	-	13,151,702	-	-	-
Property taxes receivable	58,405	58,405	-	-	-	-	-	-	-	-
State appropriations receivable	4,003,278	4,003,278	-	-	-	-	-	-	-	-
Federal and state grants receivable	2,400,225	1,002,041	204,113	-	1,194,071	-	-	-	-	-
Accounts receivable	425,275	67,249	190,292	48,881	118,743	-	-	-	-	110
Pledges receivable	100,364	-	-	-	-	-	-	-	-	100,364
Inventories	705,026	174,559	-	530,467	-	-	-	-	-	-
Prepaid expenses and other assets	1,429,670	1,164,310	32,146	5,280	19,033	60,988	133,617	-	-	14,296
Total Current Assets	80,287,903	14,393,653	22,119,707	6,628,694	7,898,198	517,688	27,198,482	-	269,257	1,262,224
Long-Term Investments	62,252,072	446,546	11,061,804	591,706	1,931,799	30,391,681	17,828,536	-	-	-
Long-Term Accounts Receivable	583,130	-	-	-	583,130	-	-	-	-	-
Long-Term Pledges Receivable	335,081	-	-	-	-	-	-	-	-	335,081
Capital Assets										
Land and improvements	13,407,274	-	-	-	-	-	13,407,274	-	-	-
Infrastructure	13,896,982	-	-	-	-	-	13,896,982	-	-	-
Buildings	151,537,125	-	-	-	-	-	151,537,125	-	-	-
Furniture and equipment	21,640,682	-	-	-	-	-	21,640,682	-	-	-
Subscription assets, net	1,449,819	-	-	-	-	-	1,449,819	-	-	-
Fine art collection	390,325	-	-	-	-	-	390,325	-	-	-
Construction in progress	613,903	-	-	-	-	-	613,903	-	-	-
Allowance for depreciation and amortization	(89,232,771)	-	-	-	-	-	(89,232,771)	-	-	-
Total Capital Assets	113,703,339	-	-	-	-	-	113,703,339	-	-	-
Total Assets	257,161,525	14,840,199	33,181,511	7,220,400	10,413,127	30,909,369	158,730,357	-	269,257	1,597,305
Deferred Outflows of Resources	41,480,226	-	-	-	-	-	-	41,480,226	-	-
Liabilities										
Current Liabilities										
Accounts payable	3,100,480	759,216	1,184,726	30,632	281,102	-	575,547	-	269,257	-
Accrued payroll and other compensation	6,023,574	5,585,230	172,671	109,155	156,518	-	-	-	-	-
Unearned revenue	1,716,605	889,031	574,897	996	204,541	-	-	-	-	47,140
Subscription arrangements	771,532	-	-	-	-	-	771,532	-	-	-
Total Current Liabilities	11,612,191	7,233,477	1,932,294	140,783	642,161	-	1,347,079	-	269,257	47,140
Non-Current Liabilities										
Long-term subscription arrangements	771,996	-	-	-	-	-	771,996	-	-	-
Net pension and OPEB liability	120,763,952	-	-	-	-	-	-	120,763,952	-	-
Total Non-Current Liabilities	121,535,948	-	-	-	-	-	771,996	120,763,952	-	-
Total Liabilities	133,148,139	7,233,477	1,932,294	140,783	642,161	-	2,119,075	120,763,952	269,257	47,140
Deferred Inflows of Resources	33,311,043	-	-	-	648,490	-	-	32,662,553	-	-
Net Position										
Net investment in capital assets	112,159,811	-	-	-	-	-	112,159,811	-	-	-
Restricted for:										
Donor-restricted endowments	22,941,520	-	-	-	-	22,922,047	-	-	-	19,473
Expendable scholarships and awards	2,435,626	-	-	-	1,839,591	-	-	-	-	596,035
Instructional department uses	1,029,970	-	-	-	929,876	-	-	-	-	100,094
Public broadcasting activities	5,748,625	-	-	-	5,748,625	-	-	-	-	-
Other restricted uses	927,264	-	-	-	604,384	-	-	-	-	322,880
Unrestricted	(13,060,247)	7,606,722	31,249,217	7,079,617	-	7,987,322	44,451,471	(111,946,279)	-	511,683
Total Net Position	\$ 132,182,569	\$ 7,606,722	\$ 31,249,217	\$ 7,079,617	\$ 9,122,476	\$ 30,909,369	\$ 156,611,282	\$ (111,946,279)	\$ -	\$ 1,550,165

Supplemental Schedules of Other Financial Information
Consolidating Statement of Revenue, Expenses and Changes in Net Position
Delta College
Year Ended June 30, 2023

	Combined Total	Elimination	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund	Foundation
Operating Revenue										
Tuition and fees, net of scholarship allowance of \$6,775,855	\$ 22,075,240	\$ (6,775,855)	\$ 27,471,925	\$ 1,379,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	3,604,947	-	-	-	-	3,604,947	-	-	-	-
State grants and contracts	603,700	-	-	-	-	603,700	-	-	-	-
Local and nongovernmental grants and contracts	1,023,419	-	-	-	-	1,023,419	-	-	-	-
Michigan New Jobs Training Program	250,202	-	-	-	-	250,202	-	-	-	-
Public broadcasting gifts	854,221	-	-	-	-	854,221	-	-	-	-
Auxiliary activities, net of scholarship allowance of \$795,378	3,167,581	(795,378)	-	-	3,962,959	-	-	-	-	-
Current year expenditures for capital equipment and facility improvements	-	(5,779,781)	-	-	-	-	-	5,779,781	-	-
Miscellaneous	1,020,155	(317,056)	662,870	275,708	-	388,337	-	10,296	-	-
Total Operating Revenue	32,599,465	(13,668,070)	28,134,795	1,654,878	3,962,959	6,724,826	-	5,790,077	-	-
Operating Expenses										
Instruction	35,351,257	(645,292)	37,548,050	676,259	-	3,091,150	-	40,832	(5,359,742)	-
Public services	2,968,900	(199,767)	1,352,408	4,285	-	2,028,244	-	40,046	(256,316)	-
Information technology	4,014,338	(570,853)	4,088,993	-	-	516,168	-	-	(19,970)	-
Instructional support	6,689,830	(238,890)	6,511,455	188,341	-	871,721	-	-	(642,797)	-
Student services	19,279,097	(7,781,851)	8,333,671	136,929	4,216,951	15,399,664	-	13,388	(1,039,655)	-
Institutional administration	8,024,114	(132,418)	7,610,206	685,722	-	402,535	-	175,956	(864,901)	147,014
Operation and maintenance of facilities	7,978,967	(3,883,415)	7,760,560	-	-	134,805	-	4,693,994	(726,977)	-
Depreciation and amortization	7,005,615	-	-	-	-	-	-	7,005,615	-	-
Fundraising expenses	46,425	(67,648)	-	-	-	-	-	-	-	114,073
Other expenses	-	(1,127,848)	-	-	-	-	1,127,848	-	-	-
Total Operating Expenses	91,358,543	(14,647,982)	73,205,343	1,691,536	4,216,951	22,444,287	1,127,848	11,969,831	(8,910,358)	261,087
Operating Income (Loss)	(58,759,078)	979,912	(45,070,548)	(36,658)	(253,992)	(15,719,461)	(1,127,848)	(6,179,754)	8,910,358	(261,087)
Nonoperating Revenue (Expenses)										
State appropriations	24,500,383	-	27,900,848	-	-	-	-	-	(3,400,465)	-
Property tax levy	25,170,166	-	25,170,166	-	-	-	-	-	-	-
Pell federal grant revenue	11,102,588	-	-	-	-	11,102,588	-	-	-	-
Gifts	719,748	(1,765,935)	169,120	241,964	-	292,336	614,093	12,642	-	1,155,528
Higher Education Emergency Relief Fund	6,547,198	-	-	-	-	6,547,198	-	-	-	-
Special events, net of expenses of \$66,674	63,111	-	-	-	-	-	-	-	-	63,111
Investment income, net of investment expense of \$306,291	5,220,442	(1,088,635)	1,344,190	107,038	-	922,204	2,674,755	776,047	-	484,843
Interest expense on subscription assets	(104,018)	-	-	-	-	-	-	(104,018)	-	-
Loss on disposition of capital assets	(2,863,412)	317,056	-	-	-	-	-	(3,180,468)	-	-
Foundation grants and distributions to or for Delta College	(299,828)	1,557,602	-	-	-	-	-	-	-	(1,857,430)
Net Nonoperating Revenue (Expenses)	70,056,378	(979,912)	54,584,324	349,002	-	18,864,326	3,288,848	(2,495,797)	(3,400,465)	(153,948)
Net Income (Loss) Before Other Revenue	11,297,300	-	9,513,776	312,344	(253,992)	3,144,865	2,161,000	(8,675,551)	5,509,893	(415,035)
Other Revenue										
State capital appropriations	356,724	-	-	-	-	-	-	356,724	-	-
Additions to permanent endowments	448,725	-	-	-	-	-	448,725	-	-	-
Total Other Revenue	805,449	-	-	-	-	-	448,725	356,724	-	-
Increase (Decrease) in Net Position	12,102,749	-	9,513,776	312,344	(253,992)	3,144,865	2,609,725	(8,318,827)	5,509,893	(415,035)
Transfers In (Out)	-	-	(9,306,254)	1,376,730	42,280	(2,537,724)	25,000	10,399,768	-	200
Net Increase (Decrease) in Net Position	12,102,749	-	207,522	1,689,074	(211,712)	607,141	2,634,725	2,080,941	5,509,893	(414,835)
Net Position - Beginning of Year	120,079,820	-	7,399,200	29,560,143	7,291,329	8,515,335	28,274,644	154,530,341	(117,456,172)	1,965,000
Net Position - End of Year	\$ 132,182,569	\$ -	\$ 7,606,722	\$ 31,249,217	\$ 7,079,617	\$ 9,122,476	\$ 30,909,369	\$ 156,611,282	\$ (111,946,279)	\$ 1,550,165

Supplemental Schedules of Other Financial Information
Details of Certain General Fund Revenues
Delta College
Year Ended June 30, 2023

Tuition and Fees

Tuition	\$	22,409,252
Registration fees		741,215
Course and program fees:		
Technology fees		4,154,820
Health program fees		153,070
Lifelong wellness course fees		4,910
Auto course fees		<u>8,658</u>
Total Tuition and Fees	\$	<u>27,471,925</u>

Miscellaneous Revenue

Collegiate ads	\$	4,150
Credit by exam		2,470
Live scan fees		15,860
Transcript revenue		39,425
Miscellaneous		380,795
Parking fines		230
Planetarium ticket sales		116,332
Rental of college facilities		49,954
Reserve parking		4,775
Testing		<u>48,879</u>
Total Miscellaneous Revenue	\$	<u>662,870</u>

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses
Delta College
Year Ended June 30, 2023

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instruction						
Social Sciences	\$ 3,313,169	\$ 2,231,784	\$ 14,782	\$ -	\$ 29,866	\$ 5,589,601
Humanities	1,920,769	1,132,103	27,572	-	17,637	3,098,081
English	2,581,344	1,744,885	14,257	-	19,800	4,360,286
Mathematics & Computer Science	1,755,131	1,209,256	20,308	-	17,861	3,002,556
Sciences	3,370,033	2,232,436	104,545	-	27,775	5,734,789
Business & Information Technology	2,654,669	1,599,937	15,768	-	20,900	4,291,274
Health & Wellness	4,189,786	2,919,948	236,075	-	38,349	7,384,158
Technical Trades & Manufacturing	2,095,609	1,545,319	216,571	-	22,828	3,880,327
Instructional Equipment	-	-	181,007	25,971	-	206,978
Total Instruction	21,880,510	14,615,668	830,885	25,971	195,016	37,548,050
Public Services						
Television	357,521	289,980	2	-	2,592	650,095
Public Radio	118,434	88,908	-	-	972	208,314
Planetarium and Learning Center	246,877	181,674	61,583	-	3,865	493,999
Total Public Services	722,832	560,562	61,585	-	7,429	1,352,408
Information Technology						
Communications Technology	50,521	46,365	32,239	-	975	130,100
Instructional Support Information Technology	80,753	-	1,744,753	-	-	1,825,506
Student Services Support Information Technology	-	-	790,473	-	-	790,473
Administrative Support Information Technology	12,027	8,411	1,322,426	-	50	1,342,914
Total Information Technology	143,301	54,776	3,889,891	-	1,025	4,088,993
Instructional Support						
Office of Vice President of Instruction & Learning Services	210,397	86,631	9,992	-	4,130	311,150
Associate Deans	930,465	545,002	58,597	-	8,706	1,542,770
Academic Deans	355,296	178,701	14,781	-	4,675	553,453
Faculty Secretarial & Instructional Support	89,508	53,714	463,180	14,395	275	621,072
Multimedia Laboratories	144,912	95,332	3,712	-	775	244,731
Library & Learning Resources Center	432,019	303,040	161,983	-	3,121	900,163
Teaching Learning and WRIT Centers	384,398	271,022	4,329	-	2,573	662,322
Academic Testing Center	138,989	101,722	492	-	250	241,453
Fitness & Aquatics Center Instructional Support	75,294	53,888	36,084	-	250	165,516
Teaching Enhancement Centers	21,363	11,914	25,320	-	7,064	65,661
Center for Organizational Success	-	9	23,632	-	2,694	26,335
Accreditation & Assessment	7,588	4,891	49,270	-	312	62,061

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2023

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Instructional Support (continued)						
Community Development & Strategic Partnerships	\$ 325,847	\$ 247,635	\$ 7,147	\$ -	\$ 4,779	\$ 585,408
Service Learning & Community Engagement	10,007	-	12,746	-	4,381	27,134
Honors Program	46,758	46,684	10,887	-	3,423	107,752
eLearning	106,683	103,339	183,287	-	1,165	394,474
Total Instructional Support	3,279,524	2,103,524	1,065,439	14,395	48,573	6,511,455
Student Services						
Office of Vice President of Student & Education Services	124,275	128,627	50,601	-	933	304,436
Dean of Students	114,127	90,200	280,171	-	1,949	486,447
Dean of Enrollment Services	37,385	18,828	158	-	42	56,413
Admissions	447,515	304,150	50,755	-	3,853	806,273
Records & Registration	269,528	264,241	23,453	-	2,390	559,612
Counseling & Advising	1,023,681	812,081	6,813	-	11,040	1,853,615
Financial Aid	535,434	395,669	9,971	-	7,813	948,887
Enrollment Management & Student Goodwill	-	-	66,053	-	4,273	70,326
Student Engagement, Conduct, Leadership, & Organizations	55,275	51,367	47,436	-	691	154,769
Pioneer Connect	179,063	130,663	116	-	1,256	311,098
Career & Employment Services	68,829	52,029	25,511	-	337	146,706
Marketing & Publications	-	-	494,723	-	-	494,723
Veteran Services	73,324	42,992	1,446	-	638	118,400
Collegiate Student Newspaper	38,903	6,742	12,235	-	495	58,375
Disability Resources	79,225	49,600	55,210	-	241	184,276
Commencement & Student Awards	-	-	14,728	-	-	14,728
Possible Dream Program	52,703	35,493	257	-	500	88,953
Student Testing & Assessment	24,358	24,144	4,554	-	250	53,306
Scholarships & Grants	-	-	277,338	-	-	277,338
Midland Center	104,373	67,618	17,662	-	1,513	191,166
Saginaw Center	184,711	149,400	28,970	-	1,000	364,081
Athletic Programs	240,384	170,455	156,039	-	222,865	789,743
Total Student Services	3,653,093	2,794,299	1,624,200	-	262,079	8,333,671
Institutional Administration						
Board of Trustees	-	-	18,773	-	18,215	36,988
Development Office	329,819	248,882	11,438	-	2,533	592,672
Diversity & Inclusion Office	102,458	83,251	7,735	-	896	194,340
Equity Office	37,862	29,814	2,142	-	600	70,418
President's Office	324,810	135,836	11,726	-	16,613	488,985

Supplemental Schedules of Other Financial Information
Details of General Fund Operating Expenses - Continued
Delta College
Year Ended June 30, 2023

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
Institutional Administration (continued)						
Memberships	\$ -	\$ -	\$ 162,122	\$ -	\$ 24,646	\$ 186,768
Miscellaneous	3,014	1,942	105,088	-	14,962	125,006
Strategic Planning	-	-	37,311	-	7,850	45,161
Legal	-	-	108,478	-	-	108,478
Audit	-	-	62,814	-	-	62,814
Bank Fees, Collection Expenses & Bad Debts	-	-	555,548	-	-	555,548
Insurance, Unemployment & Other	-	57,069	432,653	-	-	489,722
Business Services	221,583	164,925	5,443	-	1,450	393,401
Finance Office	775,757	651,849	37,828	-	6,850	1,472,284
Human Resources & Staff Recruitment	534,983	446,223	77,041	-	4,692	1,062,939
Senate	31,743	26,189	891	-	138	58,961
Post Office	58,873	58,336	5,552	-	275	123,036
Institutional Advancement	353,411	302,247	5,832	-	5,863	667,353
Institutional Research	467,757	307,693	51,598	-	3,673	830,721
Covid 19 Non-grant Covered Costs	17,413	4,588	81	-	-	22,082
Wellness & Professional Development	-	4,717	16,314	-	1,498	22,529
Total Institutional Administration	3,259,483	2,523,561	1,716,408	-	110,754	7,610,206
Operation and Maintenance of Facilities						
Public Safety	520,334	347,631	63,266	-	5,223	936,454
Facilities Management	459,326	331,678	14,244	-	3,100	808,348
Facility Operations	1,515,461	1,426,894	249,385	-	2,000	3,193,740
Utilities	-	-	1,399,669	-	-	1,399,669
Facility Maintenance & Improvements	-	-	741,426	6,871	-	748,297
Off-Campus Centers & President's House	-	-	674,052	-	-	674,052
Total Operation and Maintenance of Facilities	2,495,121	2,106,203	3,142,042	6,871	10,323	7,760,560
Total General Fund Operating Expenses	\$ 35,433,864	\$ 24,758,593	\$ 12,330,450	\$ 47,237	\$ 635,199	\$ 73,205,343

Supplemental Schedules of Other Financial Information
Details of Designated Fund
Delta College
Year Ended June 30, 2023

	Revenues						Expenses						Net Increase (Decrease) In Net Assets	Net Position June 30, 2023	
	Net Position July 1, 2022	Tuition and Fees	Miscellaneous Revenue	Gifts	Endowment and Investment Income	Total Revenue	Salaries	Fringe Benefits	Supplies and Services	Capital Expenditures	Professional Development and Travel	Total Expenses			Transfers In (Out)
Instruction															
Corporate Services	\$ 2,102,263	\$ 638,472	\$ -	\$ -	\$ -	\$ 638,472	\$ 48,240	\$ 17,720	\$ 107,742	\$ -	\$ 234	\$ 173,936	\$ (243,809)	\$ 220,727	\$ 2,322,990
Criminal Justice Training Programs	459,153	721,517	-	-	-	721,517	221,705	95,563	178,606	-	4,740	500,614	(82,471)	138,432	597,585
Lifelong Learning Programs	18,225	2,528	-	-	-	2,528	1,262	447	-	-	1,709	-	-	819	19,044
Total Instruction	2,579,641	1,362,517	-	-	-	1,362,517	271,207	113,730	286,348	-	4,974	676,259	(326,280)	359,978	2,939,619
Public Services															
Global Awareness	25,741	-	-	-	1,758	1,758	-	-	-	-	-	-	-	1,758	27,499
Delta Productions	14,418	-	-	3,775	-	3,775	-	-	2,648	-	-	2,648	-	1,127	15,545
Dental Hygiene Powerbrush Program	-	-	495	-	-	495	-	-	1,062	-	-	1,062	-	(567)	(567)
Michigan MATYC Conference	2,453	-	-	-	-	-	-	-	-	-	-	-	-	-	2,453
Delta College Aids Walk	-	-	575	-	-	575	-	-	575	-	-	575	-	-	-
Telelearning Network	9,216	-	-	-	-	-	-	-	-	-	-	-	-	-	9,216
Total Public Services	51,828	-	1,070	3,775	1,758	6,603	-	-	4,285	-	-	4,285	-	2,318	54,146
Instructional Support															
Corporate Services Instructional Support	-	16,653	-	-	-	16,653	1,000	356	4,672	-	-	6,028	(10,625)	-	-
Criminal Justice Training Instructional Support	-	-	-	-	-	-	51,051	31,145	-	-	275	82,471	82,471	-	-
President's Scholarship Program	635,334	-	-	-	90,516	90,516	-	-	13,130	-	-	13,130	-	77,386	712,720
President's Innovation Projects	219,922	-	-	-	-	-	100	10	13,128	-	11,414	24,652	-	(24,652)	195,270
Prison Program	1,775	-	-	-	-	-	-	-	1,775	-	-	1,775	-	(1,775)	-
MEDC MAT2 Project	15,653	-	-	-	-	-	-	-	-	-	-	-	-	-	15,653
Faculty & Instructional Development	249,420	-	46,295	9,920	-	56,215	-	-	8,631	-	4,855	13,486	-	42,729	292,149
Developmental Education	4,156	-	-	-	-	-	-	-	-	-	-	-	-	-	4,156
Library Resource Replacement	15,184	-	18,052	-	-	18,052	-	-	4,064	-	-	4,064	-	13,988	29,172
Photography Lab Printing	2,429	-	-	-	-	-	-	-	-	-	-	-	-	-	2,429
Kenya Partnership	154	-	-	-	-	-	-	-	-	-	-	-	-	-	154
Art & Archive Projects	90,350	-	-	50	14,764	14,814	-	-	41,570	-	1,165	42,735	-	(27,921)	62,429
Total Instructional Support	1,234,377	16,653	64,347	9,970	105,280	196,250	52,151	31,511	86,970	-	17,709	188,341	71,846	79,755	1,314,132
Student Services															
Student Engagement & Service Learning Activities	8,498	-	172	-	-	172	-	-	30	-	-	30	36	178	8,676
Computer Rental Program	7,267	-	-	-	-	-	-	-	-	-	-	-	-	-	7,267
Girls Day Out Events	6,817	-	-	2,500	-	2,500	-	-	9,140	-	-	9,140	-	(6,640)	177
Math Calculator Rental Program	3,707	-	-	-	-	-	-	-	-	-	-	-	-	-	3,707
Math Placement Booster	4,699	-	-	-	-	-	-	-	-	-	-	-	-	-	4,699
Bit Calculator Rental Program	950	-	-	-	-	-	-	-	-	-	-	-	-	-	950
Student Skills Achievement Programs	5,621	-	-	-	-	-	-	-	-	-	-	-	-	-	5,621
President's Honors Scholarship	280,849	-	-	-	-	-	-	-	-	-	-	-	-	-	280,849
Pioneer Athletic Fundraisers	9,582	-	100,074	6,920	-	106,994	-	-	55,472	-	72,287	127,759	28,146	7,381	16,963
Total Student Services	327,990	-	100,246	9,420	-	109,666	-	-	64,642	-	72,287	136,929	28,182	919	328,909
Institutional Administration															
Corporate Services Administration	-	-	13,660	-	-	13,660	216,476	92,033	26,451	-	1,482	336,442	322,782	-	-
UNUM Projects	779,772	-	-	-	-	-	-	-	-	-	-	-	(779,772)	(779,772)	-
Flexible Spending & Healthcare Reform Administration	115,505	-	-	-	-	-	-	-	2,089	-	-	2,089	-	(2,089)	113,416
Administrative Reserve for Budget Sustainability	13,835,000	-	-	-	-	-	-	-	-	-	-	-	643,000	643,000	14,478,000
Reserve for Strategic Initiatives	3,787,500	-	-	-	-	-	-	-	36,560	-	-	36,560	1,416,972	1,380,412	5,167,912
Administrative Development & Technology Projects	104,178	-	64,874	-	-	64,874	-	-	60,321	-	-	60,321	-	4,553	108,731
Self Insurance	6,744,352	-	31,511	-	-	31,511	-	-	31,511	-	-	31,511	-	-	6,744,352
Gifts In Kind	-	-	-	218,799	-	218,799	-	-	109,777	109,022	-	218,799	-	-	-
Total Institutional Administration	25,366,307	-	110,045	218,799	-	328,844	216,476	92,033	266,709	109,022	1,482	685,722	1,602,982	1,246,104	26,612,411
Total Designated Fund	\$ 29,560,143	\$ 1,379,170	\$ 275,708	\$ 241,964	\$ 107,038	\$ 2,003,880	\$ 539,834	\$ 237,274	\$ 708,954	\$ 109,022	\$ 96,452	\$ 1,691,536	\$ 1,376,730	\$ 1,689,074	\$ 31,249,217

Supplemental Schedules of Other Financial Information
Details of Auxiliary Activities Fund
Delta College
Year Ended June 30, 2023

	Net Position July 1, 2022	Operating Revenues	Expenses				Total Expenses	Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2023
			Salaries	Fringe Benefits	Supplies and Services	Capital Expenses				
Auxiliary Activities										
Bookstore	\$ 5,158,797	\$ 3,176,255	\$ 393,523	\$ 157,133	\$ 2,424,831	\$ -	\$ 2,975,487	\$ 200,768	\$ (250,000)	\$ 5,109,565
Food Services	154,632	474,009	46,180	19,643	804,697	-	870,520	(396,511)	142,161	(99,718)
Fitness & Recreation Center	847,467	255,054	175,039	43,031	33,648	-	251,718	3,336	67,220	918,023
Planetarium Gift Shop & Conference Services	5,445	19,754	-	-	15,435	-	15,435	4,319	-	9,764
Total Auxiliary Activities	<u>6,166,341</u>	<u>3,925,072</u>	<u>\$ 614,742</u>	<u>\$ 219,807</u>	<u>\$ 3,278,611</u>	<u>\$ -</u>	<u>4,113,160</u>	<u>(188,088)</u>	<u>(40,619)</u>	<u>5,937,634</u>
Internal Service Operations										
Internal Service Operations	1,124,988	596,032	\$ 97,203	\$ 47,436	\$ 441,930	\$ 75,367	661,936	(65,904)	82,899	1,141,983
Elimination of Rebilled Charges	-	(558,145)	-	-	-	-	(558,145)	-	-	-
Net Internal Service Operations	<u>1,124,988</u>	<u>37,887</u>					<u>103,791</u>	<u>(65,904)</u>	<u>82,899</u>	<u>1,141,983</u>
Total	<u>\$ 7,291,329</u>	<u>\$ 3,962,959</u>					<u>\$ 4,216,951</u>	<u>\$ (253,992)</u>	<u>\$ 42,280</u>	<u>\$ 7,079,617</u>

Supplemental Schedules of Other Financial Information
 Details of Expendable Restricted Fund - Continued
 Delta College
 Year Ended June 30, 2023

	Revenues								Expenses						Net Increase (Decrease) In Net Assets	Net Position June 30, 2023		
	Net Position July 1, 2022	Federal Grants and Contracts	State Grants and Contracts	Local and Nongovernmental Grants and Contracts	Michigan New Jobs Training Programs	Miscellaneous Revenue	Gifts	Endowment and Investment Income	Total Revenue	Salaries	Fringe Benefits	Supplies and Services	Capital Expenditures	Professional Development and Travel			Total Expenses	Transfers In (Out)
Operation and Maintenance of Facilities																		
HEERF - Institutional Aid	\$ -	\$ 1,680,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,680,018	\$ 72,577	\$ 23,631	\$ 1,275	\$ -	\$ -	\$ 97,483	\$ (1,582,535)	\$ -		
HEERF - SIP	-	582,535	-	-	-	-	-	582,535	20,935	6,805	-	-	-	27,740	(554,795)	-		
Sustainability Grants	147	-	-	-	-	-	-	-	-	-	147	-	-	147	-	(147)		
Department of Justice Body-Worn Camera Grant	-	7,598	-	-	-	-	-	7,598	-	-	7,598	-	-	7,598	-	-		
Michigan Justice Training & Drug Enforcement Grants	143	-	1,785	-	-	-	-	1,785	-	-	1,837	-	-	1,837	-	(52)		
Total Operation and Maintenance of Facilities	<u>290</u>	<u>2,270,151</u>	<u>1,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,271,936</u>	<u>93,512</u>	<u>30,436</u>	<u>10,857</u>	<u>-</u>	<u>-</u>	<u>134,805</u>	<u>(2,137,330)</u>	<u>(199)</u>		
Total Expendable Restricted Fund	<u>\$ 8,515,335</u>	<u>\$ 21,254,733</u>	<u>\$ 603,700</u>	<u>\$ 1,023,419</u>	<u>\$ 250,202</u>	<u>\$ 388,337</u>	<u>\$ 1,146,557</u>	<u>\$ 922,204</u>	<u>\$ 25,589,152</u>	<u>\$ 2,692,919</u>	<u>\$ 1,237,002</u>	<u>\$ 17,694,170</u>	<u>\$ 734,720</u>	<u>\$ 85,476</u>	<u>\$ 22,444,287</u>	<u>\$ (2,537,724)</u>	<u>\$ 607,141</u>	<u>\$ 9,122,476</u>

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund
Delta College
Year Ended June 30, 2023

	Net Assets July 1, 2022	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2023
Endowment Funds						
Margaret Adams Scholarship	\$ 11,567	\$ -	\$ 1,277	\$ (499)	\$ (212)	\$ 12,133
Charleen T. Adcock Scholarship	58,730	-	6,481	(2,530)	(1,074)	61,607
M. Andersen & Donna Rapp Public Media	20,081	5,000	2,718	-	(340)	27,459
Anderson Family Delta Sculpture Walk	111,297	-	12,281	(4,798)	(2,036)	116,744
Andrew F. & Mary H. Anderson Scholarship	53,596	-	5,914	(2,236)	(961)	56,313
Kurt W. Anderson Agricultural Scholarship	23,515	-	2,595	(1,070)	(444)	24,596
Arts & Letters Fund	26,843	-	2,962	(1,157)	(491)	28,157
Athletic Scholarship	387,544	-	42,763	(16,703)	(7,086)	406,518
M. Seth Babcock Scholarship	17,480	-	1,928	(753)	(319)	18,336
Mary Ann (McGregor) Badour Scholarship	41,889	-	4,623	(1,805)	(766)	43,941
James & Joy Baker Scholarship	42,414	-	4,679	(1,828)	(775)	44,490
Barney & Gerry Ballor Family Scholarship	41,534	-	4,583	(1,500)	(687)	43,930
Ormond Barstow/Ludo Frevel Award for Scholarly Achievement	32,546	-	3,590	(1,403)	(595)	34,138
Adeline Barth Scholarship	42,433	-	4,683	-	(811)	46,305
Baxandall Scholarship	907,121	-	100,095	(22,143)	(12,347)	972,726
Bay City Central Class of '41 Scholarship	86,964	-	9,596	(3,731)	(1,586)	91,243
Elzie & Muriel Beaver Scholarship	149,603	-	16,507	(6,448)	(2,735)	156,927
Eric "Q" Beckman Memorial Scholarship	34,764	860	3,891	-	(552)	38,963
Bergstein Award for Teaching Excellence	64,976	-	7,170	(2,288)	(1,060)	68,798
Leonard & Esther Bergstein Scholarship	98,983	-	10,922	(3,944)	(1,729)	104,232
Darrell R. Berry Scholarship	32,563	-	3,593	(1,403)	(595)	34,158
Alfred J. Bladecki Scholarship	16,285	-	1,797	(595)	(271)	17,216
Martin & Emma Block Scholarships	501,352	-	55,320	(21,609)	(9,166)	525,897
Peter & Barbra Boyse Speaker Series (Restricted)	40,844	1,800	4,586	(1,659)	(725)	44,846
Peter D. Boyse President's Scholar Program	2,103,544	1,000	232,111	(90,516)	(38,423)	2,207,716
Louise K. Brentin Scholarship	59,402	500	6,577	(2,276)	(1,016)	63,187
Business Division Scholarship	160,385	-	17,697	(6,902)	(2,929)	168,251
Carlyon Farmhouse Maintenance	233,963	-	25,816	(10,084)	(4,278)	245,417
Donald & Betty Carlyon Scholarship	221,853	6,670	24,827	(8,556)	(3,819)	240,975
Donald & Betty Carlyon Endowed Teaching Chair	222,515	300	24,576	(9,556)	(4,061)	233,774
DeeMona Chatman Scholarship	25,254	-	2,787	(1,088)	(462)	26,491
Scott Clemons Scholarship	21,200	5,369	2,848	-	(402)	29,015
William R. Collings Award for Outstanding Service & Academic Achievement	40,587	-	4,479	(1,749)	(742)	42,575
Lynn Conway Athletic Scholarship	30,247	260	3,358	(1,276)	(547)	32,042
Mary Jane Cooper Scholarship & TLC	39,170	500	4,344	-	(660)	43,354
Jack & Anita Crowell Scholarship (Restricted)	-	15,256	1,464	-	(55)	16,665
Gilbert A. Currie Estate Scholarship	332,980	-	36,741	(14,352)	(6,088)	349,281
Ilau & Phillip Dean Scholarship	82,895	5,000	9,648	(2,802)	(1,341)	93,400
Keith DeLong Scholarship	34,268	-	3,781	-	(650)	37,399
Delta College Employee-Sponsored Scholarship	123,574	180	13,643	(5,326)	(2,260)	129,811
Delta College Planetarium Fund	750,480	17,300	83,754	(31,983)	(13,668)	805,883
Delta Delta's Scholarship	6,283	-	693	(271)	(115)	6,590
Robert DeVinney Endowed Teaching Chair	151,947	60	16,773	(6,542)	(2,777)	159,461
Dixon Family Scholarship	72,679	-	8,020	(3,133)	(1,329)	76,237

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2023

	Net Assets July 1, 2022	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2023
Endowment Funds - Continued						
Herbert Doan Scholarship	\$ 58,385	\$ -	\$ 6,442	\$ (2,038)	\$ (947)	\$ 61,842
B. Joe & Margery (Knepp) Dodson Scholarship	114,558	-	12,641	(4,803)	(2,061)	120,335
Frances Dolinski Scholarship	97,457	2,125	11,119	(3,958)	(1,734)	105,009
Henry Dolinski Scholarship	105,074	2,125	11,960	(4,287)	(1,874)	112,998
Dr. Louis W. Doll & Patricia Drury Scholarship	45,640	-	5,037	(1,958)	(833)	47,886
Tom Dostal Memorial Scholarship	34,097	200	3,770	(1,414)	(609)	36,044
Dow Chemical Company Michigan Operations Award for Physical Science	27,537	-	3,038	(1,187)	(504)	28,884
The Herbert H. & Grace A. Dow Foundation Science Education	2,386,894	-	263,376	(101,869)	(43,388)	2,505,013
Herbert H. & Barbara C. Dow Fund	46,397	-	5,119	(2,000)	(848)	48,668
Jerry & Terry Drake Scholarship & Broadcasting Program Support	253,756	-	28,000	(10,937)	(4,639)	266,180
Draper Family Scholarship	16,320	-	1,802	(703)	(299)	17,120
Edwin J. Dresser Scholarship	-	95,089	9,548	-	(359)	104,278
Gene R. Duckworth Scholarship	33,064	-	3,648	(1,425)	(604)	34,683
Fred E. Dulmage Award for Engineering & Technology	24,189	-	2,669	(1,043)	(443)	25,372
Ellucian Higher Education Endowed Teaching Chair	154,589	-	17,058	(6,663)	(2,827)	162,157
Ellucian Higher Education Possible Dream Program	94,777	-	10,458	(4,079)	(1,732)	99,424
Dr. Robert & Carol Emrich Scholarship	19,902	150	2,204	(907)	(378)	20,971
Eldon Enger & Fred Ross Scholarship	27,423	200	3,034	(1,162)	(497)	28,998
James E. & Leanne Lutz Erickson Scholarship	26,765	-	2,953	(1,148)	(488)	28,082
Support Staff Excellence Award	5,478	-	605	(236)	(100)	5,747
Fettig Family Scholarship	44,942	3,000	4,958	(1,592)	(735)	50,573
Arthur J. & Bette L. Fisher Scholarship	310,058	-	34,213	(13,364)	(5,669)	325,238
Isabella M. Flynn Scholarship	313,117	-	34,550	(13,494)	(5,724)	328,449
Peter & Suzanne Frantz Award for Art	28,059	-	3,097	(1,209)	(513)	29,434
Dr. John & Joanne Fuller Scholarship	37,909	-	4,184	(1,605)	(686)	39,802
Gakstatter Family Scholarship	46,971	-	5,184	(2,024)	(859)	49,272
Almon & Ethan Galloway Scholarship	-	20,000	878	-	(36)	20,842
David R. & Vivian S. Gamez Scholarship	81,571	-	9,001	(3,515)	(1,491)	85,566
Gerace Construction Scholarship	146,722	-	16,190	(6,324)	(2,683)	153,905
Gerity Broadcasting Company Scholarship	115,907	-	12,789	(4,996)	(2,119)	121,581
Gerstacker Faculty Recognition Award	36,387	-	4,015	(1,568)	(665)	38,169
Global Travel Fund	40,778	-	4,500	(1,758)	(745)	42,775
Robert M. Gohlke Scholarship	34,954	-	3,856	(1,506)	(639)	36,665
Dr. Jean Goodnow Scholarship	46,442	1,000	5,224	(1,608)	(754)	50,304
Gougeon Brothers, Inc. Award for Applied Industrial/Technical	26,843	-	2,963	(1,157)	(491)	28,158
Gougeon Employees Foundation Business & Technology Scholarship	19,644	-	2,168	-	(289)	21,523
Lynda V. & James M. Grant Scholarship	295,909	-	32,651	(13,452)	(5,585)	309,523
Patricia L. & Robert W. Grant Jr. Scholarship & Humanities Program	290,899	-	32,099	(12,530)	(5,316)	305,152
Great Lakes Bay Manufacturers' Association Scholarship	44,672	-	4,929	(1,916)	(814)	46,871
Russell B. & Grace H. Green Scholarship	47,502	200	5,250	(2,047)	(869)	50,036
Priscilla Bogi Guritza Memorial Scholarship	27,025	-	2,983	(1,165)	(494)	28,349
Clarence & June Hackbarth Scholarship	26,102	1,000	2,952	(1,108)	(476)	28,470

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2023

	Net Assets July 1, 2022	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2023
Endowment Funds - Continued						
Beki Gray Hadley Scholarship	\$ 47,641	\$ -	\$ 5,257	\$ (2,053)	\$ (871)	\$ 49,974
David & Jackie Hall Scholarship	24,584	-	2,713	(1,042)	(446)	25,809
Hammond Family Scholarship	23,926	-	2,641	(1,031)	(439)	25,097
Sarah Hansen Scholarship	13,620	-	1,503	(582)	(248)	14,293
William J. Hargreaves Scholarship	25,090	-	2,769	(1,083)	(459)	26,317
Joan B. Harry Scholarship	62,177	-	6,861	(1,858)	(932)	66,248
Harry Hawkins Scholarship	19,417	-	2,142	(837)	(355)	20,367
H E Hayes & DB Hayes Urmy Scholarship	-	25,000	-	-	-	25,000
Robert & Joyce Hetzler Family Award for Outstanding Service & Leadership	27,214	-	3,003	(1,173)	(497)	28,547
Hilde & Walter Heyman Scholarship	21,736	-	2,398	(937)	(397)	22,800
Ada E. Hobbs Scholarship	13,739	-	1,515	(592)	(251)	14,411
Don Holzhei Memorial Scholarship	27,917	-	3,081	(1,203)	(511)	29,284
Home Builders Association of Bay, Midland & Saginaw Counties	23,023	-	2,540	(992)	(421)	24,150
Honors Student Scholarship	91,256	-	10,069	(3,933)	(1,668)	95,724
Kimberly R. Houston Leadership & Service Learning Award	23,006	-	2,539	(996)	(422)	24,127
Richard Paul Hunter Scholarship	52,871	-	5,834	(2,335)	(981)	55,389
Ruby T. Iwamasa Scholarship	28,228	500	3,137	-	(518)	31,347
Dr. Martin & Ruth Jaffe Scholarship	31,333	-	3,457	(313)	(313)	34,164
James R. & Anita H. Jenkins Family Scholarship	137,182	-	15,137	(5,906)	(2,506)	143,907
Phyllis E. Jones Memorial Scholarship	23,159	-	2,556	(998)	(424)	24,293
S. Preston & Dr. Betty B. Jones International Scholarship	135,688	12,681	15,039	(5,507)	(2,399)	155,502
Dan E. Karn Memorial Scholarship	4,663	-	514	(201)	(85)	4,891
Kaufmann Family Scholarship	22,252	-	2,455	(954)	(406)	23,347
Robert F. Keicher Memorial Scholarship	26,811	60	2,965	(1,142)	(487)	28,207
Dale & Alma Keyser Scholarship	37,857	600	4,203	(1,583)	(681)	40,396
Walter J. & Sophia M. Kilar Scholarship	26,481	-	2,923	(1,141)	(484)	27,779
International Order of King's Daughters & Sons Scholarship	30,486	-	3,364	(1,314)	(558)	31,978
Oscar W. Kloha Scholarship	44,136	-	4,869	(1,902)	(807)	46,296
Robert I. & Marjorie H. Knepp Scholarship	241,951	-	26,698	(10,428)	(4,424)	253,797
W.R. & Edith Knepp Scholarship	249,495	-	27,530	(10,753)	(4,561)	261,711
W.R. Knepp, Jr. Scholarship	188,790	-	20,831	(8,137)	(3,451)	198,033
John L. & Margaret H. Krawczyk Scholarship	35,200	328	3,899	(1,124)	(546)	37,757
Daniel P. Kubiak Scholarship	58,192	13,610	6,421	(1,130)	(720)	76,373
Gary Laatsch Scholarship	43,969	-	4,851	(1,887)	(802)	46,131
Jack LaBreck Scholarship	6,795	-	750	(293)	(124)	7,128
Ilene M. Lane Nursing Scholarship	64,204	-	7,084	(2,767)	(1,174)	67,347
Dr. Thomas H. Lane & Janis E. Landry-Lane Scholarship	91,502	-	10,097	(3,943)	(1,673)	95,983
Edward & Kathryn (Dunn) Langenburg Award for Education	34,506	-	3,807	(1,412)	(612)	36,289
Thomas & Rose Mary Laur Scholarship	97,681	-	10,778	(4,193)	(1,781)	102,485
Professor Marjorie M. Leeson Scholarship	88,708	7,000	10,491	(3,140)	(1,477)	101,582
Leo & Evelyn Levy Scholarship	26,269	-	2,899	(1,130)	(480)	27,558
Denise Lovay-Gravlin Memorial Scholarship	31,381	100	3,467	(1,262)	(551)	33,135
Edward & Kathleen Lunt Scholarship	260,637	-	28,760	(7,835)	(3,916)	277,646

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2023

	Net Assets July 1, 2022	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2023
Endowment Funds - Continued						
Karen MacArthur Endowed Teaching Chair	\$ 144,337	\$ 1,000	\$ 15,927	\$ (6,135)	\$ (2,618)	\$ 152,511
Thomas & Brenda Mahar Scholarship	28,269	-	3,119	(1,218)	(517)	29,653
William & Susan Marklewitz for Health Professions	170,454	-	18,809	(7,341)	(3,115)	178,807
Gracia E. Marsh Memorial Nursing Scholarship	16,860	500	1,910	-	(321)	18,949
Ruth Mast Fox Scholarship	21,417	-	2,363	(928)	(393)	22,459
Margaret McAlear Scholarship	44,829	-	4,947	(1,914)	(816)	47,046
James R. McIntyre Award for Health Sciences	27,766	-	3,064	(1,197)	(508)	29,125
Dr. Murlene E. McKinnon Public Media	104,824	4,291	12,304	(3,600)	(1,713)	116,106
Marlene Mehlhose Scholarship	20,664	200	2,314	(890)	(379)	21,909
Aceie & Thelma Micho Scholarship	181,863	22,240	20,066	(6,577)	(3,009)	214,583
Rhea Miller Scholarship	51,191	-	5,648	(2,206)	(936)	53,697
Richard & Gloria Miller Scholarship	46,689	1,500	5,281	(1,859)	(820)	50,791
Frances Goll Mills Award for Nursing	31,010	-	3,421	(1,337)	(567)	32,527
Dorothy & Robert Monica Scholarship	155,901	-	17,203	(5,502)	(2,546)	165,056
Monitor Sugar Scholarship	21,898	-	2,416	(944)	(400)	22,970
Paul Moore Social Science Award	25,964	190	2,873	(1,098)	(470)	27,459
Morley Family Foundation Scholarship	32,702	3,000	3,853	(1,232)	(563)	37,760
Morley Foundation Award for Business Management	28,423	-	3,135	(1,225)	(519)	29,814
Virginia Morrison Scholarship	45,428	-	5,012	(1,948)	(828)	47,664
Wendell & Ethel Mullison Scholarship	27,603	-	3,046	(1,190)	(504)	28,955
James E. Murphy Scholarship	33,736	-	3,722	-	(539)	36,919
W. Brock Neely Scholarship	58,944	-	6,504	(2,396)	(1,042)	62,010
William H. "Buddy" Oates Scholarship	33,527	-	3,700	(1,445)	(613)	35,169
Oscar P. & Louise H. Osthelder Scholarship	166,108	6,500	18,981	(6,687)	(2,944)	181,958
Jesse J. Oswald Scholarship	38,150	200	4,221	(1,576)	(682)	40,313
Marguerite Scull Parker Scholarship	29,937	-	3,304	(1,275)	(544)	31,422
Otto C. Pressprich Fund	115,906	-	12,790	(4,996)	(2,119)	121,581
Cecelia Randall Scholarship	23,961	-	2,644	(1,033)	(438)	25,134
Alfonso Rasch-Isla Scholarship	25,893	-	2,857	(1,116)	(473)	27,161
Will & Connie R. Reading Scholarship	29,616	1,100	3,368	(1,267)	(543)	32,274
Newell Remington Scholarship & TLC Support	52,250	260	5,780	(2,198)	(943)	55,149
Skip Renker Award for Creative Writing	22,271	-	2,457	(960)	(407)	23,361
Robinson Family Scholarship	19,263	-	2,126	-	(366)	21,023
Renee Rookard Scholarship	80,362	-	8,867	(3,464)	(1,469)	84,296
Harold & Norine Rupp Scholarship	21,511	-	2,374	(927)	(394)	22,564
Saginaw County Child Development Centers Program Scholarship	18,353	-	2,025	(791)	(336)	19,251
Cliff & Grace Saladine Scholarship	28,949	-	3,194	(1,248)	(529)	30,366
Linda Ortega Scheall Memorial Scholarship	17,768	-	1,961	-	(339)	19,390
Ronnie & Christopher Scheall Scholarship	22,491	-	2,481	-	(360)	24,612
Dawn Schmidt Award for Mathematics	29,852	60	3,299	(1,262)	(540)	31,409
Peggy A. Scott Scholarship	56,643	3,000	6,638	(2,220)	(994)	63,067
Scott & Sandra Seeburger Family Scholarship	20,247	-	2,234	(945)	(388)	21,148
Charlotte Seiler Memorial Scholarship	52,198	-	5,759	(2,270)	(959)	54,728

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2023

	Net Assets July 1, 2022	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2023
Endowment Funds - Continued						
Ralph I. & Archie M. Selby Family Scholarship	\$ 24,354	\$ -	\$ 2,688	\$ (1,030)	\$ (440)	\$ 25,572
Gene F. Shrum & Dee Dee (Shrum) Wacksman Scholarship	20,898	18,856	4,199	(901)	(453)	42,599
Van Dewitt & Ruth Simmons Scholarship	181,206	-	19,996	(7,810)	(3,314)	190,078
John M. Smith & William Wolgast Family Softball Scholarship	23,197	-	2,559	(1,000)	(424)	24,332
Paul Sowatsky Scholarship & Award	31,209	-	3,444	(1,345)	(570)	32,738
Spittka Family Scholarship	45,336	-	5,003	(1,905)	(816)	47,618
Owen L. & Vivian Stafford & Rausch Family Scholarship	-	72,000	12,365	-	(427)	83,938
Vivian & Owen L. Stafford Public TV	-	30,000	5,152	-	(178)	34,974
James Stark Scholarship	3,953	-	437	(170)	(73)	4,147
Eileen & Hugh Starks Scholarship	34,818	-	3,842	(1,501)	(636)	36,523
Dr. James F. & Elizabeth Stoddard Scholarship	120,812	-	13,330	(4,798)	(2,106)	127,238
Greg Stryker Scholarship	21,333	1,750	2,655	(911)	(399)	24,428
Sturm Family Broadcast Programming Fund	189,713	-	20,933	(8,177)	(3,468)	199,001
Julius & Irene Sutto Award for Life Sciences	27,145	-	2,995	(1,170)	(496)	28,474
Paul & Margaret Thompson Scholarship	36,476	-	4,025	(1,572)	(667)	38,262
Willie E. Thompson Scholarship	34,173	-	3,771	(1,463)	(623)	35,858
Margaret Timm Award for English	38,934	-	4,296	(1,543)	(678)	41,009
Wesley Timm Award for Social Science	38,507	-	4,249	(1,558)	(678)	40,520
Bernard C. & Lois K. Ulrich Graham Scholarship	23,014	-	2,540	(1,004)	(424)	24,126
Tina S. & Philip M. Van Dam Scholarship	43,484	-	4,798	(1,716)	(755)	45,811
Jeanne M. VanOchten & Wayne W. Adams Scholarship	21,846	-	2,410	(940)	(399)	22,917
Jim & Janis Van Tiflin Award	26,392	-	2,912	(1,137)	(482)	27,685
Glenn Waters Scholarship	-	45,830	7,583	-	(263)	53,150
Lynn & Sandy Weimer Scholarship	25,824	-	2,849	(1,037)	(453)	27,183
Walter G. & Carol A. Weinlander Scholarship	1,000,000	-	110,342	(10,000)	(10,008)	1,090,334
Ken & "Miss Mona" White Scholarship	138,541	10,100	16,301	(5,148)	(2,365)	157,429
Lola Bishop Whitney Award for Foreign Language	123,157	-	13,589	(5,308)	(2,252)	129,186
David & Carol Williams Scholarship	39,754	-	4,387	(1,633)	(706)	41,802
Alice & Jack Wirt Scholarship	226,729	-	25,017	(9,773)	(4,145)	237,828
Stephen M. & Dena J. Wirt	52,013	-	5,739	(2,241)	(951)	54,560
Teresa Plackowski-Witucki Scholarship	23,419	-	2,585	(1,009)	(428)	24,567
Wolverine Bank Scholarship	40,777	-	4,499	(1,758)	(745)	42,773
Christopher Alen Yagiela Scholarship Endowment	21,745	-	2,400	-	(280)	23,865
Robert R. "Dr. Bob" Zimmermann Scholarship	156,375	875	17,255	(5,706)	(2,601)	166,198
Robert R. "Dr. Bob" Zimmermann Faculty Professional Development	175,463	5,250	19,361	(5,607)	(2,719)	191,748
Alan & Carol Zombeck Scholarship	21,109	-	2,329	(943)	(394)	22,101
Anton, Sr., Alma & Anton, Jr. Zucker Scholarship	86,649	-	9,561	(3,735)	(1,585)	90,890
Melvin & Hilda Zuehlke Scholarship and Special Needs Assistance Fund	150,907	-	16,651	(6,504)	(2,759)	158,295
Total Endowment Funds	21,252,928	473,725	2,392,497	(825,781)	(371,322)	22,922,047

Supplemental Schedule Of Other Financial Information
Details Of Endowment Fund - Continued
Delta College
Year Ended June 30, 2023

	Net Assets July 1, 2022	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2023
Funds Functioning as Endowments						
Etcyl H. & Ruth Blair CGA	\$ 19,454	\$ -	\$ (353)	\$ -	\$ (299)	\$ 18,802
Eric "Q" Beckman Adjunct Award for Exceptional Service	-	13,000	1,305	-	(49)	14,256
Peter & Barbra Boyse Speaker Series	277,206	-	30,587	(11,948)	(5,068)	290,777
Coca-Cola Scholarship	70,671	-	7,799	(3,046)	(1,293)	74,131
Jack & Anita Crowell Scholarship	-	13,380	1,343	-	(50)	14,673
Gilbert A. Currie Estate Fund	407,148	-	44,926	(17,549)	(7,444)	427,081
Delta College Public Radio Fund	75,017	-	8,277	(3,246)	(1,375)	78,673
Delta College Foundation Fund	1,194,663	450,000	131,822	(50,684)	(21,641)	1,704,160
Delta College Foundation Student Scholarships	371,438	28,025	43,157	(14,413)	(6,474)	421,733
Delta College Public TV Fund	647,345	64,213	73,940	(36,479)	(14,075)	734,944
Alden B. Dow Fund	55,237	-	6,095	(2,381)	(1,010)	57,941
Lynn Heatley Award for Distinguished Adjunct Faculty Service	-	13,000	1,305	-	(49)	14,256
Laughner Award	19,424	-	2,144	(837)	(355)	20,376
Possible Dream Program	2,544,065	32,475	282,145	(103,725)	(45,092)	2,709,868
UNUM Student Special Assistance	379,627	-	41,888	(16,363)	(6,941)	398,211
Macauley & Helen Whiting Fund	960,421	-	105,975	(41,396)	(17,560)	1,007,440
	-	-	-	-	-	-
Total Funds Functioning as Endowments	<u>7,021,716</u>	<u>614,093</u>	<u>782,355</u>	<u>(302,067)</u>	<u>(128,775)</u>	<u>7,987,322</u>
TOTAL	<u>\$ 28,274,644</u>	<u>\$ 1,087,818</u>	<u>\$ 3,174,852</u>	<u>\$ (1,127,848)</u>	<u>\$ (500,097)</u>	<u>\$ 30,909,369</u>