

DRAFT

Delta College
Board of Trustees Dinner Meeting
Delta College Downtown Saginaw Center
Tuesday, November 1, 2022
5:30 pm

Board Present: M. Benecke, D. Middleton, M. Nash, M. Rowley, M. Wood

Board Absent: A. Baldwin, R. Emrich, S. Gannon, M. Thomas

Others Present: R. Battinkoff, L. Brown, T. Brown, J. Carroll, P. Clark, A. Cramer, R. Curry, S. DuFresne, J. Foco, M. Gavin, L. Govitz, M. Hernandez-Alaniz, C. Inabinet, D. McQuiston, T. Moon, J. Mulders, K. Nelson, S. Raube, S. Roche, K. Schuler, A. Ursuy, A. Williams, E. Yaworski, J. Young

Press Present: None

Board Chair, M. Nash called the meeting to order at 6:03 pm. He turned the meeting over to Sarah DuFresne, Vice President of Business and Finance to present the FY 2021 – 2022 Financial Statements and Audit. S. DuFresne thanked her staff especially, Angela Cramer, Controller and Jill Mulders, Assistant Controller. She then introduced Traci Moon from our auditing firm Andrews, Hooper and Pavlik, PLC. T. Moon presented the results of the firm’s audit for the fiscal year ending, June 30, 2022.

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

T. Moon gave an overview of the operating results for the Fiscal Year 2022 which included fluctuations between 2021 and 2022 as follows:

- an increase of 2% in operating revenue,
- a decrease of 5% in operating expense,
- an increase of 3% in state operating appropriations,
- an increase from \$12.1 to 15.2 million in HEERF Revenue,
- a \$6.3 million loss in current year compared to a \$7.8 million gain in prior year in investment income, and
- an increase of \$1 million in state capital appropriations.

All of this resulted in an increase in net position of \$11.8 million in 2022 compared to an increase of \$15.7 million in 2021.

The overview of net position for Fiscal Year 2022 (all funds) included:

- a \$3.3 million increase in cash and investments,
- a \$2.3 million decrease in grants receivable (HEERF), and
- a \$9.4 million decrease in pension and other postemployment benefit plan liabilities.

The unrestricted net position is \$(27.3) million at June 30, 2022 compared to the prior year of \$(41.5) million.

DRAFT

Future audit and accounting standards that will affect Delta College include GASB 96, Subscription-based Information Technology Arrangements, Fiscal Year 2023, and GASB 101, Compensated Absences, Fiscal Year 2025. T. Moon said they are already reviewing the Ellucian contract in regards to GASB 96 and that if applicable would require the College to put an asset and liability on the balance sheet. GASB 101 would require the College to put an additional liability on the financial statements in regards to vacation and sick leave.

T. Moon noted that there were no difficulties encountered during the audit, no audit adjustments, no passed adjustments, no disagreements with management, and no management letter.

T. Moon provided comparison graphs showing general fund revenue sources and expenditures for the fiscal year 2022 and provided comparisons to all other Michigan community colleges. Delta College's instructional expense compared to total expenses continues to be significantly higher than the average of the other Michigan community colleges.

T. Moon shared the amounts awarded in grants related to COVID over the last three fiscal years. They were the Higher Education Emergency Relief Fund (HEERF) - \$35.9 million; CARES Act Passed Through the Corporation of Public Broadcasting (CPB) – almost \$750,000; and CARES Act Coronavirus Relief Funds (CRF) - \$1.6 million. The total awarded is almost \$36 million.

T. Moon discussed the Uniform Guidance Audit where a single audit is done on the federal money that the college receives, \$29.4 million. This is done in a separate statement. The major programs reviewed this year included the Higher Education Emergency Relief Fund (HEERF) and the Career and Technical Education. There were no material weaknesses, and no significant deficiencies identified.

There being no further business, the dinner meeting was adjourned at 6:22 pm.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary