

Montcalm
Community
College



Years Ended
June 30,
2025 and 2024

Financial
Statements
and
Supplementary
Information

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MONTCALM COMMUNITY COLLEGE

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June 30, 2025

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June 30, 2025

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MONTCALM COMMUNITY COLLEGE

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INDEPENDENT AUDITORS' REPORT

December 17, 2025

To the Board of Trustees
Montcalm Community College
Sidney, Michigan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of **Montcalm Community College** (the "College"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the 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 the business-type activities of the College, as of June 30, 2025 and 2024, and the respective 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 Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 the 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.

Independent Auditors' 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 auditors' 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 the 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 the 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 the pension and other postemployment benefits (OPEB) plans, as listed in 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 audits 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 Information

Management is responsible for the other information included in the financial statements. The other information comprises the combining statement of net position and the combining statement of revenues, expenses, transfers and changes in net position, but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated December 17, 2025, on our consideration of the 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 solely 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 the 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 the College's internal control over financial reporting and compliance.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The discussion and analysis of **Montcalm Community College's** (the "College") financial statements provides an overview of the College's financial activities for the years ended June 30, 2025, 2024 and 2023. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

Using this Report

In compliance with GASB Statement No. 61, *"The Financial Reporting Entity: Omnibus,"* the Montcalm Community College Foundation (the "Foundation") is reported as a blended component unit of the College.

This annual financial report includes the report of independent auditors, this management's discussion and analysis, the basic financial statements and notes to financial statements. Following the basic financial statements and footnotes are required supplementary information and two supplementary schedules, the Combining Statement of Net Position and the Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position. Though the Governmental Accounting Standards Board ("GASB") does not require this information to be present for a fair and complete presentation, these additional statements do provide additional information regarding the various funds and activities of the College that are not disclosed in the basic statements.

Financial Highlights

The College's financial position increased during the year ended June 30, 2025. Net position at the end of the fiscal year was up approximately \$6.7 million or 22%. The College experienced an increase in cash due to a bond for construction and overall investments related to the Montcalm Community College Foundation. Overall enrollment compared to the previous year increased by 11% or 3,132 contact/billing hours. The details by semester were Fall 2024, a 9% increase, Spring 2025 an 11% increase and Summer 2025 increased by 19%.

Overall net nonoperating revenues increased by approximately \$1.8 million. Federal Pell grants were up by approximately \$787,000. Property taxes were up by approximately \$785,000, and interest and dividend income were up from the previous fiscal year by approximately \$482,000.

The College will continue to feel the significant impact of Governmental Accounting Standards Board ("GASB") 68 (*Accounting and Financial Reporting for Pensions*) and GASB 75 (*Postemployment Benefits Other Than Pensions*) as the College is required to record its proportionate share of the liability associated with providing pension and healthcare to retirees related to the State of Michigan Pension program. Additional information is also included in Note 9 to the financial statements and in the required supplementary information following the footnotes.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about the College's finances is, "Is Montcalm Community College as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information on the College as a whole and on its activities in a way that helps answer this question. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as Montcalm Community College's operating results.

These two statements report Montcalm Community College's net position and changes therein. You can think of Montcalm Community College's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the College's financial health, or financial position. Over time, increases or decreases in the College's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider many other nonfinancial factors, such as the trend in college applicants, student retention, condition of the buildings, and strength of the faculty and staff, to assess the overall health of the College.

These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Following is a comparative analysis of the major components of the net position of the College as of June 30, 2025 and 2024, and as of June 30, 2024 and 2023 (in millions):

	<u>2025</u>	<u>2024</u>	Increase (Decrease)	<u>2024</u>	<u>2023</u>	Increase (Decrease)
Current assets	\$25.0	\$17.5	\$7.5	\$17.5	\$14.9	\$2.6
Other noncurrent assets	0.2	1.1	(0.9)	1.1	1.6	(0.5)
Investments	29.4	27.0	2.4	27.0	23.9	3.1
Net OPEB asset	2.8	0.4	2.4	0.4	0.0	0.4
Capital assets (net)	<u>16.9</u>	<u>16.5</u>	<u>0.4</u>	<u>16.5</u>	<u>17.2</u>	<u>(0.7)</u>
 Total assets	 <u>74.3</u>	 <u>62.5</u>	 <u>11.8</u>	 <u>62.5</u>	 <u>57.6</u>	 <u>4.9</u>
 Deferred outflows of resources	 <u>5.1</u>	 <u>7.5</u>	 <u>(2.4)</u>	 <u>7.5</u>	 <u>9.8</u>	 <u>(2.3)</u>
Current liabilities, excluding current portion of bonds payable, current portion of compensated absences and subscription-based IT arrangement liabilities	3.0	2.2	0.8	2.2	2.1	0.1
Long-term liabilities	<u>29.1</u>	<u>29.9</u>	<u>(0.8)</u>	<u>29.9</u>	<u>35.8</u>	<u>(5.9)</u>
 Total liabilities	 <u>32.1</u>	 <u>32.1</u>	 <u>(0.0)</u>	 <u>32.1</u>	 <u>37.9</u>	 <u>(5.8)</u>
 Deferred inflows of resources	 <u>10.3</u>	 <u>7.5</u>	 <u>2.8</u>	 <u>7.5</u>	 <u>5.7</u>	 <u>1.8</u>
Net position:						
Net investment in capital assets	12.8	10.3	2.5	10.3	10.3	(0.0)
Restricted – expendable	19.9	18.7	1.2	18.7	17.2	1.5
Restricted – nonexpendable	0.3	0.3	0.0	0.3	0.3	0.0
Unrestricted (deficit)	<u>4.0</u>	<u>1.1</u>	<u>2.9</u>	<u>1.1</u>	<u>(4.0)</u>	<u>5.1</u>
 Total net position	 <u>\$37.0</u>	 <u>\$30.4</u>	 <u>\$6.6</u>	 <u>\$30.4</u>	 <u>\$23.8</u>	 <u>\$6.6</u>

During the current fiscal year, the College's pension liability decreased by approximately \$6.3 million, primarily due to favorable actuarial changes and plan performance. However, with the implementation of GASB Statement No. 101, *Compensated Absences*, the College is now required to recognize certain compensated absences as a liability. As a result, the College's accrued vacation and sick leave liability increased by approximately \$600,000. While this change reflects a shift in reporting requirements rather than a new obligation, it does impact the overall presentation of the College's long-term liabilities.

Deferred outflows of resources of approximately \$5.1 million were recorded at June 30, 2025 as a result of changes in assumptions to the net pension and other postemployment benefits ("OPEB") (assets) liabilities and College contributions to the MPSERS plans, which is a decrease of \$2.5 million from June 30, 2024. Deferred inflows of resources of approximately \$10.3 million were recorded at June 30, 2025 as a result of changes in assumptions to the net pension and other postemployment benefits ("OPEB") liabilities and College contributions to the MPSERS plan, which is an increase of \$2.7 million from June 30, 2024. See the financial statements for more information regarding the MPSERS pension and OPEB (assets) liabilities details.

Following is a comparative analysis of the major components of the operating results of the College as of June 30, 2025 and 2024 and June 30, 2024 and 2023 (in millions):

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Operating revenues:						
Tuition and fees	\$5.0	\$4.6	\$0.4	\$4.6	\$4.2	\$0.4
Federal grants and contracts	0.9	0.7	0.2	0.7	0.5	0.2
State grants and contracts	0.0	0.3	(0.3)	0.3	0.3	0.0
Auxiliary and other	<u>0.2</u>	<u>0.2</u>	<u>0.0</u>	<u>0.2</u>	<u>0.2</u>	<u>0.0</u>
Total operating revenues	<u>6.1</u>	<u>5.8</u>	<u>0.3</u>	<u>5.8</u>	<u>5.2</u>	<u>0.6</u>
Operating expenses:						
Instruction	5.6	5.1	0.5	5.1	6.4	(1.3)
Public services	0.4	0.4	0.0	0.4	0.4	0.0
Instructional support	2.2	2.3	(0.1)	2.3	2.5	(0.2)
Student services	3.8	3.1	0.7	3.1	3.0	0.1
Institutional administration	2.1	1.9	0.2	1.9	2.0	(0.1)
Information technology	1.4	0.8	0.6	0.8	1.1	(0.3)
Operation and maintenance of plant	2.2	1.9	0.3	1.9	2.2	(0.3)
Depreciation and other	<u>2.2</u>	<u>2.4</u>	<u>(0.2)</u>	<u>2.4</u>	<u>2.4</u>	<u>0.0</u>
Total operating expenses	<u>19.9</u>	<u>17.9</u>	<u>2.0</u>	<u>17.9</u>	<u>19.9</u>	<u>(2.0)</u>
Net operating loss	<u>(13.8)</u>	<u>(12.1)</u>	<u>(1.7)</u>	<u>(12.1)</u>	<u>(14.7)</u>	<u>(2.6)</u>
Nonoperating revenues:						
State appropriations	5.0	5.0	0.0	5.0	4.0	1.0
Federal Pell grants	2.8	2.1	0.7	2.1	2.0	0.1
Property taxes	9.0	8.3	0.7	8.3	7.7	0.6
Other net nonoperating revenues	<u>3.6</u>	<u>3.2</u>	<u>0.4</u>	<u>3.2</u>	<u>6.0</u>	<u>(2.8)</u>
Net nonoperating revenues	<u>20.4</u>	<u>18.6</u>	<u>1.8</u>	<u>18.6</u>	<u>19.8</u>	<u>(1.2)</u>
Increase (decrease) in net position	6.6	6.6	0.0	6.6	5.1	1.5
Net position – beginning of year	<u>30.4</u>	<u>23.8</u>	<u>6.6</u>	<u>23.8</u>	<u>18.7</u>	<u>5.1</u>
Net position – end of year	<u>\$37.0</u>	<u>\$30.4</u>	<u>\$6.6</u>	<u>\$30.4</u>	<u>\$23.8</u>	<u>\$6.6</u>

Operating Revenues

Operating revenues include all transactions that result in the sales and/or receipts from goods and services such as tuition and fees, food services and auxiliary operations. In addition, certain federal and state grants are considered operating if they are not for capital purposes and are considered a contract for services.

Operating revenue changes between fiscal years 2025 and 2024 were the result of the following factors:

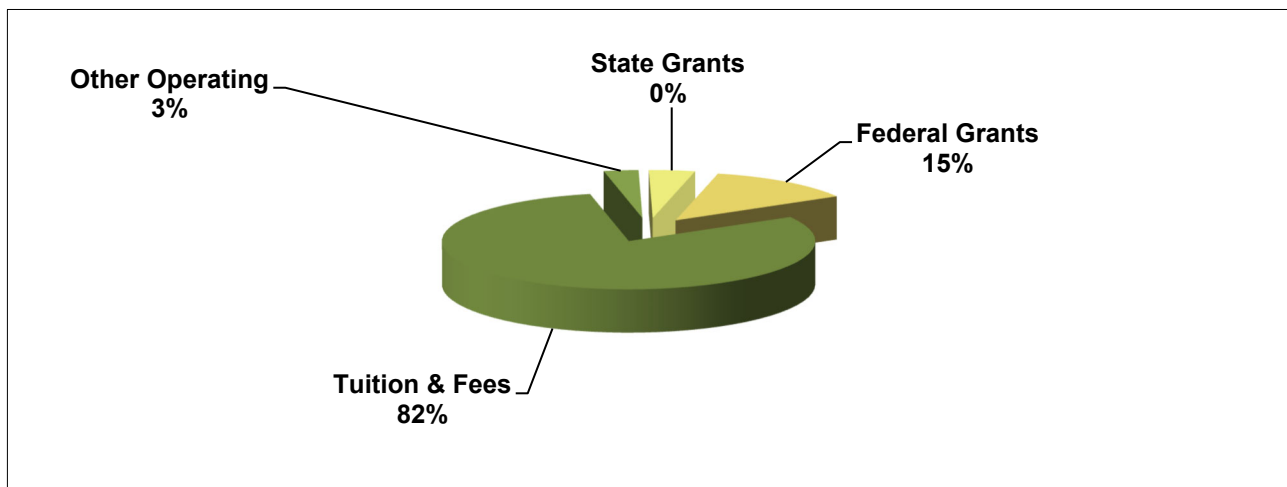
- Student tuition and fees increased for the 2025 fiscal year due to an overall increase of 11% in enrollment and a 2% increase in tuition rates.
- Grant revenues from state and federal sources were steady year over year, continuing to provide a reliable, though limited, contribution to institutional operations.
- Auxiliary and other operating revenues slightly decreased approximately \$7,000.

Operating revenue changes between fiscal years 2024 and 2023 were the result of the following factors:

- Student tuition and fees increased for the 2024 fiscal year due to an overall increase of 5% in enrollment and a 2% increase in tuition rates.
- Federal and State grants and contract revenues increased by approximately \$270,000 from 2023 to 2024 due to the increase of grants in general.
- Auxiliary and other operating revenues slightly decreased approximately \$22,000.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tuition and fees	\$5,033,591	\$4,663,412	\$4,249,903
Federal grants and contracts	927,562	728,056	457,418
State grants and contracts	10,201	246,552	347,200
Other operating revenues	<u>177,674</u>	<u>184,477</u>	<u>206,363</u>
Total operating revenue	<u>\$6,149,028</u>	<u>\$5,822,497</u>	<u>\$5,260,884</u>

The following is a graphic illustration of 2025 operating revenues by source:

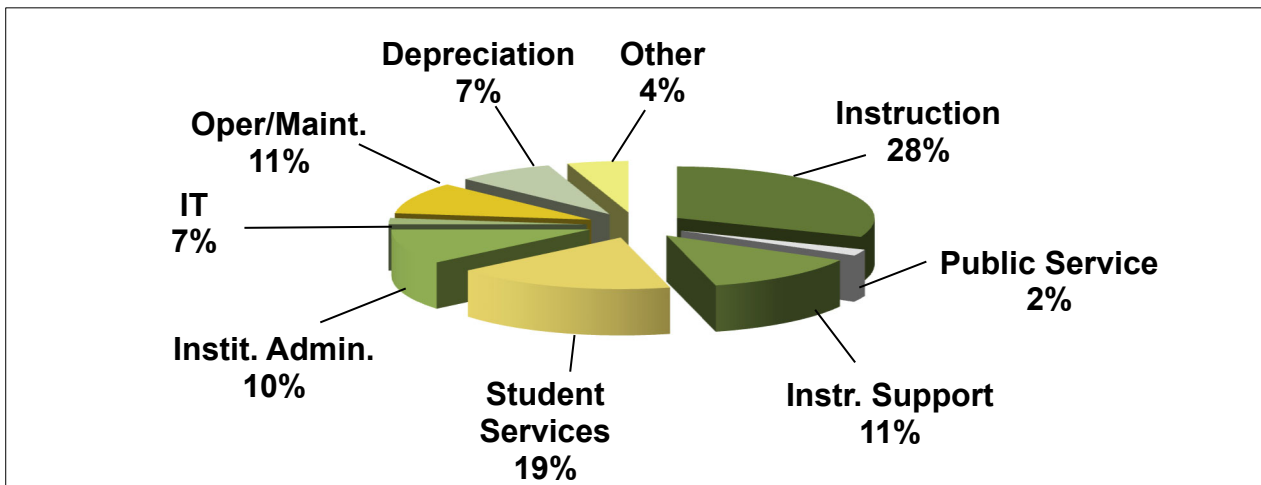


Operating Expenses

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College. They include salaries, benefits, utilities, supplies, services and depreciation and are categorized by function. Overall, total operating expenses increased \$2,077,962 due to several factors. The increase in student services includes the addition of instructional support and athletics. An increase in operations is related to multiple projects including parking lot improvements and minor facelifts in buildings. An increase in IT is related to software and cyber security.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Instruction	\$ 5,563,323	\$ 5,099,281	\$ 6,388,072
Public services	436,031	418,672	415,299
Instructional support	2,206,929	2,309,295	2,461,923
Student services	3,871,231	3,145,874	2,964,651
Institutional administration	2,083,681	1,889,942	2,038,100
Information technology	1,369,147	809,940	1,106,424
Operation and maintenance of plant	2,231,018	1,854,806	2,193,350
Depreciation and amortization	1,449,961	1,414,962	1,308,884
Other	<u>749,737</u>	<u>940,324</u>	<u>1,062,188</u>
Total operating expenses	<u>\$19,961,058</u>	<u>\$17,883,096</u>	<u>\$19,938,891</u>

The following is a graphic illustration of 2025 operating expenses by function:



Nonoperating Revenues

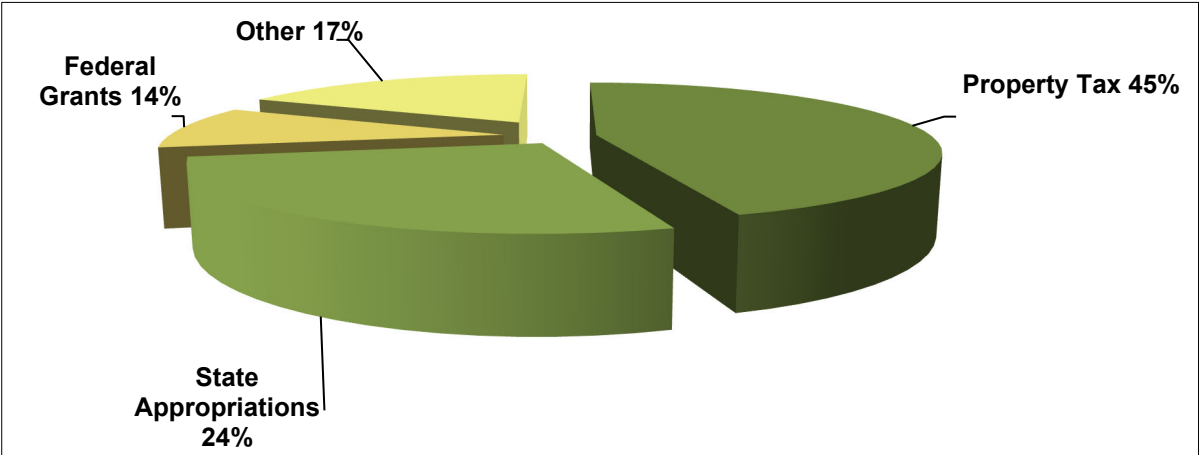
Nonoperating revenues are all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, Federal Pell grants, investment gain (loss) (including realized and unrealized gains and losses), and grants and contracts that do not require any services to be performed.

Nonoperating revenue increased in total, principally due to the increase in state appropriations, Federal Pell grants, and property taxes. We continue to see a steady increase from property taxes due to inflation related to property values. Federal Pell grants increased from 2024 as a result in the change in student needs.

Nonoperating revenues also consist of items that are typically nonrecurring, extraordinary, or unusual to the College. For 2025 it consists of interest and dividend income and net gain on investments of approximately \$3.6 million due to the increase in markets.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
State appropriations	\$ 4,940,517	\$ 4,956,977	\$ 4,025,305
Property tax levy	9,125,139	8,340,251	7,746,204
Federal Pell grants	2,840,839	2,053,580	2,014,149
Investment gain (loss) and other	<u>3,558,670</u>	<u>3,278,797</u>	<u>5,991,501</u>
	<u>\$20,465,165</u>	<u>\$18,629,605</u>	<u>\$19,777,159</u>

The following is a graphic illustration of 2025 nonoperating revenues by source:



Statement of Cash Flows

Another way to assess the financial health of a College is to look at the Statement of Cash Flows. Its primary purpose 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:

- An entity's ability to generate future net cash flows
- Its ability to meet its obligations as they come due
- Its needs for external financing

	<u>2025</u>	<u>2024</u>	Increase (Decrease)
Cash flows from:			
Operating activities	\$(14,033,755)	\$(12,607,383)	\$1,426,372
Noncapital financing activities	17,497,780	16,008,333	(1,489,447)
Capital and related financing activities	2,902,866	(1,600,523)	(4,503,389)
Investing activities	<u>1,025,204</u>	<u>204,551</u>	<u>1,536,743</u>
Net change in cash and cash equivalents	7,392,095	2,004,978	<u>\$ 5,387,117</u>
Cash, cash equivalents, and restricted cash – beginning of year	<u>15,344,274</u>	<u>13,339,296</u>	
Cash, cash equivalents, and restricted cash – end of year	<u>\$ 22,736,369</u>	<u>\$ 15,344,274</u>	

	<u>2024</u>	<u>2023</u>	Increase (Decrease)
Cash flows from:			
Operating activities	\$(12,607,383)	\$(14,127,543)	\$1,520,160
Noncapital financing activities	16,008,333	15,815,088	193,245
Capital and related financing activities	(1,600,523)	(3,068,869)	1,468,346
Investing activities	<u>204,551</u>	<u>352,088</u>	<u>(147,537)</u>
Net change in cash and cash equivalents	2,004,978	(1,029,236)	<u>\$ 3,034,214</u>
Cash, cash equivalents, and restricted cash – beginning of year	<u>13,339,296</u>	<u>14,368,532</u>	
Cash, cash equivalents, and restricted cash – end of year	<u>\$ 15,344,274</u>	<u>\$ 13,339,296</u>	

The College's liquidity increased during 2025. The following discussion amplifies the overview of cash flows presented above.

Cash used in operating activities was approximately \$14.0 million. Major sources of funds came from student tuition and fees (\$5.0 million). Primary uses were payments to employees and suppliers (\$20.7 million).

Gifts from donors was approximately \$640,000 and was a decrease from the prior year of approximately \$76,000. Cash flows from state appropriations, property taxes and Federal Pell grants all increased during 2025. Cash provided by investing activities related primarily to the sale and maturity of investments.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2025, the College had approximately \$16.9 million invested in capital assets, net of accumulated depreciation and amortization of approximately \$32.9 million. Depreciation and amortization charges totaled \$1,449,961 for 2025. Details of these asset costs are shown below.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land, land improvements, infrastructure and construction in progress	\$ 5,296,555	\$ 3,759,363	\$ 3,538,656
Buildings and improvements	38,247,226	38,200,726	38,200,726
Subscription assets	1,404,033	1,404,033	953,236
Furniture, fixtures, equipment, and library materials	<u>4,887,438</u>	<u>4,660,055</u>	<u>4,619,825</u>
	<u>\$49,835,252</u>	<u>\$48,024,177</u>	<u>\$47,312,443</u>

More detailed information about the College's capital assets is presented in the footnotes to the financial statements.

Bonds Payable

At June 30, 2025, the College had \$11,697,872 in bonds payable outstanding versus \$6,614,011 at June 30, 2024 and \$7,171,894 at June 30, 2023. These include general obligation bonds related to the extensive construction and renovation projects, the complete renovation of the existing Smith building and the first student housing building.

The College made scheduled bonds payable principal repayments of \$540,000 during fiscal year 2025. More detailed information about the College's long-term liabilities is presented in the footnotes to the financial statements.

Economic Factors That Will Affect The Future

Maintaining strong cybersecurity remains a top priority for our technology systems. Our latest security plan is designed to keep staff, students, and the general public in separate digital environments to protect each group effectively. We continue to face challenges from individuals who impersonate students in attempts to fraudulently obtain Federal Pell grants. For this reason, we rely on employees to stay vigilant in identifying suspicious activity and are evaluating additional software solutions to support the daily work of processing student registrations and financial aid.

Property values—and the related property tax revenues—are still rising at a modest pace, though signs of leveling off are emerging. The 2025–2026 levy is expected to increase by approximately 6%, reflecting a 1% reduction from the prior rate. The College also continues to monitor the impact of revenue deferred under local Downtown Development Association (DDA) agreements, as these amounts can be unpredictable.

In the 2024–2025 fiscal year, billing contacts increased by 11% compared to the previous year, reflecting steady progress. This growth is partly attributable to the addition of athletics and expansion of dual-enrollment partnerships with local K–12 districts. We now have more dual-enrolled students than ever

before. Looking ahead, the availability of student housing is expected to bolster overall enrollment and increase the number of full-time students. The College is also strengthening partnerships with local industries to expand industrial program offerings.

Our Success Coaches—introduced four years ago—continue to play a crucial role in improving student retention by helping learners overcome challenges that might hinder academic progress. Their one-on-one support assists students with time management, transportation, and other barriers. Among students who engaged with Success Coaches last fall, 79% returned for the spring semester.

Aligned with the College’s strategic plan, construction of new student housing began in spring 2025. The project is scheduled for completion in March 2026, with occupancy planned for the start of the fall 2026 semester. Our athletic programs are now entering their third year under the National Junior College Athletic Association, with 72 current athletes—60% of whom are from outside the district, out of state, or international. Together, student housing and athletics are expected to strengthen long-term enrollment stability for the College.

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FINANCIAL STATEMENTS

MONTCALM COMMUNITY COLLEGE

Statements of Net Position

	June 30	
	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 14,955,396	\$ 14,504,372
Restricted cash	7,780,973	839,902
Accounts receivable, less allowance for uncollectible accounts of \$396,639 in 2025 (\$519,326 in 2024)	309,249	357,098
Property taxes receivable	28,025	742
State appropriations receivable	1,058,122	1,035,884
Federal and state grants receivable	44,054	487,509
Current portion of pledges receivable	532,920	64,593
Prepays and other assets	266,169	185,794
Total current assets	24,974,908	17,475,894
Noncurrent assets		
Pledges receivable, net of current portion	195,984	1,098,754
Investments	29,484,209	26,956,564
Net OPEB asset	2,799,772	396,241
Capital assets		
Nondepreciable/nonamortizable	2,104,904	958,936
Depreciable/amortizable, net	14,799,423	15,584,277
Total noncurrent assets	49,384,292	44,994,772
Total assets	74,359,200	62,470,666
Deferred outflows of resources		
Deferred pension amounts	4,460,310	6,178,066
Deferred OPEB amounts	664,103	1,302,845
Total deferred outflows of resources	5,124,413	7,480,911
Liabilities		
Current liabilities		
Accounts payable	780,840	432,543
Accrued interest	79,882	33,453
Accrued payroll and other liabilities	1,325,951	959,393
Deposits	635,397	640,797
Unearned revenue	201,777	170,025
Current portion of bonds payable	563,015	557,883
Current portion of accrued compensated absences	379,902	269,040
Current portion of subscription-based IT arrangement liabilities	187,061	238,824
Total current liabilities	4,153,825	3,301,958
Noncurrent liabilities		
Bonds payable, net of current portion	11,134,857	6,056,128
Accrued compensated absences, net of current portion	599,499	114,367
Subscription-based IT arrangement liabilities, net of current portion	-	187,060
Net pension liability	16,214,839	22,475,579
Total noncurrent liabilities	27,949,195	28,833,134
Total liabilities	32,103,020	32,135,092
Deferred inflows of resources		
Deferred pension amounts	6,595,347	4,235,944
Deferred OPEB amounts	3,768,008	3,216,438
Total deferred inflows of resources	10,363,355	7,452,382
Net position		
Net investment in capital assets	12,800,367	10,343,220
Restricted for		
Expendable scholarships and grants	19,914,480	18,654,396
Nonexpendable endowments (Note 13)	322,164	314,464
Unrestricted (Note 8)	3,980,227	1,052,023
Total net position	\$ 37,017,238	\$ 30,364,103

The accompanying notes are an integral part of these financial statements.

MONTCALM COMMUNITY COLLEGE

Statements of Revenues, Expenses and Changes in Net Position

	Year Ended June 30	
	2025	2024
Operating revenues		
Tuition and fees, net of scholarship allowance of \$1,571,837 (\$1,283,748 in 2024)	\$ 5,033,591	\$ 4,663,412
Federal grants and contracts	927,562	728,056
State grants and contracts	10,201	246,552
Auxiliary activities	85,179	80,799
Other	92,495	103,678
Total operating revenues	6,149,028	5,822,497
Operating expenses		
Instruction	5,563,323	5,099,281
Public services	436,031	418,672
Instructional support	2,206,929	2,309,295
Student services	3,871,231	3,145,874
Institutional administration	2,083,681	1,889,942
Information technology	1,369,147	809,940
Operation and maintenance of plant	2,231,018	1,854,806
Depreciation and amortization	1,449,961	1,414,962
Other	749,737	940,324
Total operating expenses	19,961,058	17,883,096
Operating loss	(13,812,030)	(12,060,599)
Nonoperating revenues (expenses)		
State appropriations	4,940,517	4,956,977
Federal Pell grants	2,840,839	2,053,580
Property taxes	9,125,139	8,340,251
Interest and dividend income	1,266,242	783,998
Net realized and unrealized gain on investments	2,260,337	2,414,828
Interest on capital asset-related debt	(200,541)	(182,992)
Gifts	232,632	262,963
Net nonoperating revenues	20,465,165	18,629,605
Change in net position	6,653,135	6,569,006
Net position - beginning of year	30,364,103	23,795,097
Net position - end of year	\$ 37,017,238	\$ 30,364,103

The accompanying notes are an integral part of these financial statements.

MONTCALM COMMUNITY COLLEGE

Statements of Cash Flows

	Year Ended June 30	
	2025	2024
Cash flows from operating activities		
Tuition and fees, net	\$ 5,113,192	\$4,490,932
Grants and contracts	1,381,218	722,036
Payments to suppliers	(5,034,293)	(3,061,154)
Payments to employees	(15,671,546)	(14,943,674)
Auxiliary activities	85,179	80,799
Other	92,495	103,678
Net change in cash from operating activities	(14,033,755)	(12,607,383)
Cash flows from noncapital financing activities		
Property taxes	9,097,856	8,371,220
Federal Pell grants	2,840,839	2,053,580
State appropriations	4,918,279	4,865,996
Direct loans/FFEL receipts	943,515	1,187,070
Direct loans/FFEL disbursements	(943,515)	(1,187,070)
Gifts	640,806	717,537
Net change in cash from noncapital financing activities	17,497,780	16,008,333
Cash flows from capital and related financing activities		
Purchases of capital assets	(1,811,075)	(260,937)
Principal paid on bonds payable	(540,000)	(540,000)
Principal paid on subscription-based IT arrangement liabilities	(238,823)	(621,800)
Proceeds from issuance of bonds	5,646,876	-
Interest paid on capital asset - related debt	(154,112)	(177,786)
Net change in cash from capital and related financing activities	2,902,866	(1,600,523)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	2,839,401	964,249
Interest and dividends on investments	1,266,242	783,998
Purchase of investments	(3,080,439)	(1,543,696)
Net change in cash from investing activities	1,025,204	204,551
Net change in cash, cash equivalents, and restricted cash	7,392,095	2,004,978
Cash, cash equivalents, and restricted cash		
Beginning of year	15,344,274	13,339,296
Cash, cash equivalents, and restricted cash		
End of year	\$ 22,736,369	\$ 15,344,274

continued...

MONTCALM COMMUNITY COLLEGE

Statements of Cash Flows

	Year Ended June 30	
	2025	2024
Reconciliation to Statements of Net Position		
Cash and cash equivalents	\$ 14,955,396	\$ 14,504,372
Restricted cash	7,780,973	839,902
Cash, cash equivalents, and restricted cash - end of year	<u>\$ 22,736,369</u>	<u>\$ 15,344,274</u>
Reconciliation of operating loss to net change in cash from operating activities		
Operating loss	\$ (13,812,030)	\$ (12,060,599)
Adjustments to reconcile operating loss to net change in cash from operating activities:		
Depreciation and amortization	1,449,961	1,414,962
Amortization of bond premium	(23,015)	(17,883)
Change in operating assets and liabilities which provided (used) cash:		
Accounts receivable	47,849	(163,878)
Federal and state grants receivable	443,455	(252,572)
Prepays and other assets	(80,375)	(154,505)
Accounts payable	348,296	297,972
Accrued payroll and other liabilities	366,558	36,756
Accrued compensated absences	595,994	61,692
Deposits	(5,400)	44,099
Unearned revenue	31,752	(8,602)
Net pension liability	(6,260,740)	(4,006,236)
Pension deferred outflows	1,717,756	1,695,211
Pension deferred inflows	2,359,403	1,704,919
Net OPEB asset/liability	(2,403,531)	(1,912,932)
OPEB deferred outflows	638,742	630,159
OPEB deferred inflows	551,570	84,054
Net change in cash from operating activities	<u>\$ (14,033,755)</u>	<u>\$ (12,607,383)</u>

concluded

The accompanying notes are an integral part of these financial statements.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

1. MISSION

Montcalm Community College (the "College") is a Michigan community college whose mission is to create a learning community, contributing to shared economic, cultural and social prosperity for all citizens. The College offers associate degrees, numerous certificate programs, and other educational programs while being accredited by the Higher Learning Commission. The primary education centers for the College are its main campus situated northeast of Greenville, and extension center located in Greenville.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The College's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applicable to public colleges and universities outlined in Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, and the *Manual for Uniform Financial Reporting - Michigan Public Community Colleges, 2001*.

The College reports as a business-type activity, as defined by governmental accounting standards. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services.

The Montcalm Community College Foundation (the "Foundation") is a legally separate, tax-exempt not-for-profit organization that was formed to solicit, collect, and invest donations made for the promotion of educational activities at and to augment the facilities of the College. The Foundation acts primarily as a fundraising organization to supplement the resources of the College in support of its programs and facilities. Since the restricted resources held by the Foundation can be used only by, or for the benefit of, the College, the Foundation is considered a component unit of the College under governmental accounting standards. Because College management has operational responsibility for the Foundation in addition to meeting other criteria, the Foundation is blended into the College's financial statements.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

The condensed financial information for the Foundation as of and for the years ended June 30 is as follows:

	2025	2024
Condensed statement of net position		
Total assets	\$ 30,597,097	\$27,978,563
Total liabilities	(13,969)	(11,869)
Total net position	\$ 30,583,128	\$ 27,966,694
Condensed statement of revenues, expenses and changes in net position		
Revenues and net investment gains	\$ 3,583,689	\$ 3,317,321
Expenses	(967,255)	(1,138,729)
Change in net position	2,616,434	2,178,592
Beginning net position	27,966,694	25,788,102
Ending net position	\$ 30,583,128	\$ 27,966,694
Condensed statement of cash flows		
Net change in cash from:		
Operating activities	\$ (66,114)	\$ (267,517)
Non-capital financing activities	668,692	822,066
Investing activities	(267,307)	(683,976)
Net change in cash and cash equivalents	335,271	(129,427)
Beginning cash and cash equivalents	407,049	536,476
Ending cash and cash equivalents	\$ 742,320	\$ 407,049

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Significant Accounting Policies

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

Basis of Accounting and Presentation

The financial statements have been prepared using the economic resource management focus and accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when the related liabilities are incurred and certain measurement and matching criteria are met. The College follows all applicable GASB pronouncements. Certain revenue recognition criteria and presentation features are different under the Financial Accounting Standards Board ("FASB"), which is applicable to the Foundation, from GASB. However, no modifications have been made to the Foundation's financial information in the College's financial report for these differences.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and cash on hand.

Restricted Cash

Restricted cash includes unspent bond proceeds to be used to pay the costs of constructing and renovating several campus facilities.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense when necessary and an adjustment to an allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable.

Revenue Recognition

Revenue from state appropriations are recognized in accordance with the accounting method described in the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*, which provides that state appropriations are recorded as revenue in the period for which such amounts are appropriated. Student tuition and related revenues and expenses of an academic semester are reported in the fiscal year in which the program is conducted.

The College does not recognize as revenue sources held for others, such as Federal Direct Loans, where the institution serves only as a conduit.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Operating revenues of the College consist of tuition and fees, grants and contracts other than Federal Pell, sales and services of educational activities and auxiliary enterprise revenues. Transactions related to capital and financing activities, noncapital financing activities, investing activities, state appropriations, property taxes, and Federal Pell grants are components of nonoperating and other revenues. For financial reporting purposes, restricted resources are deemed to be utilized first when both restricted and unrestricted resources are available to satisfy any expenses.

The Foundation's contributions, including unconditional promises to give, are reported as revenue when received and measured at fair value. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions is established based on an estimated percentage of total contributions receivable, past history of collection, and future expectation for collection of various accounts. Unconditional promises to give that are expected to be collected in future years have not been discounted to the present value of estimated future cashflows as management has deemed this discount to be insignificant.

Pledges receivable are summarized as follows at June 30:

Due Dates	2025	2024
Receivable in less than one year	\$ 532,920	\$ 64,593
Receivable in one to five years	195,984	1,098,754
Subtotal	\$ 728,904	\$ 1,163,347

Investments

The Foundation carries investments consisting of exchange traded funds at fair value, which is determined generally by using quoted market prices. Realized and unrealized gains and losses are reflected in the statements of revenues, expenses and changes in net position. The Foundation maintains investment accounts for its nonexpendable and expendable endowments. Realized and unrealized gains and losses from securities in the investment accounts are allocated quarterly based on the relationship of the market value of each endowment fund to the total market value of the investment accounts, as adjusted for additions to or deductions from those accounts.

Fair Value Measurements

The Foundation has categorized its financial assets and liabilities carried at fair value into a three-level fair value hierarchy, based on the nature of the inputs used in determining fair value.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

The Foundation groups its investments at fair value into three levels, based on the markets in which the investments are traded and the reliability of the assumptions used to determine fair value. A description of each category in the fair value hierarchy is as follows:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all-significant assumptions are observable in the market. The Foundation holds no securities classified as Level 2.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability. The Foundation holds no securities classified as Level 3.

For a further discussion of Fair Value Measurements, refer to Note 4 to the financial statements.

Capital Assets and Depreciation

Capital assets, which the College defines as property and equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year, are recorded at cost or, if acquired by gift, at the estimated acquisition cost on the date of acquisition. Management reviews capital assets for impairment whenever events or changes in circumstance indicate the related carrying amount may not be recoverable. Depreciation is provided for property and equipment on a straight-line basis over the estimated useful lives of the assets as follows:

Classifications	Estimated Useful Lives
Buildings	40
Infrastructure and land improvements	15
Building improvements	10
Furniture and fixtures	5
Computer equipment	4
Library materials	7

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Compensated Absences

The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The College's policy permits employees to accumulate earned but unused vacation benefits, to a maximum limit annually, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave - The College's policy permits employees to accumulate earned but unused sick leave to a maximum limit that can be carried over to subsequent years. All sick leave lapses when employees leave the employ of the College, and upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Subscription-Based Information Technology Arrangements ("SBITA")

The College has noncancellable subscription-based information technology arrangements. The College recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements. The College recognizes subscription assets and liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a subscription, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life (which range from two to five years).

Key estimates and judgments related to subscriptions include how the College determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The College uses a risk-free discount rate determined based on information available at subscription commencement, as rates implicit in its subscription-based information technology arrangements are not readily determinable. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the College is reasonably certain to exercise.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

The College monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Unearned Revenue

Unearned revenue at June 30, 2025 and 2024, consists of revenue received prior to year-end that relates to summer semester tuition for the period subsequent to July 1 for the semester, which began May 29, 2025 and May 30, 2024 and concluded on July 24, 2025 and July 25, 2024, respectively.

Internal Service Activities

Both revenue and expenses related to internal service activities including office equipment, maintenance, and telecommunications have been eliminated in the presentation of these financial statements.

Property Taxes

Property taxes levied by the College are collected by various municipalities and periodically remitted to the College. The taxes are levied as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity. Property tax revenues are recognized when levied to the extent that they are determined to be collectible. For both years ended June 30, 2025 and 2024, the College levied 2.646 mills, per \$1,000 of taxable value for general operations.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets, liabilities, and deferred outflows and inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include but are not limited to the net pension and other postemployment benefits ("OPEB") asset/liabilities, and deferred outflows and inflows related to pension and OPEB amounts. The estimates for the net pension and OPEB asset/liabilities and deferred outflows and inflows related to the pension and OPEB amounts were independently developed by the Michigan Public Schools Employees Retirement System, and are not under control of the College.

Effective in fiscal year 2025, the College revised its methodology for estimating the scholarship allowance applied to gross tuition and fee revenue in alignment with the National Association of College and University Business Officer's most recent recommended approach. This change impacted the presentation of net tuition and fee revenue in the accompanying statement of revenues, expenses, and changes in net position for the year ended June 30, 2025.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Income Taxes

The Internal Revenue Service ("IRS") has determined that the Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for income taxes has been recorded. The Foundation analyzes its filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. The Foundation also treats interest and penalties attributable to income taxes, and reflects any charges for such, to the extent they arise, as a component of its operating expenses.

The Foundation has evaluated its income tax position for the years ended June 30, 2022 through 2025, the years which remain subject to examination by major tax jurisdictions as of June 30, 2025. The Foundation concluded that there are no significant uncertain tax positions requiring recognition in these financial statements. The Foundation does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Foundation does not have any amounts accrued for interest and penalties related to UTBs at June 30, 2025 or 2024, and it is not aware of any claims for such amounts by federal or state income tax authorities.

Deferred Outflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to one or more future periods and so will not be recognized as an outflow of resources (expense) until then. The College reports deferred outflows of resources for certain pension and OPEB related amounts, such as differences in expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension and OPEB plans investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note 9.

Deferred Inflows of Resources

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The College reports deferred inflows of resources for certain pension and OPEB related amounts, such as the difference between projected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension and OPEB plans investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and state appropriations for pension received subsequent to the measurement dates. More detailed information can be found in Note 9.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Net OPEB Asset/Liability

For purposes of measuring the net OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB (benefit) expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Net Position

Net position is classified into the following categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets, and restricted cash from the unspent bond proceeds to be used to pay the costs of constructing and renovating certain campus facilities.

Following is a summary of the net investment in capital assets as of June 30:

	2025	2024
Capital assets (net)	\$ 16,904,327	\$ 16,543,213
Restricted Cash	7,780,973	839,902
Bonds Payable	(11,697,872)	(6,614,011)
Subscription Liabilities	(187,061)	(425,884)
Total	<u>\$ 12,800,367</u>	<u>\$ 10,343,220</u>

Restricted expendable: Net position whose use by the College and Foundation is subject to externally imposed constraints, such as donor imposed restrictions, that can be fulfilled by actions of the Foundation pursuant to those constraints or that expire by the passage of time. The restricted balance of the College and Foundation consists primarily of funds restricted for scholarships and grants.

Nonexpendable endowments: Contains donor-imposed restrictions that are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Change in Accounting Principle

During fiscal 2025, the College adopted GASB Statement No. 101, *Compensated Absences*. This new standard replaces the existing guidance in GASB Statement No. 16 and establishes a more uniform approach for accounting and financial reporting of compensated absences, such as vacation, sick leave, and similar benefits. Under GASB 101, the College is required to recognize a liability for leave time that is attributable to services already rendered, is accumulated, and is more likely than not to be used. The implementation of the standard effective July 1, 2023, and as of and for the year ended June 30, 2024, did not have a significant impact on the College's liabilities, net position, or expenses. As a result, management elected not to apply the standard retrospectively to the earliest period presented. As such, the College recognized additional liability required under the provisions of this statement during fiscal year 2025. Additional information can be found in Note 10.

Subsequent Events - Foundation

In preparing these financial statements, the Foundation has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to June 30, 2025, the most recent statement of net position presented herein, through the date these financial statements were available to be issued. No significant such events or transactions were identified by the Foundation.

3. DEPOSITS AND INVESTMENTS

State of Michigan ("State") statutes authorize the College to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper of corporations located in this state rated prime by at least one of the standard rating services. The College is also authorized to invest in U.S. government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds comprised of investments as outlined above. The College's investment policy allows for all of these types of investments. The Foundation invests primarily in exchange traded funds.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

The College's and Foundation's deposits and investments are included on the statements of net position under the following classifications at June 30:

2025	College	Foundation	Total
Cash and cash equivalents	\$ 14,213,076	\$ 742,320	\$ 14,955,396
Restricted cash	7,780,973	-	7,780,973
Investments	-	29,484,209	29,484,209
Total	\$ 21,994,049	\$ 30,226,529	\$ 52,220,578

2024	College	Foundation	Total
Cash and cash equivalents	\$ 14,097,323	\$ 407,049	\$ 14,504,372
Restricted cash	839,902	-	839,902
Investments	-	26,956,564	26,956,564
Total	\$ 14,937,225	\$ 27,363,613	\$ 42,300,838

The above amounts are categorized as follows at June 30:

2025	College	Foundation	Total
Bank deposits (checking, savings and cash sweep accounts)	\$ 21,990,649	\$ 742,320	\$ 22,732,969
Petty cash	3,400	-	3,400
Exchange traded funds	-	29,484,209	29,484,209
Total	\$ 21,994,049	\$ 30,226,529	\$ 52,220,578

2024	College	Foundation	Total
Bank deposits (checking, savings and cash sweep accounts)	\$ 14,933,825	\$ 407,049	\$ 15,340,874
Petty cash	3,400	-	3,400
Exchange traded funds	-	26,956,564	26,956,564
Total	\$ 14,937,225	\$ 27,363,613	\$ 42,300,838

As of June 30, 2025 and 2024, all deposits with financial institutions consist of depository accounts.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Interest Rate Risk

The College does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits the College's investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The College has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The College's investment policy does not have specific limits on concentration of credit risk. The Foundation's investment policy limits the cost basis of individual company securities to 12% of its total investment portfolio as measured at market value or 5% as measured at cost.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned. State law does not require and the College and the Foundation do not have a policy for deposit custodial credit risk. As of June 30, 2025 and 2024, \$21,296,857 and \$14,126,700, respectively, of the College and \$498,638 and \$235,161, respectively, of the Foundation's bank deposits balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments that are in the possession of an outside party. State law does not require and the College and the Foundation do not have a policy for investment custodial credit risk. However, all investments are in the name of the College or Foundation, as applicable, and the investments are held in trust accounts with each financial institution from which they were purchased. Custodial credit risk for the exchange traded funds cannot be determined as these investments are not evidenced by specifically identifiable securities.

Foreign Currency Risk

The College is not authorized by state law to invest in investments which have this type of risk.

4. FAIR VALUE MEASUREMENTS

The Foundation utilizes fair value measurements to record fair value adjustments to its investment securities and to determine fair value disclosures. These assets are recorded at fair value on a recurring basis.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

The following is a description of the valuation methodology used for assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified. There have been no changes in the methodology used at June 30, 2025 or 2024.

Exchange traded funds: Shares held in exchange traded funds are valued at quoted market prices that represent the net asset value ("NAV") of shares held by the Foundation at year end and are classified as Level 1. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities then divided by the number of shares outstanding.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation method is appropriate and consistent with other market participants, the use of a different methodology or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Foundation's investments at fair value at June 30:

2025	Level 1	Level 2	Level 3	Total
Exchange traded funds				
Large blend	\$ 13,285,699	\$ -	\$ -	\$ 13,285,699
Intermediate-term bond	7,578,339	-	-	7,578,339
Foreign equity large cap	3,731,475	-	-	3,731,475
Foreign large blend	3,732,879	-	-	3,732,879
World blend	1,155,817	-	-	1,155,817
Total investments at fair value	\$ 29,484,209	\$ -	\$ -	\$ 29,484,209

2024	Level 1	Level 2	Level 3	Total
Exchange traded funds				
Large blend	\$ 11,691,430	\$ -	\$ -	\$ 11,691,430
Intermediate-term bond	6,271,292	-	-	6,271,292
Foreign equity large cap	3,555,680	-	-	3,555,680
Foreign large blend	3,347,114	-	-	3,347,114
World blend	986,150	-	-	986,150
Money market	1,104,898	-	-	1,104,898
Total investments at fair value	\$ 26,956,564	\$ -	\$ -	\$ 26,956,564

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Transfers/ Deletions	Balance June 30, 2025
Nondepreciable/nonamortizable capital assets				
Land	\$ 755,926	\$ -	\$ -	\$ 755,926
Construction in progress	203,010	1,537,192	(391,224)	1,348,978
Subtotal nondepreciable/ nonamortizable capital assets	958,936	1,537,192	(391,224)	2,104,904
Depreciable/amortizable capital assets				
Land improvements	1,335,287	-	391,224	1,726,511
Buildings and improvements	38,200,726	46,500	-	38,247,226
Infrastructure	1,465,140	-	-	1,465,140
Subscription assets	1,404,033	-	-	1,404,033
Furniture, fixtures and equipment, including vehicles	4,208,055	227,383	-	4,435,438
Library materials	452,000	-	-	452,000
Subtotal depreciable/ amortizable capital assets	47,065,241	273,883	391,224	47,730,348
Less accumulated depreciation and amortization				
Land improvements	1,319,359	11,691	-	1,331,050
Buildings and improvements	24,625,992	791,009	-	25,417,001
Infrastructure	1,291,147	27,753	-	1,318,900
Subscription assets	535,056	314,499	-	849,555
Furniture, fixtures and equipment, including vehicles	3,262,820	302,535	-	3,565,355
Library materials	446,590	2,474	-	449,064
Total accumulated depreciation and amortization	31,480,964	1,449,961	-	32,930,925
Total depreciable/amortizable capital assets, net	15,584,277	(1,176,078)	391,224	14,799,423
Total capital assets, net	\$ 16,543,213	\$ 361,114	\$ -	\$ 16,904,327

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Transfers/ Deletions	Balance June 30, 2024
Nondepreciable/nonamortizable capital assets				
Land	\$ 755,926	\$ -	\$ -	\$ 755,926
Construction in progress	-	203,010	-	203,010
Subtotal nondepreciable/ nonamortizable capital assets	755,926	203,010	-	958,936
Depreciable/amortizable capital assets				
Land improvements	1,317,590	17,697	-	1,335,287
Buildings and improvements	38,200,726	-	-	38,200,726
Infrastructure	1,465,140	-	-	1,465,140
Subscription assets	953,236	450,797	-	1,404,033
Furniture, fixtures and equipment, including vehicles	4,172,969	35,086	-	4,208,055
Library materials	446,856	5,144	-	452,000
Subtotal depreciable/amortizable capital assets	46,556,517	508,724	-	47,065,241
Less accumulated depreciation and amortization				
Land improvements	1,309,537	9,822	-	1,319,359
Buildings and improvements	23,827,036	798,956	-	24,625,992
Infrastructure	1,263,395	27,752	-	1,291,147
Subscription assets	255,452	279,604	-	535,056
Furniture, fixtures and equipment, including vehicles	2,966,465	296,355	-	3,262,820
Library materials	444,117	2,473	-	446,590
Total accumulated depreciation and amortization	30,066,002	1,414,962	-	31,480,964
Total depreciable/amortizable capital assets, net	16,490,515	(906,238)	-	15,584,277
Total capital assets, net	\$ 17,246,441	\$ (703,228)	\$ -	\$ 16,543,213

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Construction in progress relates primarily to parking lot improvements and a student housing project. Management estimates the cost to complete these projects was approximately \$1,782,000 as of June 30, 2025, and expects to place them in service in fiscal 2026.

6. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College is involved in five arrangements that qualify as long-term subscription-based information technology arrangements ("SBITA"). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the College has the control of the right to use another party's IT software and the noncancelable term of the agreement surpasses one year. The present values are discounted using a risk-free discount rate determined based on information available at subscription commencement, as rates implicit in its subscription-based IT arrangements are not readily determinable.

Remaining Term of Agreements

Asset Type

Subscription assets 2 to 5 years

The assets acquired through subscription-based information technology agreements are summarized as follows at June 30:

	2024	2023
Subscription assets	\$ 1,404,033	\$ 1,404,033
Less accumulated amortization	(849,555)	(535,056)
Net book value	\$ 554,478	\$ 868,977

The net present value of future minimum payments as of June 30 were as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 187,061	\$ 6,914

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Subscription liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Subscription-based IT arrangement liabilities	\$ 425,884	\$ -	\$ (238,823)	\$ 187,061	\$ 187,061

Subscription liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Subscription-based IT arrangement liabilities	\$ 596,887	\$ 450,797	\$ (621,800)	\$ 425,884	\$ 238,824

7. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
2017 bonds payable	\$ 1,420,000	\$ -	\$ 305,000	\$ 1,115,000	\$ 300,000
2021 bonds payable	4,890,000	-	235,000	4,655,000	240,000
2025 bonds payable	-	5,185,000	-	5,185,000	-
Total bonds payable	6,310,000	5,185,000	540,000	10,955,000	540,000
Other long-term obligations					
Bond premium bonds payable	304,011	461,876	23,015	742,872	23,015
Total other long-term obligations	304,011	461,876	23,015	742,872	23,015
Total long-term obligations	\$ 6,614,011	\$ 5,646,876	\$ 563,015	\$ 11,697,872	\$ 563,015

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Long-term obligation activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
2017 bonds payable	\$ 1,730,000	\$ -	\$ 310,000	\$ 1,420,000	\$ 305,000
2021 bonds payable	5,120,000	-	230,000	4,890,000	235,000
Total bonds payable	6,850,000	-	540,000	6,310,000	540,000
Other long-term obligations					
Bond premium bonds payable	321,894	-	17,883	304,011	17,883
Total other long-term obligations	321,894	-	17,883	304,011	17,883
Total long-term obligations	\$ 7,171,894	\$ -	\$ 557,883	\$ 6,614,011	\$ 557,883

2017 bonds payable include general obligation limited tax obligations to be repaid from the General Fund of the College, require principal payments ranging from \$80,000 to \$310,000 and are due annually through 2031. Interest is payable semiannually in May and November at a rate of 2.19%.

2021 bonds payable include general obligation limited tax obligations to be repaid from the General Fund of the College, require principal payments ranging from \$225,000 to \$350,000 and are due annually through 2041. Interest is payable semiannually in May and November at a rate of 4.00% through May 2029 and 2.00% from May 2030 through May 2041. The bond premium associated with this issue is being amortized using the straight line method over the term of the bond.

2025 bonds payable include general obligation limited tax obligations to be repaid from the General Fund of the College, require principal payments ranging from \$95,000 to \$340,000 and are due annually starting in 2029 through 2055. Interest is payable semiannually in May and November at a rate of 5.00% through May 2055. The bond premium associated with this issue is being amortized using the straight line method over the term of the bond.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Scheduled annual principal and interest requirements on debt for each of the next five years and thereafter are summarized as follows as of June 30:

Year Ending June 30,	Principal Bonds Payable	Interest	Total
2026	\$ 540,000	\$ 413,657	\$ 953,657
2027	540,000	377,788	917,788
2028	375,000	362,115	737,115
2029	480,000	348,519	828,519
2030	490,000	331,440	821,440
2031-2035	2,150,000	1,469,388	3,619,388
2036-2040	2,350,000	1,155,592	3,505,592
2041-2045	1,290,000	812,583	2,102,583
2046-2050	1,205,000	539,875	1,744,875
2051-2055	1,535,000	260,708	1,795,708
Total	\$ 10,955,000	\$ 6,071,666	\$ 17,026,666

8. UNRESTRICTED NET POSITION

The College has designated the use of a portion of unrestricted net position as follows at June 30:

	2025	2024
Foundation board-designated endowment	\$ 10,245,104	\$ 9,377,738
Pension and OPEB liability deficit	(18,654,009)	(22,050,809)
Undesignated	12,389,132	13,725,094
Total unrestricted net position	\$ 3,980,227	\$ 1,052,023

9. RETIREMENT PLANS

Defined Benefit Plan

Plan Description

The Michigan Public School Employees' Retirement System (the "System" or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (the "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.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

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 Michigan Public School Employees' Retirement 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 at the ORS website at www.michigan.gov/orsschools.

Pension Benefits Provided

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% to 1.50%. 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 member 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.

Participants in the defined contribution plan consist of one of the following: (1) members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan; (2) members who elected to transfer from the defined benefit plan to the defined contribution plan under the reform (P.A. 300) of 2012; or (3) members who worked for a Michigan public school on or after February 1, 2018 and did not elect participation in the Pension Plus 2 plan. Members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan receive a 100% match of the member contribution rate up to a maximum of 3% based on the member's gross earnings. Additionally, there is a mandatory employer contribution of 4% of the member's gross earnings for MPSERS members who elected to convert from a Basic or MIP benefit plan to the defined contribution benefit plan. Members electing the Pension Plus or Pension Plus 2 benefit plan receive a 50% match of the member's contribution percent up to a maximum of 1% based on the member's gross earnings. Effective October 1, 2017, there is a mandatory employer contribution of 4% of the member's gross earnings for members who elect the Defined Contribution benefit plan. The employer must match 100% of the employee contribution for any member who elected the Personal Healthcare Fund up to a maximum of 2% of the member's gross earnings. For all members with a Personal Health Care Fund (PHF), the first 2% of DC contributions must go into the PHF and must be matched 100% by the employer.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Other Postemployment Benefits Provided

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 Michigan Public School Employees Retirement System, 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.

Contributions

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.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2025, which excludes supplemental MPSERS UAAL employer stabilization contributions that are passed through the College to MPSERS based on rates ranging from 10.58% - 17.02% on prior year covered payroll:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	23.03% - 30.11%
Member Investment Plan (MIP)	3.00% - 7.00%	23.03% - 30.11%
Pension Plus	3.00% - 6.40%	19.17% - 26.27%
Pension Plus 2	6.20%	20.10% - 27.16%
Defined Contribution	0.00%	13.90% - 20.96%

Required contributions to the pension plan from the College were \$2,704,970, \$2,738,451 and \$3,219,903 for the years ended June 30, 2025, 2024 and 2023, respectively.

The table below summarizes OPEB contribution rates in effect for fiscal year 2025:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	1.25% - 8.31%
Personal Healthcare Fund (PHF)	0.00%	0.00% - 7.06%

Required contributions to the OPEB plan from the College were \$182,502, \$541,843 and \$543,565 for the years ended June 30, 2025, 2024 and 2023, respectively.

The table below summarizes defined contribution rates in effect for fiscal year 2025:

Benefit Structure	Member Rates	Employer Rates
Defined Contribution	0.00% - 3.00%	0.00% - 7.00%
Personal Healthcare Fund (PHF)	0.00% - 2.00%	0.00% - 2.00%

For the years ended June 30, 2025, 2024 and 2023, required and actual contributions from the College for those members with a defined contribution benefit were \$82,150, \$81,071 and \$79,521, respectively.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025 and 2024, the College reported a liability of \$16,214,839 and \$22,475,579, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2024 and 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2023 and 2022. The College's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, the College's proportion was 0.06623%, which was a decrease of 0.00321% points from its proportion measured as of September 30, 2023 of 0.06944%.

For the year ended June 30, 2025, the College recognized pension expense of \$884,670. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2025			
Differences between expected and actual experience	\$ 439,920	\$ 176,176	\$ 263,744
Changes in assumptions	1,690,493	1,188,035	502,458
Net difference between projected and actual earnings on pension plan investments	-	3,094,479	(3,094,479)
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,591	1,236,823	(1,226,232)
	<u>2,141,004</u>	<u>5,695,513</u>	<u>(3,554,509)</u>
College contributions subsequent to the measurement date	2,319,306	-	2,319,306
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	899,834	(899,834)
Total	<u>\$ 4,460,310</u>	<u>\$ 6,595,347</u>	<u>\$ (2,135,037)</u>

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

The amount reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. The amount reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to Sec 147c of the State School Aid Act (PA 94 of 1979), will be recognized as State appropriations revenue for the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2026	\$ (964,729)
2027	(268,424)
2028	(1,409,337)
2029	<u>(912,019)</u>
Total	<u>\$ (3,554,509)</u>

For the year ended June 30, 2024, the College recognized pension expense of \$2,649,133. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2024			
Differences between expected and actual experience	\$ 709,485	\$ 34,429	\$ 675,056
Changes in assumptions	3,045,543	1,755,991	1,289,552
Net difference between projected and actual earnings on pension plan investments	-	459,923	(459,923)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>38,670</u>	<u>663,107</u>	<u>(624,437)</u>
	3,793,698	2,913,450	880,248
College contributions subsequent to the measurement date	2,384,368	-	2,384,368
Pension portion of Sec 147c state aid award subsequent to the measurement date	<u>-</u>	<u>1,322,494</u>	<u>(1,322,494)</u>
Total	<u>\$ 6,178,066</u>	<u>\$ 4,235,944</u>	<u>\$ 1,942,122</u>

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

OPEB Assets/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025 and 2024, the College reported an asset of \$2,799,772 and \$396,241, respectively, for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2024 and 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 30, 2023 and 2022. The College's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the College's proportion was 0.06504%, which was a decrease of 0.0050% points from its proportion measured as of September 30, 2023 of 0.07004%.

For the year ended June 30, 2025, the College recognized an OPEB benefit of \$1,052,522. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2025			
Differences between expected and actual experience	\$ -	\$ 2,966,904	\$ (2,966,904)
Changes in assumptions	611,511	70,288	541,223
Net difference between projected and actual earnings on OPEB plan investments	-	530,029	(530,029)
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,272	200,787	(186,515)
	<u>625,783</u>	<u>3,768,008</u>	<u>(3,142,225)</u>
College contributions subsequent to the measurement date	38,320	-	38,320
Total	<u><u>\$ 664,103</u></u>	<u><u>\$ 3,768,008</u></u>	<u><u>\$ (3,103,905)</u></u>

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

The amount reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as an adjustment to the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2026	\$ (1,003,745)
2027	(617,256)
2028	(603,286)
2029	(549,551)
2030	(309,165)
Thereafter	<u>(59,222)</u>
Total	<u>\$ (3,142,225)</u>

For the year ended June 30, 2024, the College recognized an OPEB benefit of \$678,865. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2024			
Differences between expected and actual experience	\$ -	\$ 2,994,199	\$ (2,994,199)
Changes in assumptions	882,101	106,222	775,879
Net difference between projected and actual earnings on OPEB plan investments	1,208	-	1,208
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>23,064</u>	<u>116,017</u>	<u>(92,953)</u>
	906,373	3,216,438	(2,310,065)
College contributions subsequent to the measurement date	<u>396,472</u>	<u>-</u>	<u>396,472</u>
Total	<u>\$ 1,302,845</u>	<u>\$ 3,216,438</u>	<u>\$ (1,913,593)</u>

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Actuarial Assumptions

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 of 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.

The total pension and OPEB liabilities in the September 30, 2023 and 2022 actuarial valuations (for the fiscal years ended June 30, 2025 and 2024) were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age, normal
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.00%
Pension Plus plan (hybrid)	6.00%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.00%
Projected salary increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost of living adjustments	3% annual non-compounded for MIP members
Healthcare cost trend rate	Pre-65: 7.25% Year 1 graded to 3.5% Year 15 (7.50% Year 1 graded to 3.5% Year 15 in 2022) Post-65: 6.50% Year 1 graded to 3.5% Year 15 (6.25% Year 1 graded to 3.5% Year 15 in 2022)
Mortality	Retirees: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010. Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Other OPEB assumptions:	
Opt-out assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt-out of the retiree health plan.
Survivor coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage election at retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension and OPEB liabilities as of September 30, 2024, are based on the results of an actuarial valuation date of September 30, 2023, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4612 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.2834 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension and OPEB liabilities as of September 30, 2023, are based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4406 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.5099 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Changes in assumptions - September 30, 2023 Valuation. The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method. In addition, healthcare cost trend rates for pre-65 decreased from 7.50% to 7.25% and post-65 increased from 6.25% to 6.50%.

Changes in assumptions - September 30, 2022 Valuation. The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Long-Term Expected Return on Pension and OPEB Plan Assets

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/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. Best estimates of arithmetic real rates of return for each major asset class included in the pension and OPEB plans' target asset allocation as of September 30, 2024 and 2023, are summarized in the following tables:

Pension

2024			
	Asset Class	Target Allocation	Expected Money-Weighted Rate of Return
	Domestic equity pools	25.00%	1.26%
	Private equity pools	16.00%	1.36%
	International equity pools	15.00%	0.92%
	Fixed income pools	13.00%	0.27%
	Real estate and infrastructure pools	10.00%	0.67%
	Absolute return pools	9.00%	0.44%
	Real return/opportunistic pools	10.00%	0.65%
	Short-term investment pools	2.00%	0.03%
		<u>100.00%</u>	5.60%
	Inflation		2.30%
	Risk adjustment		<u>-1.90%</u>
	Investment rate of return		<u>6.00%</u>

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

OPEB

2024			
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.02%	1.26%
Private equity pools	16.00%	8.53%	1.36%
International equity pools	15.00%	6.16%	0.92%
Fixed income pools	13.00%	1.88%	0.24%
Real estate and infrastructure pools	10.00%	6.73%	0.67%
Absolute return pools	9.00%	4.93%	0.44%
Real return/opportunistic pools	10.00%	6.54%	0.65%
Short-term investment pools	2.00%	1.33%	0.03%
	<u>100.00%</u>		5.57%
Inflation			2.30%
Risk adjustment			<u>-1.87%</u>
Investment rate of return			<u>6.00%</u>

Pension and OPEB

2023			
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.43%	1.36%
Private equity pools	16.00%	8.99%	1.44%
International equity pools	15.00%	6.37%	0.95%
Fixed income pools	13.00%	1.22%	0.16%
Real estate and infrastructure pools	10.00%	5.99%	0.60%
Absolute return pools	9.00%	4.49%	0.40%
Real return/opportunistic pools	10.00%	6.83%	0.68%
Short-term investment pools	2.00%	0.28%	0.01%
	<u>100.00%</u>		5.60%
Inflation			2.70%
Risk adjustment			<u>-2.30%</u>
Investment rate of return			<u>6.00%</u>

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 15.47% and 15.45%, respectively. For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 8.29% and 7.94%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

For the fiscal year ended September 30, 2024 and 2023, a discount rate of 6.00% was used to measure the total pension and OPEB liabilities. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.00%. The projection of cash flows used to determine these discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of College’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.00%, 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 percentage point lower or 1 percentage higher as of June 30, 2025:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
College's proportionate share of the net pension liability	\$ 23,771,128	\$ 16,214,839	\$ 9,922,774

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.00%, 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 percentage point lower or 1 percentage higher as of June 30, 2024:

1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
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College's proportionate share of the net pension liability	\$ 30,364,441	\$ 22,475,579	\$ 15,907,816
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Sensitivity of College's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2025:

1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
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College's proportionate share of the net OPEB asset	\$ (2,163,687)	\$ (2,799,772)	\$ (3,349,735)
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The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2024:

1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
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College's proportionate share of the net OPEB (asset) liability	\$ 410,783	\$ (396,241)	\$ (1,089,798)
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MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Sensitivity of College's Proportionate Share of the Net OPEB Asset to Healthcare Cost Trend Rate

The following presents the College's proportionate share of the net OPEB asset calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2025:

	1% Decrease	Current Healthcare Cost Trend	1% Increase
College's proportionate share of the net OPEB (asset) liability	\$ (3,349,741)	\$ (2,799,772)	\$ (2,209,934)

The following presents the College's proportionate share of the net OPEB asset calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB (asset) liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2024:

	1% Decrease	Current Healthcare Cost Trend	1% Increase
College's proportionate share of the net OPEB (asset) liability	\$ (1,091,528)	\$ (396,241)	\$ 356,287

Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at www.michigan.gov/orsschools.

Payable to the Pension Plan

At June 30, 2025, the College reported a payable of \$133,914 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2025. At June 30, 2024, the College reported a payable of \$240,452 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2024.

Payable to the OPEB Plan

There were no required outstanding OPEB contributions to the Plan for the years ended June 30, 2025 and 2024.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Defined Contribution Plan

Effective January 1, 1998, existing professional MPSERS members and new professional employees of the College may elect to participate in the Montcalm Community College Optional Retirement Program (ORP) in lieu of participating in the MPSERS plan. The ORP was established by the College's Board of Trustees, is administered by TIAA-CREF, and is a defined contribution plan qualified under Section 414(d) of the Internal Revenue Code. Effective September 2012, the College Board of Trustees approved the removal of this plan to new participants. Under the ORP, the College contributed 12% and the participant contributed 4% of the participant's compensation. At June 30, 2025 and 2024 the College had 9 and 6 participants, respectively. Total covered payroll and College contributions were approximately \$854,000 and \$103,000, respectively, for 2025 and \$669,000 and \$80,000, respectively, for 2024. Total employee contributions were approximately \$34,000 and \$27,000, respectively, for 2025 and 2024.

10. COMPENSATED ABSENCES

Compensated absences liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 383,407	\$ 1,047,753	\$ 451,759	\$ 979,401	\$ 379,902

Compensated absences liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 321,715	\$ 298,059	\$ 236,367	\$ 383,407	\$ 269,040

11. MONTCALM COMMUNITY COLLEGE FOUNDATION

The Foundation was formed to award scholarships and grants to students, faculty, and staff of the College and to maintain and develop its facilities and services for educational opportunities and service. During the years ended June 30, 2025 and 2024, the Foundation made grants and distributions, from restricted net position, to and on behalf of the College to be used for scholarships totaling \$311,143 and \$400,254, respectively. The components of the Foundation's restricted net position are both for programs and scholarships as of June 30, 2025 and 2024.

Restricted net position consists of the following at June 30:

	2025	2024
Donor restricted endowments subject to expenditures for specified purpose, spending policy, and appropriation for scholarships	\$ 20,338,024	\$ 18,588,956

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

12. FOUNDATION LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of net position date, comprise the following for the Foundation as of June 30:

	2025	2024
Cash and investments	\$ 30,226,529	\$ 27,363,613
Current portion of pledge receivables	532,920	64,593
Due to other funds	(358,336)	(548,397)
Subtotal	30,401,113	26,879,809
Less amounts unavailable for general expenditures within one year due to:		
Board-designated endowment funds	(10,245,104)	(9,377,738)
Restricted net position	(20,338,024)	(18,588,956)
Restricted net position attributable to long-term pledge receivables	195,984	1,098,754
Total financial assets available for general use within one year	\$ 13,969	\$ 11,869

Board-designated endowment funds can be designated for general use at any time, upon approval by the board of directors.

The endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

As part of the Foundation's liquidity plan, there is an annual distribution from Foundation endowment investments subject to an annual spending policy as described in Note 13.

13. FOUNDATION ENDOWMENTS

The Foundation's endowment consists of six individual funds established for student scholarships. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments are classified and reported based upon the existence or absence of donor-imposed restrictions.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Interpretation of Relevant Law

The Foundation has interpreted the State of Michigan Prudent Management of Institutional Funds Act ("SMPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as restricted nonexpendable endowments (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument, if any, at the time the accumulation is added to the fund. Any donor-restricted endowment fund that would not be classified as restricted nonexpendable endowments is classified as restricted expendable net position until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SMPMIFA. In accordance with SMPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund, 2) The purpose of the Foundation and the donor-restricted endowment fund, 3) General economic conditions, 4) The possible effect of inflation and deflation, 5) The expected total return from income and the appreciation (depreciation) of investments, 6) Other resources of the Foundation, and 7) The investment policies of the Foundation.

The restricted expendable net position of the Foundation as of June 30, 2025 and 2024, are for scholarships. The restricted nonexpendable endowments of the Foundation as of June 30, 2025 and 2024, consist of permanent endowment funds.

From time to time, certain donor-restricted endowment funds may have fair values less than the amounts required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2025 and 2024, the Foundation did not have any underwater endowments.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Endowment net position composition by type of fund as of June 30:

	Unrestricted	Restricted	Total
Endowment net position			
Comparison by type of fund as of			
June 30, 2025			
Board-designated endowment funds	\$ 10,245,104	\$ -	\$ 10,245,104
Donor-restricted endowment funds			
Restricted for specific purpose - scholarships and grants	-	2,036,230	2,036,230
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	322,164	322,164
Original donor-restricted term endowment gift amount	-	7,324,896	7,324,896
Accumulated investment gains	-	10,654,734	10,654,734
Total endowment funds	\$ 10,245,104	\$ 20,338,024	\$ 30,583,128
Endowment net position			
Comparison by type of fund as of			
June 30, 2024			
Board-designated endowment funds	\$ 9,377,738	\$ -	\$ 9,377,738
Donor-restricted endowment funds			
Restricted for specific purpose - scholarships and grants	-	2,352,993	2,352,993
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	314,464	314,464
Original donor-restricted term endowment gift amount	-	7,324,896	7,324,896
Accumulated investment gains	-	8,596,603	8,596,603
Total endowment funds	\$ 9,377,738	\$ 18,588,956	\$ 27,966,694

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Changes in endowment net position for the years ended June 30:

	Unrestricted	Restricted	Total
Changes in endowment net position			
For the Year Ended June 30, 2025			
Interest and dividend income	\$ 422,361	\$ 668,359	\$ 1,090,720
Net realized and unrealized gains on investments	870,565	1,389,772	2,260,337
Contributions	46,815	185,817	232,632
Appropriation of endowment position for expenditure	(472,375)	(494,880)	(967,255)
Changes in endowment net position	867,366	1,749,068	2,616,434
Endowment net position Beginning of year	9,377,738	18,588,956	27,966,694
End of year	\$ 10,245,104	\$ 20,338,024	\$ 30,583,128
Changes in endowment net position			
For the Year Ended June 30, 2024			
Interest and dividend income	\$ 265,564	\$ 373,966	\$ 639,530
Net realized and unrealized gains on investments	850,462	1,564,366	2,414,828
Contributions	37,853	225,110	262,963
Appropriation of endowment position for expenditure	(452,135)	(686,594)	(1,138,729)
Changes in endowment net position	701,744	1,476,848	2,178,592
Endowment net position Beginning of year	8,675,994	17,112,108	25,788,102
End of year	\$ 9,377,738	\$ 18,588,956	\$ 27,966,694

Return Objectives and Risk Parameters

The Foundation has adopted investment policies for assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets, which includes those assets of donor-restricted funds that must be held in perpetuity as well as board-designated funds. Under this policy the assets are invested in a manner that is intended to produce results that meet or exceed the price and yield results of established indexes for differing investment classes while assuming an average level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of 5.0% over the consumer price index. Actual returns in any given year may vary from this range.

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has an annual spending policy of 4.0% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end proceeding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return of its endowment. Accordingly, over the long term, the Foundation expects its current spending policy to allow its endowment to grow at an average of 2.5% to 3.5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

14. FUNCTIONAL ALLOCATION OF EXPENSES - FOUNDATION

The costs of program and supporting services activities have been summarized on a functional basis in the statements of revenues, expenses, and changes in net position. The table below presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs (student services expenses) and supporting services (other expenses) benefited. Expenses are generally allocated between program services and supporting services based on specific identification or space utilized, whichever is more appropriate.

Year Ended June 30, 2025					
Student Services	Other				
	Program Services	Administrative	Fundraising	Total	
Scholarships and grants	\$ 311,143	\$ -	\$ -	\$ -	\$ 311,143
Salaries and wages	-	59,787	76,255	24,893	160,935
Benefits	-	18,072	32,601	9,499	60,172
Payroll taxes	-	2,565	5,612	1,885	10,062
Fundraising	-	-	-	-	-
Software	-	6,300	-	-	6,300
Professional fees	-	-	64,220	-	64,220
Other	-	301,146	53,277	-	354,423
Total expenses	\$ 311,143	\$ 387,870	\$ 231,965	\$ 36,277	\$ 967,255

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

Year Ended June 30, 2024					
	Student Services	Other			Total
		Program Services	Administrative	Fundraising	
Scholarships and grants	\$ 400,254	\$ -	\$ -	\$ -	\$ 400,254
Salaries and wages	-	93,686	72,812	24,277	190,775
Benefits	-	18,127	32,773	11,352	62,252
Payroll taxes	-	7,330	5,435	1,864	14,629
Fundraising	-	-	-	4,467	4,467
Software	-	7,000	-	-	7,000
Professional fees	-	-	58,631	-	58,631
Other	-	385,016	15,705	-	400,721
Total expenses	\$ 400,254	\$ 511,159	\$ 185,356	\$ 41,960	\$ 1,138,729

15. RELATED PARTY TRANSACTIONS

The College did not have any transactions with related parties other than with the Foundation as presented and disclosed throughout the accompanying basic financial statements and notes to the financial statements.

16. SUPPLEMENTAL CASH FLOWS INFORMATION

Non-Cash Noncapital Financing and Investing Activities

In fiscal 2025 and 2024, the Foundation received gifts in the form of investment securities in the amount of \$26,269 and \$104,529, respectively.

Non-Cash Capital and Related Financing Activities

The College placed into service subscription assets in the amount of \$450,797 with the recognition of subscription-based IT arrangement liabilities in the same amount during fiscal 2024.



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REQUIRED SUPPLEMENTARY INFORMATION
MPERS COST-SHARING MULTIPLE-EMPLOYER PLANS

MONTCALM COMMUNITY COLLEGE

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plans

Schedule of the College's Proportionate Share of the Net Pension Liability (Unaudited)

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportionate share of the net pension liability	\$ 16,214,839	\$ 22,475,579	\$ 26,481,815	\$ 17,222,416	\$ 24,864,884	\$ 23,929,364	\$ 21,157,952	\$ 17,710,136	\$ 16,904,228	\$ 16,617,926
College's proportion of the net pension liability	0.06623%	0.06944%	0.07041%	0.07274%	0.07238%	0.07226%	0.07038%	0.06834%	0.06775%	0.06804%
College's covered payroll	\$ 6,894,366	\$ 7,030,615	\$ 7,006,921	\$ 6,481,412	\$ 6,385,119	\$ 6,313,771	\$ 6,123,733	\$ 5,854,993	\$ 5,648,042	\$ 5,828,495
College's proportionate share the net pension liability as a percentage of its covered payroll	235.19%	319.68%	377.94%	265.71%	389.42%	379.00%	345.51%	302.48%	299.29%	285.12%
Plan fiduciary net position as a percentage of the total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

See notes to required supplementary information.

MONTCALM COMMUNITY COLLEGE

Required Supplementary Information

MPERS Cost-Sharing Multiple-Employer Plans

Schedule of the College's Pension Contributions (Unaudited)

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	\$ 2,541,665	\$ 2,738,451	\$ 3,219,903	\$ 2,325,021	\$ 2,172,521	\$ 1,975,475	\$ 1,917,870	\$ 1,919,043	\$ 1,623,914	\$ 1,576,914
Contributions in relation to the statutorily required contributions	(2,541,665)	(2,738,451)	(3,219,903)	(2,325,021)	(2,172,521)	(1,975,475)	(1,917,870)	(1,919,043)	(1,623,914)	(1,576,914)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 6,949,614	\$ 6,915,446	\$ 7,015,391	\$ 6,688,428	\$ 6,410,104	\$ 6,412,530	\$ 6,330,881	\$ 6,088,670	\$ 5,788,609	\$ 6,321,533
Contributions as a percentage of covered payroll	34.22%	39.60%	45.90%	34.76%	33.89%	30.81%	30.29%	31.52%	28.05%	24.95%

See notes to required supplementary information.

MONTCALM COMMUNITY COLLEGE

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plans
Schedule of the College's Proportionate Share of the Net Other
Postemployment Benefits (Asset) Liability (Unaudited)

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
College's proportionate share of the net OPEB (asset) liability	\$ (2,799,772)	\$ (396,241)	\$ 1,516,691	\$ 1,087,478	\$ 3,838,030	\$ 5,166,831	\$ 5,699,199	\$ 6,092,951
College's proportion of the net OPEB (asset) liability	0.06504%	0.07004%	0.07161%	0.07125%	0.07164%	0.07198%	0.07170%	0.06880%
College's covered payroll	6,894,366	7,030,615	\$ 7,006,921	\$ 6,481,712	\$ 6,385,119	\$ 6,313,771	\$ 6,123,733	\$ 5,854,993
College's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-40.61%	-5.64%	21.65%	16.78%	60.11%	81.83%	93.07%	104.06%
Plan fiduciary net position as a percentage of the total OPEB (asset) liability	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

See notes to required supplementary information.

MONTCALM COMMUNITY COLLEGE

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plans

Schedule of the College's Other Postemployment Benefits Contributions (Unaudited)

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	\$ 182,502	\$ 541,843	\$ 543,565	\$ 523,365	\$ 520,527	\$ 503,817	\$ 490,770	\$ 435,766
Contributions in relation to the statutorily required contributions	(182,502)	(541,843)	(543,565)	(523,365)	(520,527)	(503,817)	(490,770)	(435,766)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 6,949,614	\$ 6,915,446	\$ 7,015,391	\$ 6,688,428	\$ 6,410,104	\$ 6,412,530	\$ 6,330,881	\$ 6,088,670
Contributions as a percentage of covered payroll	2.63%	7.84%	7.75%	7.82%	8.12%	7.86%	7.75%	7.16%

See notes to required supplementary information.

MONTCALM COMMUNITY COLLEGE

Notes to Required Supplementary Information

Pension Information

The amounts presented in the schedule of the College's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2025 - The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method.
- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00% for the MIP and Basic plans, and 6.00% for the Pension Plus Plan.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

OPEB Information

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the College's Proportionate Share of the Net OPEB (Asset) Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2025 - The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method. In addition, healthcare cost trend rates for pre-65 decreased from 7.50% to 7.25% and post-65 increased from 6.25% to 6.50%.
- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.

MONTCALM COMMUNITY COLLEGE

Notes to Required Supplementary Information

- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00%.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.

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**OTHER INFORMATION
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

MONTCALM COMMUNITY COLLEGE

Combining Statement of Net Position (Unaudited)

June 30, 2025

	Combined Total	General Fund	Expendable Restricted Fund	Plant Fund	Agency Fund	Pension and OPEB Fund	Foundation
Assets							
Current assets							
Cash and cash equivalents	\$ 14,955,396	\$ 13,619,739	\$ 19,055	\$ 36,882	\$ 537,400	\$ -	\$ 742,320
Restricted cash	7,780,973	-	-	7,780,973	-	-	-
Accounts receivable less allowance of \$396,639	309,249	309,249	-	-	-	-	-
Property taxes receivable	28,025	28,025	-	-	-	-	-
State appropriation receivable	1,058,122	1,058,122	-	-	-	-	-
Federal and state grants receivable	44,054	-	44,054	-	-	-	-
Current portion of pledges receivable	532,920	-	-	-	-	-	532,920
Prepays and other assets	266,169	266,169	-	-	-	-	-
Due (to) from other funds	-	(1,272,260)	(156,680)	1,735,232	52,044	-	(358,336)
Total current assets	24,974,908	14,009,044	(93,571)	9,553,087	589,444	-	916,904
Noncurrent assets							
Pledges receivable, net of current portion	195,984	-	-	-	-	-	195,984
Investments	29,484,209	-	-	-	-	-	29,484,209
Net OPEB asset	2,799,772	-	-	-	-	2,799,772	-
Capital assets, nondepreciable/nonamortizable							
Land	755,926	-	-	755,926	-	-	-
Construction in progress	1,348,978	-	-	1,348,978	-	-	-
Capital assets, depreciable/amortizable							
Land improvements	1,726,511	-	-	1,726,511	-	-	-
Accumulated depreciation	(1,331,050)	-	-	(1,331,050)	-	-	-
Infrastructure	1,465,140	-	-	1,465,140	-	-	-
Accumulated depreciation	(1,318,900)	-	-	(1,318,900)	-	-	-
Buildings and improvements	38,247,226	-	-	38,247,226	-	-	-
Accumulated depreciation	(25,417,001)	-	-	(25,417,001)	-	-	-
Subscription assets	1,404,033	-	-	1,404,033	-	-	-
Accumulated amortization	(849,555)	-	-	(849,555)	-	-	-
Furniture, fixtures, and equipment, including vehicles and library books	4,887,438	-	-	4,887,438	-	-	-
Accumulated depreciation	(4,014,419)	-	-	(4,014,419)	-	-	-
Total capital assets, depreciable/amortizable, net	14,799,423	-	-	14,799,423	-	-	-
Total noncurrent assets	49,384,292	-	-	16,904,327	-	2,799,772	29,680,193
Total assets	74,359,200	14,009,044	(93,571)	26,457,414	589,444	2,799,772	30,597,097
Deferred outflows of resources							
Deferred pension amounts	4,460,310	-	-	-	-	4,460,310	-
Deferred OPEB amounts	664,103	-	-	-	-	664,103	-
Total deferred outflows of resources	5,124,413	-	-	-	-	5,124,413	-

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MONTCALM COMMUNITY COLLEGE

Combining Statement of Net Position (Unaudited)

June 30, 2025

	Combined Total	General Fund	Expendable Restricted Fund	Plant Fund	Agency Fund	Pension and OPEB Fund	Foundation
Liabilities							
Current liabilities							
Accounts payable	\$ 780,840	\$ 235,581	\$ -	\$ 531,290	\$ -	\$ -	\$ 13,969
Accrued interest	79,882	-	-	79,882	-	-	-
Accrued payroll and other liabilities	1,325,951	1,325,951	-	-	-	-	-
Deposits	635,397	9,884	-	36,069	589,444	-	-
Unearned revenue	201,777	193,968	7,809	-	-	-	-
Current portion of bonds payable	563,015	-	-	563,015	-	-	-
Current portion of accrued compensated absences	379,902	379,902	-	-	-	-	-
Current portion of subscription-based IT arrangement liabilities	187,061	-	-	187,061	-	-	-
Total current liabilities	4,153,825	2,145,286	7,809	1,397,317	589,444	-	13,969
Noncurrent liabilities							
Bonds payable, net of current portion	11,134,857	-	-	11,134,857	-	-	-
Accrued compensated absences, net of current portion	599,499	599,499	-	-	-	-	-
Subscription-based IT arrangement liabilities, net of current portion	-	-	-	-	-	-	-
Net pension liability	16,214,839	-	-	-	-	16,214,839	-
Total noncurrent liabilities	27,949,195	599,499	-	11,134,857	-	16,214,839	-
Total liabilities	32,103,020	2,744,785	7,809	12,532,174	589,444	16,214,839	13,969
Deferred inflows of resources							
Deferred pension amounts	6,595,347	-	-	-	-	6,595,347	-
Deferred OPEB amounts	3,768,008	-	-	-	-	3,768,008	-
Total deferred inflows of resources	10,363,355	-	-	-	-	10,363,355	-
Net position (deficit)							
Net investment in capital assets	12,800,367	-	-	12,800,367	-	-	-
Restricted for							
Expendable scholarships and grants	19,914,480	-	(101,380)	-	-	-	20,015,860
Nonexpendable endowments (Note 13)	322,164	-	-	-	-	-	322,164
Unrestricted (deficit) (Note 8)	3,980,227	11,264,259	-	1,124,873	-	(18,654,009)	10,245,104
Total net position (deficit)	\$ 37,017,238	\$ 11,264,259	\$ (101,380)	\$ 13,925,240	\$ -	\$ (18,654,009)	\$ 30,583,128

concluded

MONTCALM COMMUNITY COLLEGE

Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited) Year Ended June 30, 2025

	Combined Total	Elimination	General Fund	Expendable Restricted Fund	Plant Fund	Pension and OPEB Fund	Foundation
Operating revenues							
Tuition and fees (net of scholarship allowance of \$1,571,837)	\$ 5,033,591	\$ (1,571,837)	\$ 6,605,428	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	927,562	-	-	927,562	-	-	-
State grants and contracts	10,201	-	-	10,201	-	-	-
Auxiliary activities	85,179	-	85,179	-	-	-	-
Current funds expended for capital improvements	-	(716,676)	-	-	716,676	-	-
Other	92,495	-	92,495	-	-	-	-
Total operating revenues	6,149,028	(2,288,513)	6,783,102	937,763	716,676	-	-
Operating expenses							
Instruction	5,563,323	-	7,117,647	302,681	-	(1,857,005)	-
Public services	436,031	-	573,523	-	-	(137,492)	-
Instructional support	2,206,929	(19,178)	2,306,792	508,383	-	(589,068)	-
Student services	3,871,231	(1,600,789)	2,264,946	3,448,838	500	(553,407)	311,143
Institutional administration	2,083,681	(3,337)	2,621,949	-	-	(534,931)	-
Information technology	1,369,147	-	1,595,150	-	-	(226,003)	-
Operation and maintenance of plant	2,231,018	(622,566)	3,252,312	-	-	(398,728)	-
Depreciation and amortization	1,449,961	-	-	-	1,449,961	-	-
Other	749,737	(42,643)	-	-	136,268	-	656,112
Total operating expenses	19,961,058	(2,288,513)	19,732,319	4,259,902	1,586,729	(4,296,634)	967,255
Operating (loss) income	(13,812,030)	-	(12,949,217)	(3,322,139)	(870,053)	4,296,634	(967,255)

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MONTCALM COMMUNITY COLLEGE

Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited) Year Ended June 30, 2025

	Combined Total	Elimination	General Fund	Expendable Restricted Fund	Plant Fund	Pension and OPEB Fund	Foundation
Nonoperating revenues (expenses)							
State appropriations	\$ 4,940,517	\$ -	\$ 5,840,351	\$ -	\$ -	\$ (899,834)	\$ -
Federal pell grants	2,840,839	-	-	2,840,839	-	-	-
Property taxes	9,125,139	-	9,125,139	-	-	-	-
Interest and dividend income	1,266,242	-	166,060	16	9,446	-	1,090,720
Net realized and unrealized gain on investments	2,260,337	-	-	-	-	-	2,260,337
Interest on capital asset - related debt	(200,541)	-	-	-	(200,541)	-	-
Gifts	232,632	-	-	-	-	-	232,632
Net nonoperating revenues (expenses)	20,465,165	-	15,131,550	2,840,855	(191,095)	(899,834)	3,583,689
Transfers (out) in	-	-	(2,998,831)	-	2,998,831	-	-
Net increase (decrease) in net position	6,653,135	-	(816,498)	(481,284)	1,937,683	3,396,800	2,616,434
Net position (deficit) - beginning of year	30,364,103	-	12,080,757	379,904	11,987,557	(22,050,809)	27,966,694
Net position (deficit) - end of year	\$ 37,017,238	\$ -	\$ 11,264,259	\$ (101,380)	\$ 13,925,240	\$ (18,654,009)	\$ 30,583,128

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