Grand Rapids Community College

Financial Report
with Supplemental Information
June 30, 2024

Contents

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Independent Auditor's Report

To the Board of Trustees
Grand Rapids Community College

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and discretely presented component unit of Grand Rapids Community College (the "College") as of and for the years ended June 30, 2024 and 2023 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 respective financial position of the business-type activities of the College and its discretely presented component unit, Grand Rapids Community College Foundation (the "Foundation"), as of June 30, 2024 and 2023 and the respective changes in their financial position and, where applicable, their cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. The financial statements of Grand Rapids Community College Foundation were not audited under *Government Auditing Standards*.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits 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 opinions. Grand Rapids Community College Foundation was not audited under *Government Auditing Standards*.

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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Trustees
Grand Rapids Community College

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits 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 audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the College's proportionate share of the net pension liability, schedule of pension contributions, schedule of the College's proportionate share of the net OPEB liability, and schedule of OPEB contributions 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, which 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.

To the Board of Trustees
Grand Rapids Community College

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024 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, 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.

Plante & Moran, PLLC

October 21, 2024

The discussion and analysis of Grand Rapids Community College's (the "College") financial statements provides an overview of the College's financial activities for the years ended June 30, 2024, 2023, and 2022. Management has prepared the financial statements and the related note disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's administration.

Using this Report

These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. These financial statements are prepared under the accrual basis of accounting, whereby revenue and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Capital expenditures are recorded as assets on the statement of net assets and depreciated over their estimated useful lives.

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

The Grand Rapids Community College Foundation (the "Foundation") is a private nonprofit tax-exempt organization formed for the purpose of receiving funds for the sole benefit of the College. Based on the criteria set forth in GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and amended in GASB Statement No. 61, the Foundation is considered a component unit of Grand Rapids Community College. Accordingly, the activity and financial position of the Foundation have been discretely presented within the College's accompanying financial statements.

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

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

Statement of Net Position

One of the most important questions asked about the College's finances is, "Is Grand Rapids 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 revenue, 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 revenue 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 revenue and expenses may be thought of as the College's operating results.

The following are the major components of assets, liabilities, and net position (in thousands) for the College as of June 30:

	2024	2023	2022
Assets			
Current assets	$ 77,730	$ 53,033	$ 55,298
Noncurrent assets:			
Capital assets - Net of depreciation	186,623	188,824	188,744
Net OPEB asset	2,604	-	-
Investments and other long-term assets	68,310	67,053	55,114
Total assets	335,267	308,910	299,156
Deferred Outflow of Resources	48,574	65,750	33,255
Liabilities			
Current liabilities	30,189	27,068	26,620
Noncurrent liabilities:			
Long-term debt	19,909	22,171	24,563
Net OPEB liability	-	10,232	7,717
Net pension liability	147,869	181,821	123,004
Total liabilities	197,967	241,292	181,904
Deferred Inflow of Resources	58,861	48,584	85,556
Net Position			
Net investment in capital assets	167,948	167,689	164,969
Restricted Expendable	2,605	-	-
Unrestricted (deficit)	(43,540)	(82,905)	(100,018)
Total net position	**$ 127,013**	**$ 84,784**	**$ 64,951**

Current assets are comprised primarily of cash and cash equivalents, which total $64.7, $41.2, and $43.7 million for 2024, 2023, and 2022, respectively. The fluctuation is due to year-to-year timing differences. These funds will be used primarily for operating purposes and, accordingly, are invested to provide liquidity. Receivables resulting from tuition and fees, student loans, and federal, state, and local grants and appropriations ($12.7, $11.3, and $11.1 million for 2024, 2023, and 2022, respectively) represent the majority of the remainder of current assets. Changes in these amounts are due largely to changes in enrollment levels as well as the timing of actual receipts from grantors and students relative to recognition of revenue or, in the case of grant programs, funds expended for allowable grant purposes.

Noncurrent assets primarily represent investments with long-term maturity dates, college investments not needed to meet current cash flow obligations and/or designated for future capital projects, as well as the College's investment in its capital assets, net of accumulated depreciation.

Current liabilities are comprised primarily of employee compensation and vendor payments, representing 44 percent, 45 percent, and 45 percent of current liabilities for 2024, 2023, and 2022, respectively. The individual dollar amounts will fluctuate from year to year based on timing of payments to contractors and vendors, timing of pay dates, and the remittance of retirement payments to Michigan Public School Employees' Retirement System (MPSERS). Bond, capital lease, and interest payments due in November and May of the subsequent fiscal year accounted for another 16 percent, 19 percent, and 18 percent of current liabilities for 2024, 2023, and 2022, respectively. Student tuition and fee revenue for the portion of the summer session occurring after June 30 of the applicable fiscal year represents the balance of current liabilities.

Noncurrent liabilities include future payments (beyond June 30, 2024) on capital bond debt and leases referenced above, as well as accruals for employee leaves based on current contract parameters and retirement guidelines established by the State of Michigan that are not expected to be paid in the next year. These liabilities decreased from $24.6 million due in 2022 to $22.2 million due in 2023 to $19.9 million in 2024 due to the scheduled retirement of bond debt and capital lease obligations.

In 2015, the College adopted a new Governmental Accounting Standards Board (GASB) Statement No. 68, which requires governments providing defined pension benefits through a cost-sharing plan to recognize their unfunded pension benefit obligation as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits. In 2018, the College adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, which requires governments providing other postemployment benefit (OPEB) plans to recognize their unfunded OPEB obligation as a liability for the first time. In accordance with these statements, the College has reported net pension liability of $147.9 million at June 30, 2024, $181.8 million at June 30, 2023, and $123.0 million at June 30, 2022, and a net OPEB asset of $2.6 million at June 30, 2024, net OPEB liability of $10.2 million at June 30, 2023, and net OPEB liability of $7.7 million at June 30, 2022. In accordance with the statement, the College is also required to report deferred outflows and deferred inflows. Deferred outflows are $48.6 million at June 30, 2024, $65.8 million at June 30, 2023, and $33.3 million at June 30, 2022. Deferred inflows are $58.9 million at June 30, 2024, $48.6 million at June 30, 2023, and $85.6 million at June 30, 2022.

Statement of Revenue, Expenses, and Changes in Net Position

The statement of revenue, expenses, and changes in net position presents the operating results of the College, as well as nonoperating revenue and expenses. Annual state appropriations and property tax collections, while budgeted for operational purposes, are considered nonoperating revenue according to accounting principles generally accepted in the United States of America.

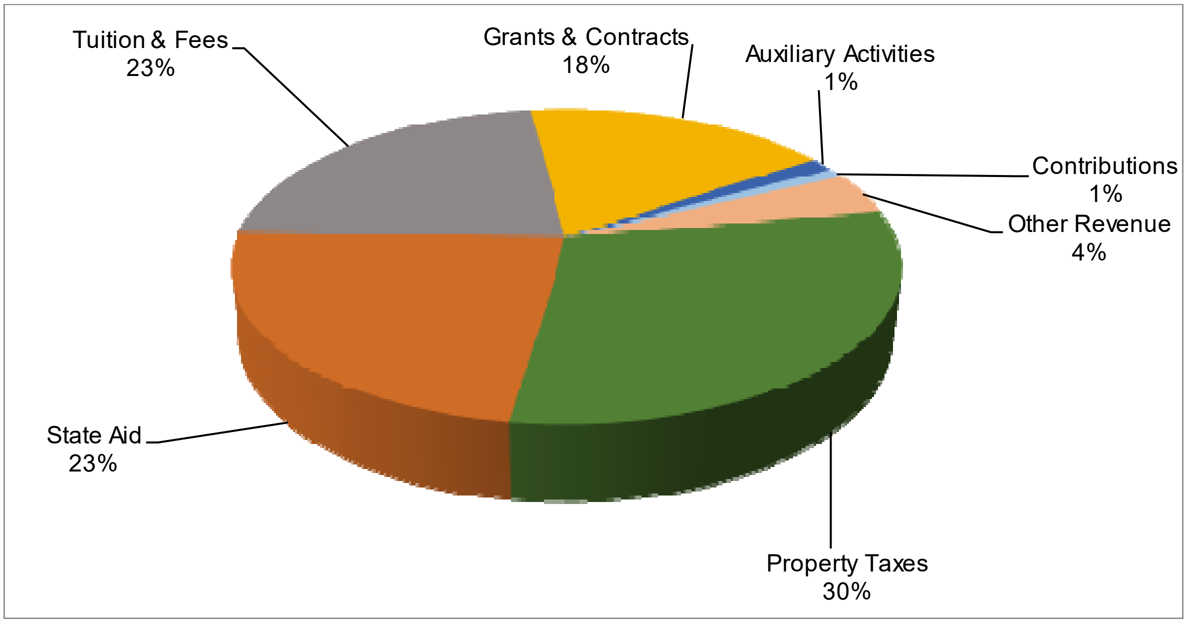
The following are the major components of the College's revenue and expenses (in thousands) for the years ended June 30:

Operating Results for the Years Ended June 30 (in thousands)

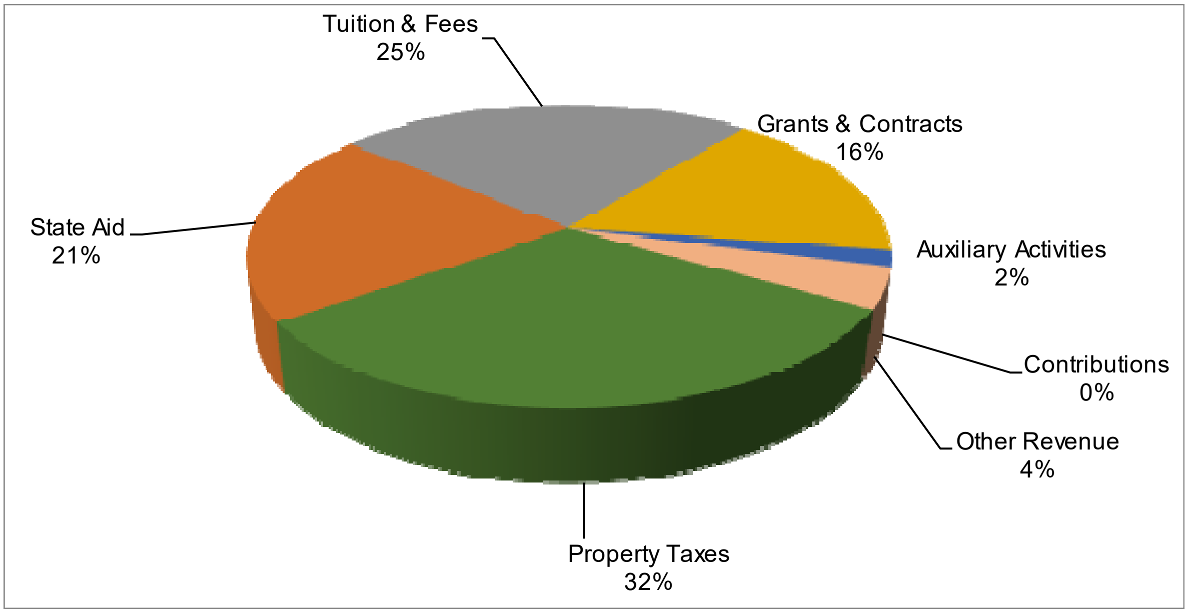
	2024	2023	2022
Operating Revenue			
Tuition and fees - Net	$ 39,430	$ 37,890	$ 39,102
Grants and contracts	13,843	11,791	9,016
Sales and services of auxiliary activities	2,525	2,602	1,921
Other sources	5,427	4,840	4,244
Total operating revenue	61,225	57,123	54,283
Operating Expenses			
Instruction	46,526	47,027	43,149
Information Technology	8,048	7,783	8,799
Public service	10,283	8,941	6,717
Instructional support	12,585	12,115	10,608
Student services	23,105	20,966	20,156
Institutional administration	13,556	12,488	11,909
Physical plant operations	16,770	15,898	18,013
Depreciation	8,074	7,913	7,537
Total operating expenses	138,947	133,131	126,888
Operating Loss	(77,722)	(76,008)	(72,605)
Nonoperating Revenue (Expenses) and Other Revenue			
State appropriations	40,824	31,570	30,638
Property taxes	52,527	48,690	46,000
Federal Pell grant	16,998	13,066	13,662
Investment income (loss)	6,372	1,159	(2,796)
Interest expense on bonds	(444)	(484)	(481)
Higher Education Emergency Relief Funds and Coronavirus Relief Funds	-	57	15,158
Capital Contributions	1,720	-	7,085
Other revenue	1,953	1,784	2,073
Net nonoperating and other revenue	119,950	95,842	111,339
Increase in Net Position	42,228	19,834	38,734
Net Position - Beginning of year	84,785	64,951	26,217
Net Position - End of year	**$ 127,013**	**$ 84,785**	**$ 64,951**

College revenue is derived from four primary sources: property taxes, student tuition and fees, grants and contracts, and state appropriations. The following graphs show the percentage of revenue from the component sources less investment income (loss) for the years ended June 30, 2024 and 2023:

Revenue Sources – 2024



Revenue Sources – 2023



Property tax revenue (30 percent, 32 percent, and 27 percent of revenue for 2024, 2023, and 2022, respectively) reflects changes in taxable values in the Kent Intermediate School District (the tax base for the College). The College is authorized to levy 1.9 mills, which the board of trustees has allocated to support operating expenditures (1.5 mills) and capital expenditures and debt retirement (.4 mills). However, the cumulative impact of the Headlee Rollback has reduced the effective levy to 1.7085 for 2024, 1.7085 for 2023, and 1.7307 for 2022.

Student tuition and fees (23 percent, 25 percent, and 23 percent for 2024, 2023, and 2022, respectively) are driven by enrollment and board-approved tuition and fee adjustments. With limited increases in state aid and property tax revenue, the College found it necessary to continue annual tuition increases in 2024, thus placing an ever increasing share of the responsibility for funding the institution on students. However, larger increases in property tax revenue in 2023 and 2024 allowed the College to minimize the impact on tuition increases to students. Billing units for Fall 2023 increased by approximately 3 percent from the previous year. We believe this is largely due to more financial aid and scholarship available to students, especially Michigan Reconnect. Net student tuition and fees reflects a scholarship allowance of approximately $10.4 million, $8.7 million, and $9.5 million for 2024, 2023, and 2022, respectively. This offset to tuition reflects funds the College receives, primarily through federal and state grants, which are applied to student tuition bills and are shown in the financial statements as federal and state grant revenue.

Grants and contracts (18 percent, 16 percent, and 14 percent for 2024, 2023, and 2022, respectively) are primarily federal and state funding for financial aid programs. In addition, the College receives federal and state funding for economic job development grant programs, employment services, and training to work programs, among others.

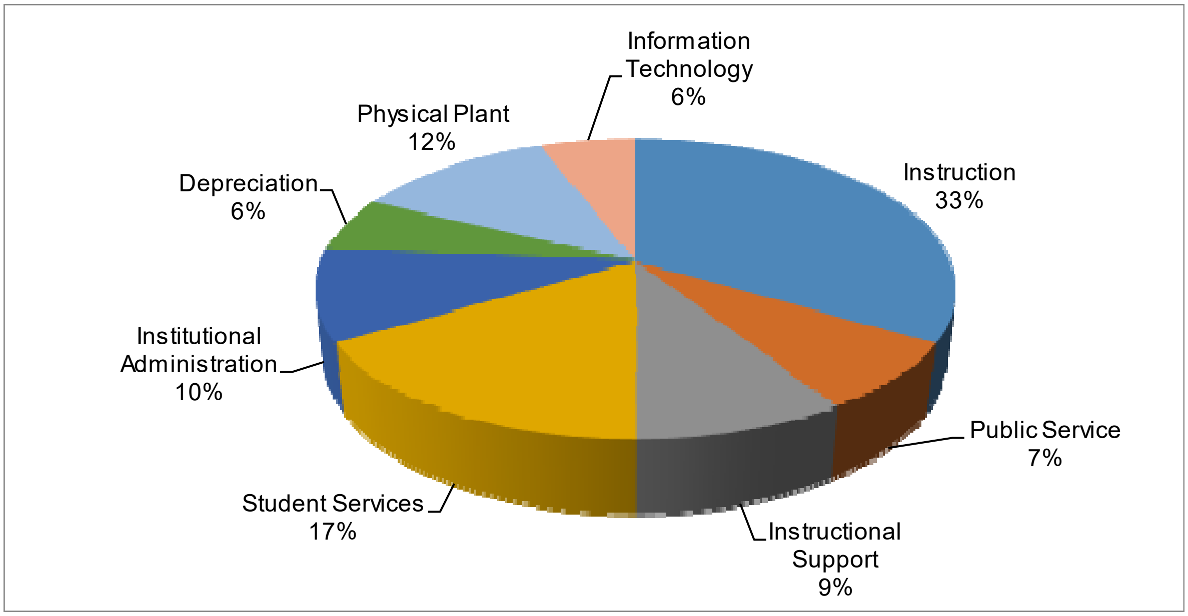
State appropriations (23 percent for 2024, 21 percent for 2023, and 18 percent for 2022, respectively) remained consistent along with an increase in the MPSERS UAAL subsidy that is remitted back to the State. In addition, approximately $2.7 million, $2.5 million, and $2.2 million in personal property tax reimbursement was also allocated to state appropriations in 2024, 2023, and 2022, respectively.

The remainder of the College's revenue is derived from the following sources:

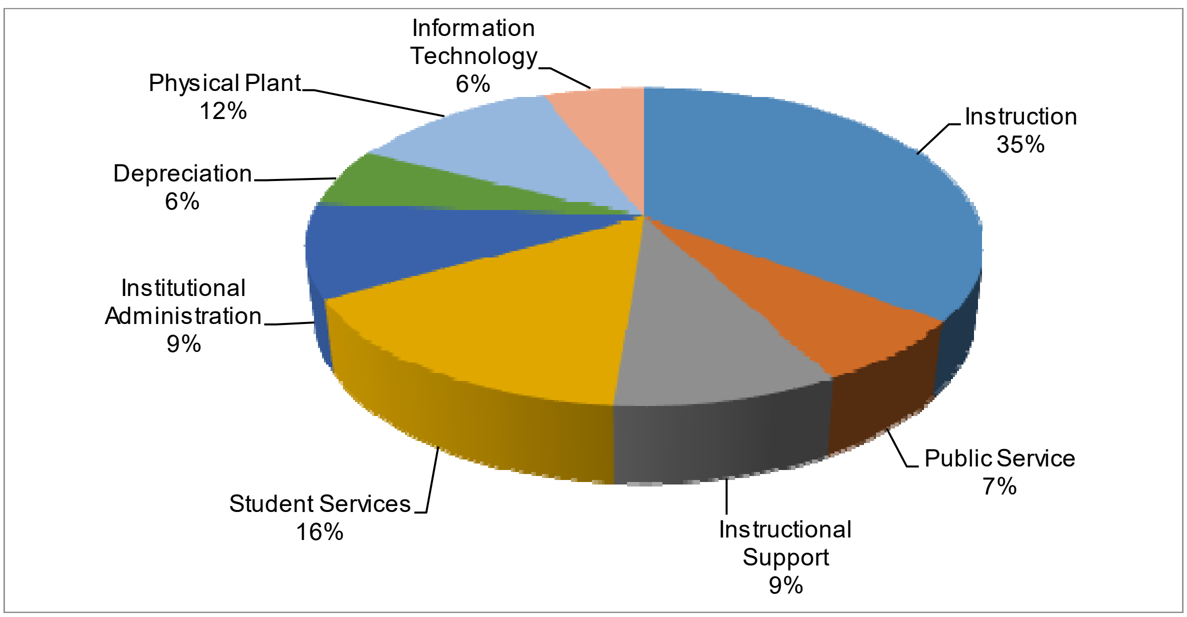
- Auxiliary activities, which include the College's parking ramps, food service, bookstore, media services, and printing operations. The day-to-day operations of the parking ramps, bookstore, and food service are managed by external providers through a variety of rental and management agreements.
- Seminars and workshops. Customized training programs for business and industry are offered through the College's Training Solutions/Job Training unit.
- Rental of college facilities.
- Contributions to the College, primarily from the Foundation for scholarships, facility improvements, and faculty/staff professional development.
- Interest and investment income. There were unrealized (losses) gains in the investment portfolios of approximately $2,318,000, $(709,000), and $(3,332,000) in 2024, 2023, and 2022, respectively. However, since the College's practice is to hold investments until maturity, it is unlikely that any of the losses or gains will be realized.

Operating expenses are reported using functional classifications. For the years ended June 30, 2024 and 2023, the following shows the breakdown of operating expenses:

Operating Expenses – 2024



Operating Expenses – 2023



The College expends the largest percentage (33 percent in 2024, 35 percent in 2023, and 34 percent in 2022) of its available operating dollars on instruction. Expenditures for instruction include all costs required to provide direct instruction in the classroom such as faculty salaries and fringe benefits, classroom supplies, printing supplies, and instructional equipment. Contractual compensation adjustments, fringe benefit cost increases, and equipment and technology upgrades, as well as the number of class sections delivered, all impact instructional costs. Because this expense category consists primarily of salaries, wages, and fringe benefits, it can be the most sensitive to year-to-year fluctuations in these costs. In addition, the percentage decreased due to large increase in student services expenditures.

Student services expenditures (17 percent in 2024, 16 percent in 2023, and 16 percent in 2022) include support services for students such as counseling, academic advising, financial aid, registrar's, and job placement. Also included are other ancillary costs associated with operating a comprehensive community college such as athletics, student clubs and organizations, and auxiliary activities.

Instructional support (9 percent in 2024, 9 percent in 2023, and 8 percent in 2022) includes the costs of the academic support structure for the delivery of instruction. Expenditures in this area include the provost and deans, departmental support, instructional technology support, and the library operations.

Institutional administration (10 percent in 2024, 9 percent in 2023, and 10 percent in 2022) includes expenditures for the president's office, research and planning, and financial and business services functions.

Physical plant operations (12 percent in 2024, 12 percent in 2023, and 14 percent in 2022) and depreciation (6 percent in 2024, 6 percent in 2023, and 6 percent in 2022) reflect the cost of operating and maintaining the College's physical environment and the safety of students, staff, and visitors to the campus.

Public service expenditures (7 percent in 2024, 6 percent in 2023, and 5 percent in 2022) include activities that make available to the public unique resources for the specific purpose of responding to a community need or solving a community problem.

Information technology expenditures (6 percent in 2024, 6 percent in 2023, and 7 percent in 2022) include all costs associated with providing software, hardware, network, and infrastructure for the instructional and administrative computing needs of the College. The increase is reflective of the ongoing cost of providing current technology and information security to support college operations.

Statement of Cash Flows

The primary purpose of this statement is to provide relevant information about the cash receipts and cash payments of an entity during a period. The statement of cash flows may also help users assess:

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

The College's liquidity increased during the year. Highlights from the College's cash flow for the years ended 2024, 2023, and 2022 include:

- Cash used in operating activities totaled $87.2 million in 2024 ($76.3 million in 2023 and $103.5 million in 2022) with the most significant use of cash flow being in the form of payments related to employee compensation and fringe benefits of $106.0 million ($84.3 million in 2023 and $99.3 million in 2022). Payments to vendors $16.1 million in 2024 ($25.3 million in 2023, and $26.5 million in 2022) and for building utilities $3.6 million in 2024 ($3.9 million in 2023, and $4.1 million in 2022) also represent use of cash for operations. These operating uses of cash, including payments to students for scholarships and grants $30.9 million in 2024 ($25.1 million in 2023, and $34.5 million in 2022), were offset by cash provided by operations from tuition and fees collected of $48.2 million ($45.7 million in 2023 and $48.2 million in 2022), federal, state, and local grants and contracts collected of $14.4 million ($11.8 million in 2023 and $9.0 million in 2022), auxiliary sales of $1.4 million ($0.1 million in 2023 and $0.6 million in 2022), and other cash collections of $5.4 million ($4.8 million in 2023 and $4.2 million in 2022) primarily from rentals, seminars, and workshops.

- Noncapital financing activities provided $109.9 million ($93.1 million in 2023 and $105.3 million in 2022) in cash flow for the College, the most significant sources being local property taxes collected of $52.5 million ($48.7 million in 2023 and $46.0 million in 2022), federal Pell grants for students of $17.0 million ($13.1 million in 2023 and $13.7 million in 2022), federal Higher Education Emergency Relief funds of $0 million in 2024, $0.01 million in 2023, and $15.2 million in 2022, and state appropriations of $40.3 million ($31.3 million in 2023 and $30.5 million in 2022). Gifts and contributions account for the remainder of cash provided by noncapital financing activities.

- The College used approximately $9.4 million in 2024 ($21.0 million in cash in 2023 and $15.5 million in 2022) of cash from capital and related financing activities. Receipt of capital contributions provided was $1.7 million in 2024, $0 million in 2023, and $7.1 million in 2022. Purchase of capital assets used $8.2 million ($16.8 million in 2023 and $18.8 million in 2022). Principal paid on capital debt and leases of $2.5 million ($3.7 million in 2023 and $3.4 million 2022) and interest paid on debt and capital leases of $.45 million ($0.48 million in 2023 and $0.48 million in 2022) accounted for the remainder of the use of cash from capital and related financing activities in 2024.

- Investing activities provided $10.3 million of cash in 2024 ($1.6 million of cash in 2023 compared to receiving $19.5 million in 2022). This variation reflects investing activity in the College's operating and bond portfolios to match maturities with payroll dates, student refund periods, debt payments, construction schedules, and other cash needs. Interest on investments provided $4.1 million in cash ($1.9 million in cash for 2023 compared to $0.54 million in 2022), reflecting slightly higher interest rates and smaller average balances in lower-earning sweep accounts.

Capital Assets and Debt Administration

At June 30, 2024, 2023, and 2022, the College had $186.6, $188.8, and $188.7 million invested in capital assets, net of accumulated depreciation of approximately $153.6, $146.6, and $138.9, million, respectively. Depreciation charges were $8.1, $7.9, and $7.5 million in 2024, 2023, and 2022, respectively.

Capital expenditures in 2024 included renovations to Sneden Hall and College Park Plaza. Other projects included HVAC upgrades, ongoing deferred maintenance, and parking ramp enhancements.

In 2023, significant capital expenditures were the Sneden Hall renovations and various HVAC projects across campus. Other projects included renovations to Sneden Hall and College Park Plaza, ongoing deferred maintenance and equipment and technology replacements and upgrades.

Capital expenditures in 2022 included the completion of the renovation of the Lakeshore Campus and Finkelstein Hall. Other projects included HVAC upgrades, ongoing deferred maintenance, campus safety and security enhancements, the Secchia Piazza and equipment and technology replacements and upgrades.

At June 30, 2024, the College had $195.3 million in long-term obligations outstanding ($241.4 million in 2023 and $181.9 million in 2022), which includes a net pension liability of $147.9 million ($181.8 million in 2023 and $123.0 million in 2022) and a net OPEB liability of $0 in 2024 ($10.2 million in 2023 and $7.7 million in 2022) (see Note 10). Capital debt and lease obligations totaled $19.9 million ($21.4 million in 2023 and $24.6 million in 2022). As an objective indication of its financial stability, the College's debt is rated AA+ (Standard & Poor's) and Aa1 (Moody's). The Standard & Poor's rating was upgraded from AA to AA+ in fiscal year 2023. Annual bond payment obligations are met by the .4 mill property tax allocation authorized by the board of trustees.

The fortunes of the local economy will also impact the College in the future. Property tax revenue is dependent on home sales, assessed values, new construction, and commercial development. For 2024, we've budgeted for an increase of 5 percent without a Headlee Rollback. With a strong real estate market and local economy, we are optimistic that this trend will continue.

Enrollment levels declined for several years before increasing slightly in the year ended 6/30/24. Fall 2024 enrollment is also trending up compared to the prior year. With an uncertain economy, enrollment levels are being closely analyzed, as community college enrollment in Michigan has historically run counter-cyclical to the State's economy. Other colleges have experienced similar enrollment reductions. However, since student tuition and fees now provide nearly 50 percent of General Fund revenue, the potential impact on the College's operating budget is significant.

Now in its second century, the administration and board of trustees are of the opinion that, in spite of some critical challenges, the College is positioned to meet the needs of its students and the community during the current year and has established a financial foundation to carry the College into the future. The College remains committed to the ideals of 'open door' access and 'student success'. With a dedicated staff, board of trustees, and the support of the community, Grand Rapids Community College will continue to strive to be 'distinctive' in all that it does in 2024 and beyond.

Statement of Net Position

	June 30 2024	June 30 2023
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	$ 64,656,343	$ 41,172,293
Accounts receivable - Net (Note 6)	12,696,016	11,332,694
Prepaid expenses and other current assets	377,954	528,310
Total current assets	77,730,313	53,033,297
Noncurrent assets:		
Accounts receivable - Net (Note 6)	35,660	128,992
Long-term investments (Note 3)	68,240,823	66,885,401
Unamortized bond discount	33,695	38,343
Net OPEB asset (Note 10)	2,604,585	-
Capital assets - Net (Note 7)	186,622,644	188,824,329
Total noncurrent assets	257,537,407	255,877,065
Total assets	335,267,720	308,910,362
Deferred Outflow of Resources (Note 10)	48,573,515	65,749,598
Liabilities		
Current liabilities:		
Accounts payable	3,040,405	2,849,130
Accrued salaries and related amounts	10,291,304	9,485,648
Unearned revenue	11,672,516	9,727,776
Interest payable	67,610	75,226
Long-term obligations - Current (Note 8)	4,721,421	4,466,692
Deposits held in custody for others	396,007	463,399
Total current liabilities	30,189,263	27,067,871
Noncurrent liabilities:		
Long-term obligations - Net of current portion (Note 8)	19,909,293	22,171,310
Net OPEB liability (Note 10)	-	10,231,690
Net pension liability (Note 10)	147,869,108	181,820,917
Total liabilities	197,967,664	241,291,788
Deferred Inflow of Resources (Note 10)	58,860,792	48,583,619
Net Position		
Net investment in capital assets	167,947,644	167,689,329
Restricted Expendable - Net OPEB asset	2,604,585	-
Unrestricted deficit	(43,539,450)	(82,904,776)
Total net position	**$ 127,012,779**	**$ 84,784,553**

Grand Rapids Community College

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2024	2023
Operating Revenue		
Tuition and fees - Net of scholarship allowance of $10,377,327 and $8,688,658 for 2024 and 2023, respectively	$ 39,430,593	$ 37,890,289
Federal grants and contracts	8,790,425	7,532,533
State grants and contracts	3,384,847	2,843,020
Private gifts, grants, and contracts	1,667,594	1,415,550
Sales and services of auxiliary activities	2,525,273	2,601,509
Seminars, workshops, and other revenue	5,426,670	4,840,122
Total operating revenue	61,225,402	57,123,023
Operating Expenses		
Instruction	46,525,952	47,027,003
Information technology	8,047,943	7,782,584
Public service	10,282,727	8,941,018
Instructional support	12,585,445	12,115,017
Student services	23,104,690	20,966,374
Institutional administration	13,556,364	12,487,811
Physical plant operations	16,769,787	15,898,171
Depreciation	8,073,871	7,912,652
Total operating expenses	138,946,779	133,130,630
Operating Loss	(77,721,377)	(76,007,607)
Nonoperating Revenue (Expenses)		
State appropriations	40,823,571	31,569,621
Property taxes	52,527,130	48,689,892
Pell revenue	16,997,900	13,066,140
Interest income	4,053,393	1,868,000
Interest expense on bonds	(443,756)	(484,437)
Unrealized gain (loss) on investments	2,318,342	(709,132)
Higher Education Emergency Relief Funds and Coronavirus Relief Funds	-	57,102
Other revenue	1,952,532	1,784,350
Net nonoperating revenue	118,229,112	95,841,536
Income - Before other revenue	40,507,735	19,833,929
Other Revenue - Capital contributions	1,720,491	-
Increase in Net Position	42,228,226	19,833,929
Net Position - Beginning of year	84,784,553	64,950,624
Net Position - End of year	**$ 127,012,779**	**$ 84,784,553**

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

Statement of Cash Flows

	Year Ended June 30 2024	Year Ended June 30 2023
Cash Flows from Operating Activities		
Tuition and fees	$ 48,239,720	$ 45,752,830
Grants and contracts	14,404,339	11,791,103
Payments to suppliers	(16,147,371)	(25,149,847)
Payments for utilities	(3,614,351)	(3,898,803)
Payments to employees	(65,496,742)	(63,188,553)
Payments for benefits	(40,540,171)	(21,137,454)
Payments for scholarships and grants	(30,913,839)	(25,051,804)
Auxiliary enterprise charges - Net	1,406,440	(106,928)
Federal direct lending receipts	8,536,122	8,321,824
Federal direct lending disbursements	(8,536,122)	(8,321,824)
Other	5,426,670	4,840,122
Net cash used in operating activities	(87,235,305)	(76,149,334)
Cash Flows from Noncapital Financing Activities		
Local property taxes	52,527,130	48,689,892
Federal Pell grant	16,997,900	13,066,140
Higher Education Emergency Relief Funds	-	57,102
State appropriations	40,306,573	31,330,428
Net cash provided by noncapital financing activities	109,831,603	93,143,562
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	(8,201,540)	(16,843,142)
Capital contributions	1,720,491	-
Principal paid on long-term obligations including capital debt	(2,460,000)	(3,821,387)
Interest paid on capital debt	(443,756)	(484,437)
Net cash used in capital and related financing activities	(9,384,805)	(21,148,966)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	50,805,500	29,767,146
Purchase of investments	(44,586,336)	(30,000,000)
Interest on investments	4,053,393	1,868,000
Net cash provided by investing activities	10,272,557	1,635,146
Net (Decrease) Increase in Cash and Cash Equivalents	23,484,050	(2,519,592)
Cash and Cash Equivalents - Beginning of year	41,172,293	43,691,885
Cash and Cash Equivalents - End of year	**$ 64,656,343**	**$ 41,172,293**

Statement of Cash Flows (Continued)

	Year Ended June 30	
	2024	2023
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (77,721,377)	$ (76,007,607)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation expense	8,073,871	7,912,652
Change in assets and liabilities:		
Accounts receivable	(1,269,990)	(289,391)
Other assets	150,356	(47,082)
Accounts payable and accrued liabilities	996,931	418,478
Unearned revenue	1,944,740	(7,895)
Deposits held in custody for others	(67,392)	15,439
Interest payable	(7,616)	(7,895)
Net OPEB liability	(9,393,230)	(8,789,389)
Net pension liability	(9,941,598)	653,356
Net cash used in operating activities	**$ (87,235,305)**	**$ (76,149,334)**

There were no noncash activities during 2024 or 2023.

Discretely Presented Component Unit
Grand Rapids Community College Foundation

Statement of Financial Position

	June 30 2024	June 30 2023
Assets		
Cash and cash equivalents	$ 2,227,608	$ 4,573,552
Accounts receivable - Net		
Other current assets	122,316	90,348
Long-term investments	39,287,201	35,455,862
Contribution receivable - Net (Note 5)	266,669	595,566
Total assets	**$ 41,903,794**	**$ 40,715,328**
Liabilities - Scholarships payable and related amounts	$ 2,250,624	$ 2,282,558
Net Assets		
Without donor restrictions	10,378,034	9,272,181
With donor restrictions	29,275,136	29,160,589
Total net assets	39,653,170	38,432,770
Total liabilities and net assets	**$ 41,903,794**	**$ 40,715,328**

Statement of Activities and Changes in Net Assets

	Year Ended June 30 2024	Year Ended June 30 2023
Revenue		
Investment income	$ 3,648,638	$ 4,134,067
Contributions from the College	1,897,107	2,595,511
Contributions	355,078	333,864
Total revenue	5,900,823	7,063,442
Expenses		
Scholarships and grants expense	3,806,891	1,893,058
General and administrative	434,916	413,236
Fundraising	438,616	487,591
Total expenditures	4,680,423	2,793,885
Change in Net Assets	1,220,400	4,269,557
Net Assets - Beginning of year	38,432,770	34,163,213
Net Assets - End of year	**$ 39,653,170**	**$ 38,432,770**

Note 1 - Industry Information and Significant Accounting Policies

Reporting Entity - Grand Rapids Community College (the "College") is a Michigan community college whose financial statements have been prepared in accordance with generally accepted accounting principles as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35 and the *Manual for Uniform Financial Reporting - Michigan Public Community Colleges, 2001*.

The College reports as a business-type activity, as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

In addition, the accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College.

The Grand Rapids Community College Foundation (the "Foundation"), a not-for-profit corporation, was formed to solicit, collect, and invest donations made for the promotion of educational activities and capital campaigns at the College. In accordance with the GASB, the Foundation is discretely presented in the College's financial statements because of the significance of the resources provided to the College and the Foundation provides services entirely for the benefit of the College. Separate financial statements of the Foundation may be obtained by contacting Grand Rapids Community College, 143 Bostwick Avenue, NE, Grand Rapids, Michigan 49503.

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

Basis of Presentation - The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. The Internal Revenue Service 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.

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

Internal Service Activities - Both revenue and expense related to internal service activities, including print shops, office equipment, maintenance, telecommunications, and institutional computing, have been eliminated.

Note 1 - Industry Information and Significant Accounting Policies (Continued)

Revenue Recognition - The College generally follows the revenue recognition methods set forth from Governmental Accounting Standards Board (GASB). Property taxes are recorded as revenue in the year taxes are levied. Under this method, revenue for fiscal year 2024 includes property taxes that were levied on July 1, 2023 and generally collected before September 30, 2023, and revenue for fiscal year 2023 includes property taxes that were levied on July 1, 2022 and generally collected before September 30, 2022. State appropriations are recorded as revenue in the period for which they are appropriated. Reductions to state appropriations are recorded in the College's fiscal year in which the changes are approved by the state legislature.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents consist of all highly liquid investments, including certificates of deposit, with an initial maturity of 12 months or less.

Investments - Investments are recorded at fair value, based on quoted market price.

Accounts Receivable - Accounts receivable resulting from government and state grants, state appropriations, and student tuition consists of operating revenue recognized, but not received, as of June 30, 2024 and 2023. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal student payment periods. In addition, a general valuation allowance is established for other student accounts receivable based on historical loss experience.

Scholarship Allowances - Student tuition and fee revenue and certain other revenue from students are reported net of scholarship allowances in the statement of revenue, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenue in the College's financial statements. To the extent that revenue from such programs is used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance.

Bond Discount and Premium - Bond discount or premium relates to the value of the bonds issued by the College at the issuance date. The premium or discount on issuance is amortized on a straight-line basis over the life of the related outstanding bond issue.

Note 1 - Industry Information and Significant Accounting Policies (Continued)

Property and Equipment - Property and equipment are recorded at cost. Gifts of property are recorded at acquisition value at the time gifts are received. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method. No depreciation is recorded on land. Expenditures for major renewals and betterments that extend the useful lives of the assets are capitalized. The following estimated useful lives are used to compute depreciation:

Buildings	40 years
Land improvements and infrastructure	20 years
Equipment	5-15 years

Unearned Revenue - Revenue received prior to year-end that relates to the next fiscal period is recorded as unearned revenue. Unearned revenue relates primarily to Summer-term tuition received prior to June 30. The remaining amount included in unearned revenue relates to grant and award monies received in excess of costs incurred as of year-end for college programs financed by government agencies and other organizations.

Net Position - Net position is classified according to external donor restrictions or availability of assets for satisfaction of college obligations. Restricted net position represents amounts over which third parties have imposed restrictions that cannot be changed by the board, including amounts that the board has agreed to set aside under contractual agreements with third parties. Generally, the College first applies restricted resources when an expense is incurred for which both restricted and unrestricted resources are available. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and net of related debt.

Operating Revenue and Expenses - Revenue and expense transactions are normally classified as operating revenue and expenses when such transactions are generated by the College’s principal ongoing operations. However, most revenue that is considered to be nonexchange, such as tax revenue, federal Pell grant revenue, and state appropriations, is considered nonoperating revenue.

Federal Financial Assistance Programs - The College participates in federally funded Pell grants, SEOG grants, Federal Work Study, and the federal direct lending program. Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the compliance supplement.

During the years ended June 30, 2024 and 2023, the College distributed $8,536,122 and $8,321,824, respectively, for direct lending through the U.S. Department of Education, which is not included as revenue and expenditures in the accompanying financial statements.

Note 1 - Industry Information and Significant Accounting Policies (Continued)

Pensions - For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Other Postemployment Benefit Costs - For purposes of measuring the net other postemployment benefit (OPEB) asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the MPSERS and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, MPSERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred Outflows of Resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.

The College reports deferred outflows of resources for certain pension-related and OPEB-related amounts, such as change in expected and actual experience, changes in assumptions, and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note 10.

Deferred Inflows of Resources - In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The College reports deferred inflows of resources for certain pension-related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan's investments. More detailed information can be found in Note 10.

Note 1 - Industry Information and Significant Accounting Policies (Continued)

New Accounting Pronouncements

The College will be required the implement the provision of GASB Statement No. 101, *Compensated Absences*, effective for the year ended June 30, 2025. This GASB statement updates the recognition and measurement guidance for compensated absences. The College is in the process of determining the full impact of this standard on its financial statements.

Note 2 - Property Taxes

Property tax revenue is recognized in the year for which taxes have been levied.

Property taxes are levied on July 1 and December 1 based on taxable values as of the preceding December 31. The taxes, which are collected and remitted to the College by townships and cities within the College district boundaries, are collected through February 28. Uncollected real property taxes of the College are turned over to the counties in which the district is located for subsequent collection. The College is subsequently paid 100 percent of delinquent real property taxes through the counties' tax revolving funds. These payments are usually received within three to five months after the delinquency date.

During the years ended June 30, 2024 and 2023, $1.7085 of tax per $1,000 of taxable property value in the College's taxing district was levied for general operating purposes on all property. Total operating property tax revenue was $52,527,130 and $48,689,892 for the years ended June 30, 2024 and 2023, respectively.

Note 3 - Cash and Investments

The College considers all highly liquid investments with a maturity of 12 months or less when purchased to be cash equivalents. The College's deposits and investments are included on the statement of net position under the following classifications at June 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	$ 64,656,343	$ 41,172,293
Long-term investments	68,240,823	66,885,401
Total cash and investments	$ 132,897,166	$ 108,057,694

Investments - The investment policy of the Foundation, as established by the Foundation's board of directors, authorizes investments in a diversified portfolio of stocks and bonds based on the following asset allocation ranges:

Investment Type	Range	Benchmark
Stocks	55% - 65%	60%
Fixed income	30% - 50%	35%
Cash	0% - 15%	5%

Note 3 - Cash and Investments (Continued)

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. The College does invest in accordance with state law.

The Foundation invests in mutual funds with the long-term objective to preserve principal, provide appreciation, and maintain adequate liquidity. Due to the long-term nature of the investments, the Foundation does not limit investment maturities. The Foundation is also not limited to the investing restrictions imposed on the College by state law.

As of June 30, 2024, the College had the following investments and maturities:

	Fair Market Value	Less Than One Year	1-3 Years	More Than 3 Years
Cash and money market accounts	$ 58,852,312	$ 58,852,312	$ -	$ -
Bonds and notes	3,663,350	575,025	3,088,325	-
U.S. agency securities	70,381,504	5,229,006	33,620,934	31,531,564
Total	$ 132,897,166	$ 64,656,343	$36,709,259	$31,531,564

As of June 30, 2023, the College had the following investments and maturities:

	Fair Market Value	Less Than One Year	1-3 Years	More Than 3 Years
Cash and money market accounts	$ 36,960,131	$ 36,960,131	$ -	$ -
Bonds and notes	5,854,383	1,333,708	3,716,548	804,127
U.S. agency securities	65,243,180	2,878,454	33,959,689	28,405,037
Total	$ 108,057,694	$ 41,172,293	$37,676,237	$29,209,164

Credit Risk - According to state law, the College must limit investments in commercial paper to corporations rated prime by at least one of the standard rating services. The Foundation invests in mutual funds with a long-term growth objective.

At June 30, 2024 and 2023, the College's investments (notes and bonds) subject to credit risk (interest rate fluctuations and related ratings consisted of the following:

	June 30, 2024 S&P Quality Rating				
	AAA	AA+	AA	Not Rated	Total
Bonds and Notes	$ 3,519,449	$ -	$ 143,901	$ -	$ 3,663,350
U.S. Agency Securities	-	70,381,503	-	-	70,381,503
Total	$ 3,519,449	$70,381,503	$ 143,901	$ -	$74,044,853

	June 30, 2023 S&P Quality Rating				
	AAA	AA+	AA	Not Rated	Total
Bonds and Notes	$ 5,274,848	$ -	$ 312,932	$ 266,603	$ 5,854,383
U.S. Agency Securities	-	65,243,180	-	-	65,243,180
Total	$ 5,274,848	$65,243,180	$ 312,932	$ 266,603	$71,097,563

Note 3 - Cash and Investments (Continued)

The nationally recognized statistical rating organization (NRSRO) utilized is primarily Standard & Poor's Rating Services.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be available or returned. The College does not have a deposit policy for custodial credit risk. At June 30, 2024 and 2023, the carrying amount of the College's deposits was $9,603,448 and $10,799,496, respectively. Of that amount, $250,000 and $500,000 for 2024 and 2023, respectively, was insured by the Federal Deposit Insurance Corporation. The remaining $9,353,448 and $8,504,333 at June 30, 2024 and 2023, respectively, was uninsured and uncollateralized. The College does not require deposits to be insured or collateralized. It is precluded by state law from collateralizing its deposits.

Custodial Credit Risk of Investments - 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 or collateral securities that are in the possession of an outside party. The College's investment policy does not address custodial credit risk. All of the investments are, however, in the name of the College, and the investments are held in trust accounts with each financial institution from which they were purchased.

Concentration of Credit Risk - The College's investment policy limits investments in any one institution to an upper limit of 5 percent of the net worth of that institution. Also, commercial paper investments are limited to no more than $5,000,000 in any single issuer. The College's investment policy does not limit investments in U.S. agencies or treasuries. The Foundation's investment policy limits investments in any single equity security to no more than 5 percent of the market value of all equity securities.

More than 5 percent of the College's investments at June 30 were invested as follows:

Issuer	2024	2023
PNC Bank	7%	8%
Michigan Liquid Asset Fund - Money Markets	34%	23%
United States Agencies and Treasuries	53%	60%

Investments at Grand Rapids Community College Foundation are as follows:

	June 30, 2024		June 30, 2023	
	Cost	Fair Value	Cost	Fair Value
Bonds	$ 14,203,223	$ 13,640,615	$ 10,304,733	$ 9,573,521
Common stock	16,010,626	25,646,586	15,960,706	25,882,341
Total	$ 30,213,849	$ 39,287,201	$ 26,265,439	$ 35,455,862

Note 3 - Cash and Investments (Continued)

Net gains (losses) from security transactions for the Foundation for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Unrealized appreciation (depreciation)	$ (117,071)	$ 3,381,693
Realized gains	3,236,614	346,279
Total	$ 3,119,543	$ 3,727,972

Total investment gains and losses on the statement of activities and changes in net assets for the Grand Rapids Community College Foundation are comprised of interest and dividend income of $777,325 at June 30, 2024 and $635,554 at June 30, 2023, plus realized and unrealized gains from above less investment fees of $248,230 at June 30, 2024 and $229,459 at June 30, 2023.

Note 4 - Fair Value Measurements

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The College's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The College has the following recurring fair value measurements as of June 30, 2024 and 2023:

Assets Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
U.S. Agency Securities	$ 70,381,504	$ -	$ 70,381,504	$ -
Bonds and Notes	3,663,350	-	3,663,350	-
Total investments by fair value level	$ 74,044,854	$ -	$ 74,044,854	$ -

Note 4 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
U.S. Agency Securities	$ 65,243,180	$ -	$ 65,243,180	$ -
Bonds and Notes	5,854,382	-	5,854,382	-
Total investments by fair value level	$ 71,097,562	$ -	$ 71,097,562	$ -

Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value the investments' relationship to benchmark quoted prices.

The Foundation common stock is valued using Level 1 inputs, while the bonds are valued using Level 2 inputs.

Note 5 - Foundation Contributions Receivable

Foundation contributions receivable consist of unconditional promises to give. The present value of contributions receivable is calculated using a discount rate of 4.49 percent and 2.99 percent for the years ended June 30, 2024 and 2023, respectively, and is expected to be collected as follows:

	2024	2023
2024	$ -	$ 353,431
2025	215,400	210,000
2026	60,000	60,000
Total	275,400	623,431
Less discount to present value	(8,731)	(27,865)
Net present value	$ 266,669	$ 595,566

Note 6 - Accounts Receivable

Accounts receivable consist of the following:

	2024	2023
Tuition and other	$ 6,197,063	$ 4,722,878
Grants and contracts	1,551,500	2,112,973
State appropriations - Operating	5,894,666	5,377,668
Total accounts receivable	13,643,229	12,213,519
Less allowance for uncollectibles	(911,553)	(751,833)
Net accounts receivable	$ 12,731,676	$ 11,461,686

Note 6 - Accounts Receivable (Continued)

The College values accounts receivable at gross realizable value. All amounts deemed to be uncollectible are charged directly against income in the period that determination is made.

Note 7 - Capital Assets

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

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Depreciable assets:				
Building and building improvements	$ 277,889,308	$ 4,618,213	$ -	$ 282,507,521
Furniture, fixtures, and equipment	48,290,614	1,792,029	(1,238,010)	48,844,633
Total depreciable assets	326,179,922	6,410,242	(1,238,010)	331,352,154
Nondepreciable assets:				
Land and improvements	7,043,534	-	-	7,043,534
Construction in progress	2,230,681	1,791,298	(2,230,681)	1,791,298
Total nondepreciable assets	9,274,215	1,791,298	(2,230,681)	8,834,832
Total depreciable and nondepreciable assets	335,454,137	8,201,540	(3,468,691)	340,186,986
Less accumulated depreciation:				
Building and building improvements	(110,952,924)	(6,175,177)	-	(117,128,101)
Furniture, fixtures, and equipment	(35,676,884)	(1,898,694)	1,139,336	(36,436,242)
Total accumulated depreciation	(146,629,808)	(8,073,871)	1,139,336	(153,564,343)
Capital assets - Net	$ 188,824,329			$ 186,622,643

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Depreciable assets:				
Building and building improvements	$ 269,265,723	$ 8,623,585	$ -	$ 277,889,308
Furniture, fixtures, and equipment	42,475,131	5,988,876	(173,393)	48,290,614
Total depreciable assets	311,740,854	14,612,461	(173,393)	326,179,922
Nondepreciable assets:				
Land and improvements	7,043,534	-	-	7,043,534
Construction in progress	8,849,764	2,230,681	(8,849,764)	2,230,681
Total nondepreciable assets	15,893,298	2,230,681	(8,849,764)	9,274,215
Total depreciable and nondepreciable assets	327,634,152	16,843,142	(9,023,157)	335,454,137
Less accumulated depreciation:				
Building and building improvements	(104,894,693)	(6,058,231)	-	(110,952,924)
Furniture, fixtures, and equipment	(33,995,856)	(1,854,421)	173,393	(35,676,884)
Total accumulated depreciation	(138,890,549)	(7,912,652)	173,393	(146,629,808)
Capital assets - Net	$ 188,743,603			$ 188,824,329

At June 30, 2024, there was approximately $4.6 million in constuction commitments outstanding in connection with ongoing capital projects.

Note 8 - Long-term Obligations

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Series bonds, 2020 series	$16,530,000	$ -	$1,760,000	$14,770,000	$1,770,000
Series bonds, 2019 series	4,605,000	-	700,000	3,905,000	730,000
Other Long-term Liabilities					
Unamortized bond premium	511,948	-	91,692	420,256	91,692
Accrued employee leave	4,785,395	2,638,467	2,099,539	5,324,323	2,129,729
Michigan job training grants	205,659	55,476	50,000	211,135	-
Total	$26,638,002	$ 2,693,943	$4,701,231	$24,630,714	$4,721,421

Long-term obligation activity during the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Series bonds, 2020 series	$18,285,000	$ -	$1,755,000	$16,530,000	$1,760,000
Series bonds, 2019 series	5,285,000	-	680,000	4,605,000	700,000
Series bonds, 2012 series	205,000	-	205,000	-	-
Other Long-term Liabilities					
Unamortized bond premium	603,823	-	91,875	511,948	91,692
Accrued employee leave	4,650,161	2,824,032	2,688,798	4,785,395	1,915,000
Michigan job training grants	125,659	130,000	50,000	205,659	-
Total	$29,154,643	$ 2,954,032	$5,470,673	$26,638,002	$4,466,692

Series Bonds, 2020 Refunding - The College issued $18,285,000 in general obligation bonds (2020 Series Bonds) with an average interest rate of 1.44 percent. The 2020 Series Bonds were issued to refund $16,810,000 outstanding of 2012 Series Facilities Bonds with an average interest rate of 3.39 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2012 Series Facilities Bonds. As a result, the 2012 Series Facilities Bonds are considered to be defeased, $16,810,000 in liability for the bonds was removed from the statement of net position, and the transaction has been treated as a noncash financing activity in the statement of cash flows. The defeased bonds were fully called in 2022. The principal and interest on the 2020 Series Bonds are paid primarily from property tax levies. The bonds bear interest ranging from .61 percent to 1.90 percent and have remaining annual maturities ranging from $1,760,000 to $1,940,000. The bonds mature in 2032.

Note 8 - Long-term Obligations (Continued)

Series Bonds, 2019 Refunding - The College issued $7,080,000 in general obligation bonds (2019 Series Bonds) with an average interest rate of 2.57 percent. The 2019 Series Bonds were issued to refund $7,850,000 outstanding of 2009 Series Bonds with an average interest rate of 3.88 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2009 Series Bonds. As a result, the 2009 Series Bonds are considered to be defeased, $7,850,000 in liability for the bonds was removed from the statement of net position, and the transaction has been treated as a noncash financing activity in the statement of cash flows. Defeased debt that remains on the 2009 Series Bonds was $3,905,000 at June 30, 2024. The principal and interest on the 2019 Series Bonds are paid primarily from property tax levies. The bonds bear interest ranging from 5.99 percent to 6.50 percent and have remaining annual maturities ranging from $750,000 to $900,000. The bonds mature in 2029.

Total principal and interest maturities on the bonds payable as of June 30, 2024 are as follows:

Years Ending	Debt Obligations		
June 30	Principal	Interest	Total
2025	$ 2,500,000	$ 405,672	$ 2,905,672
2026	2,535,000	355,401	2,890,401
2027	2,585,000	298,712	2,883,712
2028	2,635,000	238,143	2,873,143
2029-2032	8,420,000	384,145	8,804,145
Total	$ 18,675,000	$ 1,682,073	$ 20,357,073

Cash Paid for Interest - Cash paid for interest was approximately $451,000 and $484,000 for the years ended June 30, 2024 and 2023, respectively.

Michigan Job Training Grants - During 2010, the College became involved in the Michigan New Jobs Training Program. The Michigan New Jobs Training Program was created by State of Michigan Public Acts 359 and 360 of 2008 and provides the ability for community college districts to enter into agreements with employers to (1) provide education and training to workers in order to create new jobs and (2) to establish a funding mechanism to pay for the education and training. In connection with this program, the College has entered into agreements with various local employers for the purpose of establishing projects to educate and train certain persons employed in new jobs. The local employers prepay training costs to the College and the College subsequently issues noninterest-bearing revenue bonds payable to the employers equal to the prepayments. The employer remits state income tax withholdings for these new employees directly to the College. The College then remits these withholdings back to the employer on a quarterly basis to reimburse the company for the costs of training, thus reducing bonds payable. As of June 30, 2024 and 2023, the College has outstanding bonds payable to various employers of $211,135 and $205,658, respectively. The bonds mature at various dates through 2030.

Note 8 - Long-term Obligations (Continued)

Accrued Employee Leave - The College provides termination benefits upon departure from the College resulting from unused sick time and years of service and defined by each respective labor contract and administrative policy under the vesting method. Under the vesting method, the liability is accrued for employees based on the amount eligible and certain assumptions are used to determine probability of reaching the criteria required for eligibility. Included in the current portion of the accrual is earned but not used vacation and amounts to be provided to employees that will be retiring in the upcoming fiscal year.

Note 9 - Defined Contribution (Optional) Retirement Plan

The College has established an Optional Retirement Plan (ORP) in addition to the Michigan Public School Employees’ Retirement System (MPSERS) plan as required by state law. Eligible employees may elect to participate in the MPSERS plan or join the ORP. Eligible employees are defined as full-time faculty and professional staff. Participants are immediately vested in the ORP, which requires an employer and employee contribution of 12.00 percent and 3.00 percent, respectively. In general, a participant may request payment of benefits at any time after total disability, termination of employment, or age 65 unless deferred until age 70½. College contributions to the ORP were approximately $1,849,000 and $1,574,000 for the years ended June 30, 2024 and 2023, respectively.

Note 10 - Michigan Public School Employees’ Retirement System

Plan Description - The College participates in the Michigan Public School Employees' Retirement System (MPSERS or the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the College. Certain College employees also receive defined contribution retirement and healthcare benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment healthcare benefits to retirees and beneficiaries who elect to receive those benefits.

The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment healthcare plans. That report is available on the web at http://www.michigan.gov/orsschools.

Benefits Provided - Benefit provisions of the defined benefit (DB) pension plan and 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 for the defined benefit pension plan and the postemployment healthcare plan.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the Defined Contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits, but with an actuarial reduction.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. For some members who do not receive an annual increase, they are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS with the balance deducted from the monthly pension of each retiree healthcare recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Contributions - Public Act 300 of 1980, as amended, required the College to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the State Legislature. Under these provisions, each College's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3 percent 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 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stop paying the 3 percent contribution to the retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

The College's contributions are determined based on employee elections. There are multiple different pension and healthcare benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The range of rates is as follows:

	Pension	OPEB
October 1, 2020 - September 30, 2021	13.39% - 19.78%	7.57% - 8.43%
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The College's required and actual pension contributions to the plan for the years ended June 30, 2024 and 2023 were $17,800,818 and $17,279,732, respectively, which include the College's contributions required for those members with a defined contribution benefit. The College's required and actual pension contributions included an allocation of $7,104,627 and $7,832,045 in revenue received from the State of Michigan, and remitted to the System, to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the years ended June 30, 2024 and 2023, respectively. In addition, for the year ended June 30, 2023, the College received $4,841,315 of a onetime state payment received and remitted to the System for the purpose of contributing additional assets to the System.

The College's required and actual OPEB contributions to the plan for the years ended June 30, 2024 and 2023 were $4,216,628 and $4,011,947, respectively, which include the College's contributions required for those members with a defined contribution benefit.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Net Pension Liability - At June 30, 2024 and 2023, the College reported a liability of $147,869,108 and $181,820,917, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2023 and 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022 and 2021, which used updated procedures to roll forward the estimated liability to September 30, 2023 and 2022. The College's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2023, 2022, and 2021 the College's proportion was 0.4568, 0.4835, and 0.5195 percent, respectively, representing a change of 5.4999 and 6.9463 percent, respectively.

Net OPEB Liability - At June 30, 2024, the College reported an asset of $2,604,585 and at June 30, 2023, reported a liability of $10,231,690 for its proportionate share of the net OPEB asset or liability. The net OPEB asset or liability was measured as of September 30, 2023 and 2022 and the total OPEB asset or liability used to calculate the net OPEB asset or liability was determined by an actuarial valuation as of September 30, 2022 and 2021, which used updated procedures to roll forward the estimated liability to September 30, 2023 and 2022. The College's proportion of the net OPEB asset or liability was based on a projection of its long-term share of contributions to the plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2023, 2022, and 2021 the College's proportion was 0.4604, 0.4831, and 0.5056 percent, respectively, representing a change of 4.6885 and 4.4594 percent, respectively.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the years ended 2024 and 2023, the College recognized pension expense of $12,154,893 and $16,836,764, respectively, inclusive of payments to fund the MPSERS UAAL stabilization rate.

At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 20,036,937	$ (11,552,843)
Differences between expected and actual experience	4,667,777	(226,512)
Net difference between projected and actual earnings on pension plan assets	-	(3,025,881)
Changes in proportion and differences between college contributions and proportionate share of contributions	-	(20,746,488)
College contributions subsequent to the measurement date	15,122,914	-
Total	$ 39,827,628	$ (35,551,724)

Note 10 - Michigan Public School Employees' Retirement System (Continued)

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 31,243,349	$ -
Differences between expected and actual experience	1,818,844	(406,532)
Net difference between projected and actual earnings on pension plan assets	426,370	-
Changes in proportion and differences between college contributions and proportionate share of contributions	-	(24,336,329)
College contributions subsequent to the measurement date	19,540,413	-
Total	$ 53,028,976	$ (24,742,861)

The $7,104,627 and $12,673,360 reported as deferred inflows of resources resulting from the pension portion of state aid payments is recognized as state appropriations revenue for the years ended June 30, 2024 and 2023, respectively.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2025	$ (2,073,945)
2026	(2,306,086)
2027	3,608,883
2028	(2,971,235)
Total	$ (3,742,383)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024 and 2023, the College recognized OPEB recovery of $5,810,486 and $5,234,329, respectively.

At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 5,798,261	$ (698,220)
Differences between expected and actual experience	-	(19,681,584)
Net difference between projected and actual earnings on OPEB plan assets	7,941	-
Changes in proportion and differences between college contributions and proportionate share of contributions	24,806	(2,929,264)
College contributions subsequent to the measurement date	2,914,879	-
Total	$ 8,745,887	$ (23,309,068)

Note 10 - Michigan Public School Employees' Retirement System (Continued)

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 9,119,834	$ (742,589)
Differences between expected and actual experience	-	(20,039,961)
Net difference between projected and actual earnings on OPEB plan assets	799,687	-
Changes in proportion and differences between college contributions and proportionate share of contributions	34,636	(3,058,208)
College contributions subsequent to the measurement date	2,766,465	-
Total	$ 12,720,622	$ (23,840,758)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and therefore will not be included in future pension expense):

Years Ending June 30	Amount
2025	$ (5,695,131)
2026	(5,125,583)
2027	(2,287,055)
2028	(2,100,461)
2029	(1,520,871)
Thereafter	(748,959)
Total	$ (17,478,060)

Actuarial Assumptions - The total pension liability and total OPEB liability as of September 30, 2023 and 2022 based on the results of an actuarial valuation as of September 30, 2022 and 2021 and rolled forward. The total pension liability was determined using the following actuarial assumptions for both valuations:

Actuarial cost method		Entry age normal cost actuarial cost method
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return – OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75%
Healthcare cost trend rate	6.25 - 7.75%	Year 1 graded to 3.5% in Year 15
Mortality basis	Retirees & Active	Pub-T-2010 Male and Female Employee Mortality Tables, scaled 100% (retirees: 116% for males and 116% for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Cost of living pension adjustments	3.00%	Annual non-compounded for MIP members

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Assumption changes as a result of an experience study for the periods 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.

Significant assumption changes since the prior measurement date, September 30, 2022, for the OPEB plans include a decrease in the health care cost trend rate of 0.25 percent for members under 65 and an increase of 1.0 percent for members over 65. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2022.

Discount Rate - The discount rate used to measure the total pension liability was 6.00 percent as of September 30, 2023 and 2022. The discount rate used to measure the total OPEB asset or liability was 6.00 percent as of September 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that College contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return credit on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan 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 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	June 30, 2024		June 30, 2023	
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	25.0%	5.8%	25.0%	5.1%
Private Equity Pools	16.0%	9.6%	16.0%	8.7%
International Equity Pools	15.0%	6.8%	15.0%	6.7%
Fixed Income Pools	13.0%	1.3%	13.0%	-0.2%
Real Estate and Infrastructure Pools	10.0%	6.4%	10.0%	5.3%
Absolute Return Pools	9.0%	4.8%	9.0%	2.7%
Real Return/Opportunistic Pools	10.0%	7.3%	10.0%	5.8%
Short-term Investment Pools	2.0%	0.3%	2.0%	-0.5%
Total	100.0%		100.0%	

Long-term rates of return are net of administrative expense and inflation of 2.7 percent.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the College, calculated using the discount rate depending on the plan option. The following also reflects what the College's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2024		
1.00 Percent Decrease (5.00%)	Current Discount Rate (6.00%)	1.00 Percent Increase (7.00%)
$ 199,770,733	$ 147,869,108	$ 104,659,130

2023		
1.00 Percent Decrease (5.00%)	Current Discount Rate (6.00%)	1.00 Percent Increase (7.00%)
$ 239,936,064	$ 181,820,918	$ 133,931,420

Sensitivity of the Net OPEB Asset or Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the College, calculated using the current discount rate. The following also reflects what the College's net OPEB (asset) or liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2024		
1.00 Percent Decrease (5.00%)	Current Discount Rate (6.00%)	1.00 Percent Increase (7.00%)
$ 2,700,173	$ (2,604,585)	$ (7,163,504)

2023		
1.00 Percent Decrease (5.00%)	Current Discount Rate (6.00%)	1.00 Percent Increase (7.00%)
$ 17,162,676	$ 10,231,690	$ 4,394,940

Sensitivity of the Net OPEB Asset or Liability to Changes in the Healthcare Cost Tend Rate The following presents the net OPEB (asset) or liability of the College, calculated using the current healthcare cost trend rate. The following also reflects what the College's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2024		
1.00 Percent Decrease	Current Rate	1.00 Percent Increase
$ (7,174,871)	$ (2,604,585)	$ 2,341,962

2023		
1.00 Percent Decrease	Current Rate	1.00 Percent Increase
$ 4,284,543	$ 10,231,690	$ 16,907,481

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Pension and OPEB Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension and OPEB Plan - At June 30, 2024, the College reported a payable of $2,751,580 and $139,367 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2024. At June 30, 2023, the College reported a payable of $2,445,698 and $124,760 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2023.

Note 11 - Tax Abatements

The College's property tax revenue is affected by tax abatements entered into by other governments. The College's property tax revenues were reduced as follows for the years ended June 30, 2024 and 2023:

	Amount of Property Taxes Abated	
Government with Tax Abatement Agreement	June 30, 2024	June 30, 2023
Ada Township	$ 64,702	$ 55,106
Algoma Township	1,237	1,237
Alpine Township	17,050	15,548
Byron Township	8,112	21,362
Caledonia Township	23,414	4,016
Cascade Township	33,956	26,165
Gaines Township	84,054	81,680
Plainfield Township	2,345	2,627
Sparta Township	8,570	5,757
Tallmadge Township	3,351	4,547
Thornapple Township	2,016	2,016
Tyrone Township	-	1
Vergennes Township	4,764	5,783
City of Cedar Springs	1,433	1,433
City of Grand Rapids	958,621	829,658
City of Grandville	6,885	5,150
City of Kentwood	48,553	48,553
City of Lowell	-	5,339
City of Rockford	1,288	1,257
City of Walker	44,512	41,238
City of Wyoming	122,956	88,169
Total	$ 1,437,819	$ 1,246,642

Note 12 - Risk Management

The College is exposed to various risks of loss related to property loss, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The College has purchased commercial insurance for property loss, errors and omissions, and medical benefits provided to employees and claims relating to employee injuries. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 13 - State Building Authority

Certain institutional facilities, including the Applied Technology Center (ATC), Calkins Science Center, Main Building and Cook Hall renovations, have been financed in part by State Building Authority (SBA) bond issuance, which are secured by a pledge of rentals to be received by the SBA from the State of Michigan pursuant to an arrangement between SBA, State of Michigan, and the College. While the SBA bonds are outstanding, SBA will hold title to the respective buildings, although the College has capitalized the building and pays all operating and maintenance costs. Once the SBA bonds are fully paid, the SBA will transfer title of the buildings to the College. During the year ended June 30, 2021, the Calkins Science Center title was transferred to the College from the SBA. The Main Building title will transfer in March 2037, Cook Hall in 2050 and the ATC in 2055 unless the SBA bonds are paid or refunded in advance.

Note 14 - Foundation Net Assets with Donor Restrictions

Foundation net assets with donor restrictions were restricted for the following purposes:

	June 30, 2024	June 30, 2023
Capital campaigns	$ 280,785	$ 2,000,536
Other capital related	94,381	103,934
Tech Center capital campaign	581,577	678,933
Scholarships and other	28,318,393	26,377,186
Total	$ 29,275,136	$ 29,160,589

Assets restricted for Scholarships and other includes $11,219,859 as of June 30, 2024 and $10,939,409 as of June 30, 2023, restricted in perpetuity.

Required Supplementary Information

Schedule of the College's Proportionate Share of the Net Pension Liability
Michigan Public School Employees' Retirement System
(amounts were determined as of September 30 of each fiscal year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the collective MPSERS net pension liability:										
As a percentage	0.45686%	0.48345%	0.51954%	0.52691%	0.54127%	0.56041%	0.57280%	0.59322%	0.59710%	0.61095%
Amount	$ 147,869,108	$ 181,820,918	$ 123,004,056	$ 181,000,242	$ 179,249,084	$ 168,470,788	$ 148,436,081	$ 148,003,349	$ 145,842,419	$ 134,569,167
College's covered payroll	$ 46,217,206	$ 47,000,715	$ 45,759,750	$ 45,813,579	$ 46,016,178	$ 46,740,187	$ 47,565,876	$ 48,505,242	$ 49,129,485	$ 52,048,878
College's proportionate share of the collective pension liability (amount), as a percentage of the College's covered payroll	319.94%	386.85%	268.80%	395.08%	389.53%	360.44%	312.06%	323.09%	296.85%	258.54%
MPSERS fiduciary net position as a percentage of the total pension liability	65.91%	60.77%	72.32%	59.49%	60.08%	62.12%	63.96%	63.01%	62.92%	66.20%

Schedule of Pension Contributions
Michigan Public School Employees' Retirement System
(amounts were determined as of June 30 of each fiscal year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 17,468,172	$ 16,985,823	$ 16,576,734	$ 15,911,517	$ 14,663,731	$ 14,557,430	$ 13,750,838	$ 12,396,670	$ 13,751,793	$ 9,488,294
Contributions in relation to the actuarially determined contractually required contribution	$ 17,468,172	$ 16,985,823	$ 16,576,734	$ 15,911,517	$ 14,663,731	$ 14,557,430	$ 13,750,838	$ 12,396,670	$ 13,751,793	$ 9,488,294
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 46,981,028	$ 45,854,407	$ 45,357,251	$ 45,479,070	$ 45,711,582	$ 46,137,226	$ 47,300,505	$ 45,064,027	$ 48,088,254	$ 51,268,145
Contributions as a percentage of covered payroll	37.18%	37.04%	36.55%	34.99%	32.08%	31.55%	29.07%	27.51%	28.60%	18.51%

Note to Required Supplemental Information

Benefit Changes – There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions – There were no significant changes of assumptions for each of the reported plan years ended September 30, except for the following:

2023 – The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

2022 – The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.80% percentage points.

2020 – The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25% percentage points.

2019 – The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45% percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

2018 – The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50% percentage points.

Schedule of the College's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees' Retirement System
(amounts were determined as of September 30 of each fiscal year)

	2024	2023	2022	2021	2020	2019	2018
College's proportion of the collective MPSERS net OPEB liability:							
As a percentage	0.46042%	0.48307%	0.50562%	0.51651%	0.52608%	0.54944%	0.57312%
Amount	$ (2,604,585)	$ 10,231,690	$ 7,717,606	$ 27,670,604	$ 37,760,595	$ 43,674,707	$ 50,752,538
College's covered payroll	$ 46,217,206	$ 47,000,715	$ 45,759,750	$ 45,813,579	$ 46,016,178	$ 46,740,187	$ 47,565,876
College's proportionate share of the collective OPEB liability (amount), as a percentage of the College's covered payroll	-5.64%	21.77%	16.87%	60.40%	82.06%	93.44%	106.70%
MPSERS fiduciary net position as a percentage of the total OPEB liability	105.04%	83.09%	88.87%	59.76%	48.67%	43.10%	36.53%

Schedule of OPEB Contributions
Michigan Public School Employees' Retirement System
(amounts were determined as of June 30 of each fiscal year)

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ 3,859,691	$ 3,690,913	$ 3,696,253	$ 3,784,654	$ 3,673,200	$ 3,624,091	$ 3,376,239
Contributions in relation to the actuarially determined contractually required contribution	$ 3,859,691	$ 3,690,913	$ 3,696,253	$ 3,784,654	$ 3,673,200	$ 3,624,091	$ 3,376,239
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 46,981,028	$ 45,854,407	$ 45,357,251	$ 45,479,070	$ 45,711,582	$ 46,137,226	$ 47,300,505
Contributions as a percentage of covered payroll	8.22%	8.05%	8.15%	8.32%	8.04%	7.86%	7.14%

Note to Required Supplemental Information

Benefit Changes – There were no changes of benefit terms for each of the plan years ended September 30.

Changes in Assumptions – There were no changes of benefit assumptions each of the plan years ended September 30 except for the following:

2023 – The healthcare cost trend rate used in the September 30, 2023 actuarial valuation decrease by 0.25% for members under 65 and increased 1.00% for members over 65. In

2022 – The discount rate and investment rate of return used in September 30, 2022 actuarial valuation decreased by 0.95% percentage points. This resulted in a lower than projected

2021 – The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75

2020 – The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50% percentage points and actual per person health benefit costs were

2019 – The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20% percentage points. The valuation also includes the impact of an updated experience

2018 – The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35%. The valuation also includes the impact of an updated experience study for periods

Other Supplementary Information

Grand Rapids Community College

Combining Statement of Net Position
June 30, 2024

	General Fund	Designated Fund	Retirement Fund	Auxiliary Fund
Assets				
Current assets:				
Cash and cash equivalents	$ 18,105,289	$ 1,811,800	$ -	$ 12,973,601
Accounts receivable - Net	9,689,566	1,382,888	-	17,141
Prepaid expenses and other current assets	314,648	1,970	-	56,689
Due (to) from other funds	(12,644,723)	4,158,495	-	89,420
Total current assets	15,464,780	7,355,153	-	13,136,851
Noncurrent assets:				
Accounts receivable - Net	-	-	-	-
Long-term investments	30,659,823	-	-	8,901,000
Unamortized bond discounts	-	-	-	-
Net OPEB asset	-	-	2,604,585	-
Capital assets - Net	-	-	-	-
Total noncurrent assets	30,659,823	-	2,604,585	8,901,000
Total assets	46,124,603	7,355,153	2,604,585	22,037,851
Deferred Outflow of Resources	-	-	48,573,515	-
Liabilities				
Current liabilities:				
Accounts payable	828,020	191,191	-	125,778
Accrued salaries and related amounts	9,872,531	211,990	-	19,243
Unearned revenue	5,330,275	-	-	-
Interest payable	-	-	-	-
Long-term obligations - Current	2,129,729	-	-	-
Deposits held in custody for others	-	-	-	-
Total current liabilities	18,160,555	403,181	-	145,021
Noncurrent liabilities:				
Long-term obligations - Net of current portion	3,194,594	-	-	-
Net OPEB liability	-	-	-	-
Net pension liability	-	-	147,869,108	-
Total liabilities	21,355,149	403,181	147,869,108	145,021
Deferred Inflow of Resources	-	-	58,860,792	-
Net Position				
Net investment in capital assets	-	-	-	-
Restricted Expendable - Net OPEB asset	-	-	2,604,585	-
Unrestricted (deficit)	24,769,454	6,951,972	(158,156,385)	21,892,830
Total net position	**$ 24,769,454**	**$ 6,951,972**	**$ (155,551,800)**	**$ 21,892,830**

Grand Rapids Community College

Combining Statement of Net Position
June 30, 2024

Expendable Restricted Fund	Agency Fund	Plant Fund	Total	Eliminations	Combined Total
$ -	$ 448,569	$ 31,317,084	$ 64,656,343	$ -	$ 64,656,343
1,606,421	-	-	12,696,016	-	12,696,016
-	-	4,647	377,954	-	377,954
5,654,552	(38,901)	2,781,157	-	-	-
7,260,973	409,668	34,102,888	77,730,313	-	77,730,313
-	-	35,660	35,660	-	35,660
-	-	28,680,000	68,240,823	-	68,240,823
-	-	33,695	33,695	-	33,695
-	-	-	2,604,585	-	2,604,585
-	-	186,622,644	186,622,644	-	186,622,644
-	-	215,371,999	257,537,407	-	257,537,407
7,260,973	409,668	249,474,887	335,267,720	-	335,267,720
-	-	-	48,573,515	-	48,573,515
744,853	-	1,150,563	3,040,405	-	3,040,405
187,540	-	-	10,291,304	-	10,291,304
6,328,580	13,661	-	11,672,516	-	11,672,516
-	-	67,610	67,610	-	67,610
-	-	2,591,692	4,721,421	-	4,721,421
-	396,007	-	396,007	-	396,007
7,260,973	409,668	3,809,865	30,189,263	-	30,189,263
-	-	16,714,699	19,909,293	-	19,909,293
-	-	-	-	-	-
-	-	-	147,869,108	-	147,869,108
7,260,973	409,668	20,524,564	197,967,664	-	197,967,664
-	-	-	58,860,792	-	58,860,792
-	-	167,947,644	167,947,644	-	167,947,644
-	-	-	2,604,585	-	2,604,585
-	-	61,002,679	(43,539,450)	-	(43,539,450)
$ -	**$ -**	**$ 228,950,323**	**$ 127,012,779**	**$ -**	**$ 127,012,779**

Grand Rapids Community College

Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2024

(with comparative totals for the year ended June 30, 2023)

	General Fund	Designated Fund	Retirement Fund	Auxiliary Fund
Operating Revenue				
Tuition and fees - Net of scholarship allowance	$ 49,807,916	$ -	$ -	$ -
Federal grants and contracts	-	-	-	-
State grants and contracts	-	-	-	-
Private gifts, grants, and contracts	-	-	-	-
Sales and services of auxiliary activities	-	-	-	3,450,856
Seminars, workshops, and other revenue	1,661,144	3,765,526	-	-
Total operating revenue	51,469,060	3,765,526	-	3,450,856
Operating Expenses				
Instruction	50,946,441	2,149,040	(6,891,156)	-
Information Technology	8,758,940	-	(820,053)	-
Public service	1,469,033	479,351	(190,380)	-
Instructional support	14,505,328	13,172	(1,755,558)	-
Student services	11,994,366	586,124	(1,501,971)	3,112,959
Institutional administration	14,127,736	794,079	(1,340,297)	-
Physical plant operations	14,693,047	24,219	(1,266,680)	-
Depreciation	-	-	-	-
Total operating expenses	116,494,891	4,045,985	(13,766,095)	3,112,959
Operating (Loss) Income	(65,025,831)	(280,459)	13,766,095	337,897
Nonoperating Revenue (Expenses)				
State appropriations	35,254,838	-	5,568,733	-
Property taxes	41,567,741	-	-	-
Pell revenue	-	-	-	-
Interest income	1,159,919	-	-	679,756
Interest expense on bonds	-	-	-	-
Current fund expenditures for capital assets	-	-	-	-
Unrealized gain (loss) on investments	663,417	-	-	388,787
Higher Education Emergency Relief Funds and Coronavirus Relief Funds	-	-	-	-
Other revenue	-	-	-	-
Net nonoperating revenue (expenses)	78,645,915	-	5,568,733	1,068,543
Income (Loss) Before Other Revenue	13,620,084	(280,459)	19,334,828	1,406,440
Other Revenue - Capital contributions	-	-	-	-
Increase (Decrease) in Net Position - Before transfer	13,620,084	(280,459)	19,334,828	1,406,440
Transfers - Mandatory and nonmandatory	(13,057,948)	184,875	-	6,300,000
Increase (Decrease) in Net Position	562,136	(95,584)	19,334,828	7,706,440
Net Position - Beginning of year	24,207,318	7,047,556	(174,886,628)	14,186,390
Net Position - End of year	**$ 24,769,454**	**$ 6,951,972**	**$ (155,551,800)**	**$ 21,892,830**

Grand Rapids Community College

Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2024
(with comparative totals for the year ended June 30, 2023)

Expendable Restricted Fund	Plant Fund	Total	Eliminations	2024	2023
$ -	$ -	$ 49,807,916	$ (10,377,323)	$ 39,430,593	$ 37,890,289
8,790,425	-	8,790,425	-	8,790,425	7,532,533
3,384,847	-	3,384,847	-	3,384,847	2,843,020
1,667,594	-	1,667,594	-	1,667,594	1,415,550
-	-	3,450,856	(925,583)	2,525,273	2,601,509
-	-	5,426,670	-	5,426,670	4,840,122
13,842,866	-	72,528,308	(11,302,906)	61,225,402	57,123,023
812,922	-	47,017,247	(491,295)	46,525,952	47,027,003
113,206	-	8,052,093	(4,150)	8,047,943	7,782,584
8,724,802	-	10,482,806	(200,079)	10,282,727	8,941,018
94,821	-	12,857,763	(272,318)	12,585,445	12,115,017
20,816,447	-	35,007,925	(11,903,235)	23,104,690	20,966,374
92,641	-	13,674,159	(117,795)	13,556,364	12,487,811
259,000	3,069,847	16,779,433	(9,646)	16,769,787	15,898,171
-	8,073,871	8,073,871	-	8,073,871	7,912,652
30,913,839	11,143,718	151,945,297	(12,998,518)	138,946,779	133,130,630
(17,070,973)	(11,143,718)	(79,416,989)	1,695,612	(77,721,377)	(76,007,607)
-	-	40,823,571	-	40,823,571	31,569,621
-	10,959,389	52,527,130	-	52,527,130	48,689,892
16,997,900	-	16,997,900	-	16,997,900	13,066,140
-	2,213,718	4,053,393	-	4,053,393	1,868,000
-	(443,756)	(443,756)	-	(443,756)	(484,437)
-	1,695,612	1,695,612	(1,695,612)	-	-
-	1,266,138	2,318,342	-	2,318,342	(709,132)
-	-	-	-	-	57,102
-	1,952,532	1,952,532	-	1,952,532	1,784,350
16,997,900	17,643,633	119,924,724	(1,695,612)	118,229,112	95,841,536
(73,073)	6,499,915	40,507,735	-	40,507,735	19,833,929
-	1,720,491	1,720,491	-	1,720,491	-
(73,073)	8,220,406	42,228,226	-	42,228,226	19,833,929
73,073	6,500,000	-	-	-	-
-	14,720,406	42,228,226	-	42,228,226	19,833,929
-	214,229,917	84,784,553	-	84,784,553	64,950,624
$ -	**$ 228,950,323**	**127,012,779**	**$ -**	**$ 127,012,779**	**$ 84,784,553**

Grand Rapids Community College

Schedule of General Fund Revenue, Expenses, and Transfers - Budget to Actual
Year Ended June 30, 2024

	Actual	Final Authorized Budget	Variance Favorable (Unfavorable)
Revenue			
Student tuition and fees	$ 49,807,916	$ 49,451,000	$ 356,916
Property taxes	41,567,741	40,919,000	648,741
State operating appropriations	35,254,838	34,500,000	754,838
Interest income	1,823,336	1,000,000	823,336
Seminars, workshops, and other revenue	1,661,144	1,650,000	11,144
Total revenue	130,114,975	127,520,000	2,594,975
Expenditures and Transfers			
Instruction	50,946,441	53,133,011	2,186,570
Information Technology	8,758,940	9,134,865	375,925
Public service	1,469,033	1,532,082	63,049
Instructional support	14,505,328	15,127,882	622,554
Student services	11,994,366	12,509,152	514,786
Institutional administration	14,127,736	14,734,084	606,348
Physical plant operations	14,693,047	15,323,658	630,611
Total expenditures	116,494,891	121,494,734	4,999,843
Transfers from (to) General Fund			
Designated fund support	184,875	184,875	-
Auxiliary fund support	6,300,000	600,000	(5,700,000)
Expendable restricted fund support	73,073	210,000	136,927
Maintenance, equipment, and technology support	6,500,000	4,500,000	(2,000,000)
Total transfers	13,057,948	5,494,875	(7,563,073)
Total expenditures and transfers	129,552,839	126,989,609	(2,563,230)
Revenue over expenditures and transfers	**$ 562,136**	**$ 530,391**	**$ 31,745**

Grand Rapids Community College

Schedule of Changes in Designated Fund
Year Ended June 30, 2024

	Net Position at June 30, 2023	Revenue	Expenditures	Transfers In	Net Position at June 30, 2024
Training Solutions	$ 2,468,028	$ 2,798,423	$ 2,504,242	$ -	$ 2,762,209
Diversity Lecture Series	1,662	5,000	20,200	-	(13,538)
Ford Concessions	25,393	23,612	20,948	-	28,057
Ford Equipment	90,345	19,286	12,739	-	96,892
HED Programs	163,460	100	13,967	-	149,593
Auto Technologies	7,918	7,100	35	-	14,983
Occupational Training	58,587	29,750	3,484	-	84,853
Strategic Leadership Team	246,578	-	33,000	73,000	286,578
Grand Rapids Promise Zone	13,212	488,127	498,891	14,700	17,148
Budget/Enrollment Stabilization	1,937,762	-	364,763	-	1,572,999
Other Designated Programs	2,034,612	394,128	573,714	97,175	1,952,201
Total	**$ 7,047,557**	**$ 3,765,526**	**$ 4,045,983**	**$ 184,875**	**$ 6,951,975**

Grand Rapids Community College

Schedule of Changes in Auxiliary Fund
Year Ended June 30, 2024

	Bookstore	Food Service	Parking	Printing Services	Total
Revenue					
Sales and fees	$ 311,302	$ 945,628	$ 1,498,564	$ 695,362	$ 3,450,856
Interest income	-	-	679,756	-	679,756
Unrealized loss on investments	-	-	388,787	-	388,787
Total revenue	311,302	945,628	2,567,107	695,362	4,519,399
Expenditures					
Cost of sales	-	-	1,287,856	380,393	1,668,249
Salaries, wages, and benefits	-	1,011,023	-	312,634	1,323,657
Capital outlay	-	9,185	-	-	9,185
Other operating expenses	111,868	-	-	-	111,868
Total expenditures	111,868	1,020,208	1,287,856	693,027	3,112,959
Exceess (Deficit) of Revenue over Expenditures	199,434	(74,580)	1,279,251	2,335	1,406,440
Transfers In	-	-	6,300,000	-	6,300,000
Excess (Deficit) of Revenue and Transfers In Over Expenditures	199,434	(74,580)	7,579,251	2,335	7,706,440
Net Position - July 1, 2023	3,588,932	175,627	10,378,769	43,062	14,186,390
Net Position - June 30, 2024	**$ 3,788,366**	**$ 101,047**	**$ 17,958,020**	**$ 45,397**	**$ 21,892,830**

Grand Rapids Community College

Schedule of Changes in Expendable Restricted Fund
Year Ended June 30, 2024

	Net Position at July 1, 2023	Revenue	Expenditures	Transfers In (Out)	Net Position at June 30, 2024
Specifically Funded					
HEERF III - American Rescue Plan	$ -	$ 298,302	$ 298,302	$ -	$ -
DOL - JOBCORP Grant	-	28,780	28,780	-	-
DOL - One Workforce Grant	-	2,139,422	2,139,422	-	-
DOL - Strengthening Community Colleges Grant	-	1,370,194	1,370,194	-	-
Early Childhood	-	1,081,755	1,134,146	52,391	-
GEAR UP	-	376,888	376,888	-	-
Kellogg Foundation	-	249,777	249,777	-	-
Metallica Grant	-	13,984	13,984	-	-
Michigan New Jobs Training	-	2,183,462	2,183,462	-	-
Motorcycle Safety Program	-	344,802	344,802	-	-
Older Learner	-	29,700	29,700	-	-
Public School Safety	-	259,000	259,000	-	-
Reconnect Expansion	-	625,908	625,908	-	-
Title III-Strengthening Institution Program	-	342,496	342,496	-	-
TRIO - Educational Opportunity Center	-	307,348	307,348	-	-
TRIO - STEM Project	-	280,061	280,061	-	-
TRIO - Student Support Services	-	471,608	471,608	-	-
Veterans Success Center	-	132,472	132,472	-	-
Vocational Education	-	680,159	700,841	20,682	-
WIOA Adult Education	-	187,665	187,665	-	-
Workforce Development	-	930,596	930,596	-	-
Miscellaneous - Other	-	692,444	692,444	-	-
Specifically Funded Total	-	13,026,823	13,099,896	73,073	-
Student Financial Aid					
Federal Pell Grant Program	-	16,997,900	16,997,900	-	-
Federal Supplemental Education Opportunity Grant Program	-	369,860	543,770	173,910	-
Federal Work Study	-	332,614	158,704	(173,910)	-
Wraparound Service Grant Program	-	113,569	113,569	-	-
Grand Total	$ -	$ 30,840,766	$ 30,913,839	$ 73,073	$ -

Grand Rapids Community College

Schedule of Bonded Debt
Year Ended June 30, 2024

	2020 Refunding Bonds		2019 Refunding Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 1,770,000	$ 210,422	$ 730,000	$ 195,250	$ 2,500,000	$ 405,672
2026	1,785,000	196,651	750,000	158,750	2,535,000	355,401
2027	1,805,000	177,462	780,000	121,250	2,585,000	298,712
2028	1,825,000	155,893	810,000	82,250	2,635,000	238,143
2029	1,855,000	129,886	835,000	41,750	2,690,000	171,636
2030	1,880,000	101,598	-	-	1,880,000	101,598
2031	1,910,000	74,148	-	-	1,910,000	74,148
2032	1,940,000	36,763	-	-	1,940,000	36,763
Total	**$ 14,770,000**	**$ 1,082,823**	**$ 3,905,000**	**$ 599,250**	**$ 18,675,000**	**$ 1,682,073**

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Trustees
Grand Rapids Community College

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of business-type activities and the discretely presented component unit of Grand Rapids Community College (the "College") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 21, 2024. The financial statements of Grand Rapids Community College Foundation were not audited in accordance with *Government Auditing Standards*

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

Purpose of this Report

To Management and the Board of Trustees
Grand Rapids Community College

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 21, 2024