



Delta College

**Management Information and
Audited Financial Statements**

June 30, 2011

Delta College Foundation

DELTA COLLEGE FOUNDATION

**MANAGEMENT INFORMATION AND
AUDITED FINANCIAL STATEMENTS**

JUNE 30, 2011

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Management Information

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Audited Financial Statements

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**DELTA COLLEGE FOUNDATION
FINANCIAL SUMMARY**

| | Year Ended June 30, | |
|---|----------------------------|---------------------|
| | 2011 | 2010 |
| During the year ended June 30, | | |
| We received contributions totaling | \$ 2,188,827 | \$ 2,166,285 |
| Gifts in kind totaling | 67,342 | 59,532 |
| Special event revenues, net of expenses | 121,833 | 121,347 |
| Interest and endowment income of | 49,951 | 55,779 |
| | <hr/> | <hr/> |
| Which resulted in total revenues of | 2,427,953 | 2,402,943 |
| Less amounts raised on behalf of others | (727,317) | (708,801) |
| | <hr/> | <hr/> |
| | 1,700,636 | 1,694,142 |
| We distributed to Delta College amounts totaling | 1,114,447 | 1,633,876 |
| We had administrative and fundraising expenses of | 31,656 | 11,696 |
| | <hr/> | <hr/> |
| Which resulted in total expenses of | 1,146,103 | 1,645,572 |
| | <hr/> | <hr/> |
| Which resulted in a total increase in net assets of | 554,533 | 48,570 |
| When combined with our net assets at the beginning of the year of | 1,235,018 | 1,186,448 |
| | <hr/> | <hr/> |
| Resulted in a net asset balance at the end of the year of | <u>\$ 1,789,551</u> | <u>\$ 1,235,018</u> |
| | <hr/> | <hr/> |
| The June 30, 2011 and 2010 net assets balance is represented by | | |
| Total assets of | \$ 2,234,211 | \$ 1,827,113 |
| From which we owe total liabilities of | 444,660 | 592,095 |
| | <hr/> | <hr/> |
| Which, when subtracted from total assets, resulted in our net assets balance at the end of the year of | <u>\$ 1,789,551</u> | <u>\$ 1,235,018</u> |
| | <hr/> | <hr/> |

In addition, Delta College holds endowed type funds with a market value of \$13,897,463 and \$11,055,708 as of June 30, 2011 and 2010, respectively, which were donated by the private sector.

**DELTA COLLEGE FOUNDATION
 DETAILS OF DELTA COLLEGE ENDOWMENT FUND
 Year Ended June 30, 2011**

| | NET ASSETS | | INTEREST & DIVIDENDS | NET GAIN ON INVESTMENTS | DISTRIBUTIONS | INVESTMENT FEES | NET ASSETS | |
|--|--------------|--------|----------------------|-------------------------|---------------|-----------------|---------------|--|
| | JULY 1, 2010 | GIFTS | | | | | JUNE 30, 2011 | |
| ENDOWED SCHOLARSHIP FUNDS | | | | | | | | |
| Margaret Adams Scholarship | \$ 7,769 | \$ - | \$ 162 | \$ 1,763 | \$ (367) | \$ (71) | \$ 9,256 | |
| Charleen T. Adcock Scholarship | - | 37,391 | - | - | - | - | 37,391 | |
| Athletic Scholarship | 251,241 | - | 5,231 | 57,013 | (10,522) | (2,303) | 300,660 | |
| M. Seth Babcock Scholarship | 11,740 | - | 244 | 2,665 | (555) | (108) | 13,986 | |
| Mary Ann (McGregor) Badour Scholarship | 27,830 | - | 579 | 6,316 | (1,161) | (255) | 33,309 | |
| James & Joy Baker Scholarship | 26,618 | - | 554 | 6,041 | (1,146) | (244) | 31,823 | |
| Baxandall Scholarship | 40,000 | 60,000 | 1,269 | 8,830 | (400) | (488) | 109,211 | |
| Bay City Central Class of '41 Scholarship | 46,213 | 2,100 | 974 | 10,520 | (1,992) | (429) | 57,386 | |
| Elzie & Muriel Beaver Scholarship | 99,950 | - | 2,081 | 22,681 | (4,490) | (916) | 119,306 | |
| Leonard & Esther Bergstein Scholarship | 16,343 | - | 340 | 3,709 | (762) | (150) | 19,480 | |
| Darrell R. Berry Scholarship | 21,183 | - | 441 | 4,806 | (861) | (194) | 25,375 | |
| Alfred J. Bladecki Scholarship | 7,359 | 50 | 154 | 1,671 | (348) | (68) | 8,818 | |
| Martin & Emma Block Scholarships | 333,484 | - | 6,943 | 75,678 | (14,314) | (3,057) | 398,734 | |
| Business Division Scholarship | 106,485 | - | 2,217 | 24,165 | (5,021) | (976) | 126,870 | |
| Donald & Betty Carlyon Scholarship | 79,176 | 2,600 | 1,678 | 18,049 | (3,453) | (736) | 97,314 | |
| DeeMona Chatman Scholarship | 15,385 | 1,500 | 337 | 3,540 | (665) | (147) | 19,950 | |
| Lynn Conway Athletic Scholarship | 14,744 | 3,265 | 330 | 3,334 | (615) | (142) | 20,916 | |
| Gilbert A. Currie Estate Scholarships | 223,668 | - | 4,657 | 50,757 | (10,577) | (2,050) | 266,455 | |
| Ilau & Phillip Dean Scholarship | 22,505 | 5,000 | 469 | 5,107 | (888) | (206) | 31,987 | |
| Delta Deltah's Scholarship | 4,220 | - | 88 | 958 | (200) | (39) | 5,027 | |
| Delta College Employee-Sponsored Scholarship | 82,868 | 100 | 1,725 | 18,806 | (3,896) | (760) | 98,843 | |
| Dixon Family Scholarship | 48,225 | - | 1,004 | 10,944 | (2,032) | (442) | 57,699 | |
| Herbert Doan Scholarship | 6,540 | - | 136 | 1,484 | (309) | (60) | 7,791 | |
| B. Joe & Margery (Knepp) Dodson Scholarship | 15,164 | 7,008 | 367 | 3,411 | (660) | (153) | 25,137 | |
| Frances Dolinski Scholarship | 32,740 | 2,250 | 707 | 7,503 | (985) | (309) | 41,906 | |
| Henry Dolinski Scholarship | 37,678 | 2,250 | 810 | 8,624 | (1,131) | (355) | 47,876 | |
| Dr. Louis W. Doll & Patricia Drury Scholarship | 29,383 | 100 | 614 | 6,671 | (1,377) | (270) | 35,121 | |
| Jerry & Terry Drake Scholarship & Broadcasting Program Support | 168,619 | - | 3,511 | 38,264 | (6,939) | (1,546) | 201,909 | |
| Draper Family Scholarship | 10,961 | - | 229 | 2,487 | (518) | (100) | 13,059 | |
| Gene R. Duckworth Scholarship | 21,867 | - | 455 | 4,963 | (1,034) | (200) | 26,051 | |
| Eldon Enger & Fred Ross Scholarship | 16,036 | 350 | 337 | 3,640 | (675) | (148) | 19,540 | |
| James E. & Leanne Lutz Erickson Scholarship | 15,673 | - | 326 | 3,557 | (680) | (144) | 18,732 | |
| Arthur J. & Bette L. Fisher Scholarship | 205,197 | - | 4,272 | 46,566 | (8,403) | (1,881) | 245,751 | |
| Dr. John & Joanne Fuller Scholarship | 18,992 | - | 395 | 4,309 | (824) | (174) | 22,698 | |
| David R. Gamez Scholarship | 45,906 | 8,075 | 956 | 10,417 | (1,630) | (421) | 63,303 | |
| Gerace Construction Scholarship | 97,647 | - | 2,033 | 22,158 | (4,237) | (895) | 116,706 | |
| Gerity Broadcasting Company Scholarship | 77,857 | - | 1,621 | 17,668 | (3,682) | (714) | 92,750 | |
| Robert M. Gohlke Scholarship | 23,302 | - | 485 | 5,288 | (1,102) | (214) | 27,759 | |
| Russell B. & Grace H. Green Scholarship | 31,599 | - | 658 | 7,171 | (1,371) | (290) | 37,767 | |
| Priscilla Bogi Guritza Memorial Scholarship | 18,153 | - | 378 | 4,119 | (858) | (166) | 21,626 | |
| Beki Gray Hadley Scholarship | 28,620 | - | 596 | 6,495 | (1,337) | (262) | 34,112 | |
| Sarah Hansen Scholarship | 8,408 | 300 | 177 | 1,908 | (360) | (78) | 10,355 | |
| Harry Hawkins Scholarship | 12,987 | - | 270 | 2,947 | (588) | (119) | 15,497 | |
| Hilde & Walter Heyman Scholarship | 14,466 | - | 301 | 3,283 | (628) | (133) | 17,289 | |
| Ada E. Hobbs Scholarship | 9,228 | - | 192 | 2,095 | (436) | (85) | 10,994 | |
| Don Holzhei Memorial Scholarship | 17,061 | 400 | 359 | 3,877 | (625) | (158) | 20,914 | |
| Home Builders Association of Bay, Midland & Saginaw Counties | 15,343 | - | 319 | 3,482 | (673) | (141) | 18,330 | |

DELTA COLLEGE FOUNDATION
DETAILS OF DELTA COLLEGE ENDOWMENT FUND - Continued
Year Ended June 30, 2011

| | NET | | | | | NET | |
|---|--------------|--------|------------|-------------|---------------|------------|---------------|
| | ASSETS | | INTEREST & | NET GAIN ON | | INVESTMENT | ASSETS |
| ENDOWED SCHOLARSHIP FUNDS - Continued | JULY 1, 2010 | GIFTS | DIVIDENDS | INVESTMENTS | DISTRIBUTIONS | FEES | JUNE 30, 2011 |
| Honors Student Scholarship | 61,300 | - | 1,276 | 13,912 | (2,900) | (562) | 73,026 |
| James R. & Anita H. Jenkins Family Scholarship | 38,303 | 12,000 | 885 | 8,642 | (1,017) | (375) | 58,438 |
| Phyllis E. Jones Memorial Scholarship | 15,414 | - | 321 | 3,497 | (669) | (141) | 18,422 |
| S. Preston & Dr. Betty B. Jones Scholarship | 60,490 | 1,000 | 1,267 | 13,724 | (2,571) | (557) | 73,353 |
| Dan E. Karn Memorial Scholarship | 3,132 | - | 65 | 712 | (148) | (29) | 3,732 |
| Kaufmann Family Scholarship | 14,573 | - | 303 | 3,308 | (632) | (134) | 17,418 |
| Robert F. Keicher Memorial Scholarship | 16,903 | 175 | 353 | 3,834 | (708) | (155) | 20,402 |
| Dale & Alma Keyser Scholarship | 20,967 | 500 | 440 | 4,756 | (844) | (193) | 25,626 |
| Walter J. & Sophia M. Kilar Scholarship | 17,787 | - | 370 | 4,037 | (841) | (163) | 21,190 |
| International Order of King's Daughters & Sons Scholarship | 20,478 | - | 426 | 4,648 | (968) | (188) | 24,396 |
| Oscar W. Kloha Scholarship | 29,645 | - | 617 | 6,728 | (1,402) | (272) | 35,316 |
| Robert I. & Marjorie H. Knepp Scholarship | 155,848 | - | 3,245 | 35,366 | (4,281) | (1,429) | 188,749 |
| W.R. & Edith Knepp Scholarship | 167,550 | - | 3,489 | 38,022 | (7,923) | (1,536) | 199,602 |
| W.R. Knepp, Jr. Scholarship | 126,813 | - | 2,640 | 28,778 | (5,997) | (1,162) | 151,072 |
| Daniel P. Kubiak Scholarship | 15,117 | - | 315 | 3,431 | (666) | (139) | 18,058 |
| Gary Laatsch Scholarship | 27,082 | 1,170 | 583 | 6,276 | (1,272) | (256) | 33,583 |
| Jack LaBreck Scholarship | 4,565 | - | 95 | 1,036 | (216) | (42) | 5,438 |
| Ilene M. Lane Nursing Scholarship | 33,126 | 6,000 | 739 | 7,852 | (1,078) | (323) | 46,316 |
| Dr. Thomas H. Lane & Janis E. Landry-Lane Scholarship | 52,783 | 5,000 | 1,099 | 11,979 | (1,666) | (484) | 68,711 |
| Thomas & Rose Mary Laur Scholarship | 28,024 | 2,000 | 606 | 6,425 | (1,216) | (265) | 35,574 |
| Leo & Evelyn Levy Scholarship | 15,743 | 1,600 | 346 | 3,622 | (670) | (151) | 20,490 |
| Denise Lovay-Gravlin Memorial Scholarship | 15,000 | 343 | 318 | 3,426 | (150) | (139) | 18,798 |
| Edward & Kathleen Lunt Scholarship | 97,356 | - | 2,027 | 22,092 | (3,743) | (892) | 116,840 |
| Thomas & Brenda Mahar Scholarship | 18,813 | - | 392 | 4,268 | (816) | (172) | 22,485 |
| Margaret McAlear Scholarship | 28,676 | - | 597 | 6,508 | (1,232) | (263) | 34,286 |
| Aceie & Thelma Micho Scholarship | 28,980 | - | 603 | 6,577 | (1,257) | (266) | 34,637 |
| Rhea Miller Scholarship | 34,069 | - | 709 | 7,731 | (1,479) | (312) | 40,718 |
| Richard & Gloria Miller Scholarship | 18,257 | - | 380 | 4,143 | (752) | (167) | 21,861 |
| Monitor Sugar Scholarship | 14,573 | - | 303 | 3,308 | (632) | (134) | 17,418 |
| Wendell & Ethel Mullison Scholarship | 18,543 | - | 386 | 4,209 | (877) | (170) | 22,091 |
| W. Brock Neely Scholarship | 21,932 | 1,000 | 468 | 5,010 | (795) | (205) | 27,410 |
| William H. "Buddy" Oates Scholarship | 22,430 | - | 467 | 5,090 | (1,061) | (206) | 26,720 |
| Oscar P. & Louise H. Osthelder Scholarship | 68,800 | - | 1,432 | 15,613 | (3,163) | (632) | 82,050 |
| Jesse J. Oswald Scholarship | 22,110 | - | 460 | 5,018 | (824) | (203) | 26,561 |
| Marguerite Scull Parker | - | 20,000 | 329 | 2,232 | - | (129) | 22,432 |
| Cecelia Randall Scholarship | 16,094 | - | 335 | 3,652 | (761) | (148) | 19,172 |
| Newell Remington Scholarship & TLC Support | 25,221 | 4,030 | 590 | 6,152 | (996) | (256) | 34,741 |
| Renee Rookard Scholarship | 53,708 | 65 | 1,119 | 12,190 | (2,518) | (492) | 64,072 |
| Harold & Norine Rupp Scholarship | 14,318 | - | 298 | 3,249 | (623) | (131) | 17,111 |
| Saginaw County Child Development Centers Program | 12,215 | - | 254 | 2,771 | (530) | (112) | 14,598 |
| Saginaw Valley Manufacturing Technology Scholarship | 27,150 | 2,500 | 582 | 6,272 | (1,178) | (255) | 35,071 |
| Cliff & Grace Saladine Scholarship | 19,444 | - | 405 | 4,412 | (919) | (178) | 23,164 |
| Peggy A. Scott Scholarship | 18,262 | - | 380 | 4,144 | (667) | (167) | 21,952 |
| Ralph I. & Archie M. Selby Family Scholarship | 13,728 | 1,000 | 297 | 3,148 | (546) | (130) | 17,497 |
| Gene F. Shrum & Dee Dee (Shrum) Wacksman Scholarship | 13,737 | - | 286 | 3,117 | (590) | (126) | 16,424 |
| Van Dewitt & Ruth Simmons Scholarship | 121,718 | - | 2,534 | 27,622 | (5,756) | (1,116) | 145,002 |
| John M. Smith & William Wolgast Family Softball Scholarship | 15,515 | - | 323 | 3,520 | (704) | (142) | 18,512 |
| Social Science Division Scholarship | 14,964 | 313 | 317 | 3,416 | (463) | (139) | 18,408 |

DELTA COLLEGE FOUNDATION
DETAILS OF DELTA COLLEGE ENDOWMENT FUND - Continued
Year Ended June 30, 2011

| | NET ASSETS JULY 1, 2010 | GIFTS | INTEREST & DIVIDENDS | NET GAIN ON INVESTMENTS | DISTRIBUTIONS | INVESTMENT FEES | NET ASSETS JUNE 30, 2011 |
|--|-------------------------------|----------------|-------------------------|----------------------------|------------------|--------------------|--------------------------------|
| ENDOWED SCHOLARSHIP FUNDS - Continued | | | | | | | |
| Paul Sowatsky Scholarship/Award | 20,962 | - | 436 | 4,757 | (991) | (192) | 24,972 |
| James Stark Scholarship | 2,654 | - | 55 | 602 | (125) | (24) | 3,162 |
| Eileen & Hugh Starks Scholarship | 22,913 | 200 | 480 | 5,223 | (951) | (211) | 27,654 |
| Paul & Margaret Thompson Scholarship | 24,230 | 50 | 505 | 5,498 | (1,052) | (222) | 29,009 |
| Willie E. Thompson Scholarship | 19,103 | 260 | 400 | 4,343 | (726) | (176) | 23,204 |
| Ken & "Miss Mona" White Scholarship | 17,556 | 7,600 | 421 | 3,952 | (737) | (176) | 28,616 |
| Alice & Jack Wirt Scholarship | 152,215 | - | 3,169 | 34,541 | (7,143) | (1,395) | 181,387 |
| Teresa Plackowski-Witucki Scholarship | 14,723 | 400 | 309 | 3,348 | (633) | (136) | 18,011 |
| Wolverine Bank Scholarship | 27,236 | - | 567 | 6,182 | (1,220) | (250) | 32,515 |
| Robert R. Zimmerman "Dr. Bob" Scholarship | - | 25,297 | - | - | - | - | 25,297 |
| Alton, Sr., Alma & Alton, Jr. Zucker Scholarship | 58,202 | - | 1,212 | 13,206 | (2,752) | (533) | 69,335 |
| Melvin & Hilda Zuehlke Scholarship and Special Needs Assistance Fund | 100,942 | - | 2,102 | 22,906 | (4,582) | (925) | 120,443 |
| TOTAL ENDOWED SCHOLARSHIPS | 4,628,425 | 225,242 | 97,708 | 1,053,773 | (196,956) | (42,875) | 5,765,317 |
| ENDOWED TEACHING CHAIRS | | | | | | | |
| Donald & Betty Carlyon Endowed Teaching Chair | 148,175 | - | 3,085 | 33,624 | (6,711) | (1,358) | 176,815 |
| Robert DeVinney Endowed Teaching Chair | 100,700 | 75 | 2,097 | 22,851 | (4,508) | (923) | 120,292 |
| Karen MacArthur Endowed Teaching Chair | 90,312 | 30 | 1,881 | 20,498 | (3,310) | (828) | 108,583 |
| SunGard Higher Education Endowed Teaching Chair | 103,246 | - | 2,150 | 23,429 | (4,568) | (946) | 123,311 |
| TOTAL ENDOWED TEACHING CHAIRS | 442,433 | 105 | 9,213 | 100,402 | (19,097) | (4,055) | 529,001 |
| ENDOWED STUDENT, STAFF & FACULTY AWARDS | | | | | | | |
| Ormond Barstow/Ludo Frevel Award for Scholarly Achievement | 21,861 | - | 455 | 4,960 | (1,033) | (200) | 26,043 |
| William R. Collings Award for Outstanding Service & Academic Achievement | 27,004 | - | 562 | 6,129 | (1,164) | (248) | 32,283 |
| Dow Chemical Company Michigan Operations Award for Physical Science | 18,315 | - | 381 | 4,157 | (786) | (168) | 21,899 |
| Fred E. Dulmage Award for Engineering & Technology | 16,086 | - | 335 | 3,650 | (658) | (147) | 19,266 |
| Faculty Executive Committee Award | 3,680 | - | 77 | 834 | (174) | (34) | 4,383 |
| Peter & Suzanne Frantz Award for Art | 18,573 | - | 387 | 4,214 | (789) | (170) | 22,215 |
| Gerstacker Faculty Recognition Award | 24,125 | - | 502 | 5,475 | (985) | (221) | 28,896 |
| Gougeon Brothers, Inc. Award for Applied Industrial/Technical | 17,173 | - | 358 | 3,897 | (715) | (157) | 20,556 |
| Robert & Joyce Hetzler Family Award for Outstanding Service & Leadership | 18,014 | - | 375 | 4,087 | (766) | (165) | 21,545 |
| Edward & Kathryn (Dunn) Langenburg Award for Education | 18,189 | 500 | 382 | 4,126 | (741) | (168) | 22,288 |
| James R. McIntyre Award for Health Sciences | 18,383 | - | 383 | 4,172 | (727) | (169) | 22,042 |
| Frances Goll Mills Award for Nursing | 19,745 | - | 411 | 4,480 | (814) | (181) | 23,641 |
| Morley Foundation Award for Business Management | 19,090 | - | 397 | 4,333 | (903) | (175) | 22,742 |
| Skip Renker Award for Creative Writing | 14,643 | - | 305 | 3,322 | (629) | (134) | 17,507 |
| Julius & Irene Sutto Award for Life Sciences | 17,686 | 275 | 373 | 4,044 | (713) | (164) | 21,501 |
| Margaret Timm Award for English | 19,126 | - | 398 | 4,340 | (795) | (175) | 22,894 |
| Wesley Timm Award for Social Science | 22,634 | - | 471 | 5,136 | (890) | (207) | 27,144 |
| Jim & Janis Van Tiffin Award | 16,804 | - | 350 | 3,813 | (693) | (154) | 20,120 |
| Lola Bishop Whitney Award for Foreign Language | 82,711 | - | 1,722 | 18,770 | (3,900) | (758) | 98,545 |
| TOTAL ENDOWED STUDENT, STAFF & FACULTY AWARDS | 413,842 | 775 | 8,624 | 93,939 | (17,875) | (3,795) | 495,510 |

DELTA COLLEGE FOUNDATION
DETAILS OF DELTA COLLEGE ENDOWMENT FUND - Continued
Year Ended June 30, 2011

| | NET ASSETS JULY 1, 2010 | GIFTS | INTEREST & DIVIDENDS | NET GAIN ON INVESTMENTS | DISTRIBUTIONS | INVESTMENT FEES | NET ASSETS JUNE 30, 2011 |
|--|-------------------------------|-------------------|-------------------------|----------------------------|---------------------|---------------------|--------------------------------|
| ENDOWED PROGRAMS, ACTIVITIES & DEPARTMENT SUPPORT | | | | | | | |
| Peter & Barbra Boyse Program (Restricted) | 20,092 | 500 | 418 | 4,560 | (760) | (184) | 24,626 |
| Peter D. Boyse President's Scholar Program | 1,381,725 | - | 28,769 | 313,552 | (49,417) | (12,665) | 1,661,964 |
| Delta College Planetarium Fund | 432,884 | 7,093 | 9,126 | 98,985 | (18,006) | (4,012) | 526,070 |
| English Division Guest Lecturer | 17,173 | - | 358 | 3,896 | (715) | (157) | 20,555 |
| Global Education Program | 27,391 | - | 570 | 6,216 | (1,295) | (251) | 32,631 |
| Sturm Family Broadcast Programming Fund | 127,433 | - | 2,653 | 28,919 | (6,026) | (1,168) | 151,811 |
| SunGard Higher Education Possible Dream Program | 27,197 | 9,700 | 676 | 6,491 | (871) | (289) | 42,904 |
| TOTAL ENDOWED PROGRAMS, ACTIVITIES & DEPARTMENT SUPPORT | 2,033,895 | 17,293 | 42,570 | 462,619 | (77,090) | (18,726) | 2,460,561 |
| ENDOWED MISCELLANEOUS FUNDS | | | | | | | |
| Carlyon Farmhouse Maintenance | 156,444 | - | 3,258 | 35,501 | (7,066) | (1,434) | 186,703 |
| Herbert H. & Barbara C. Dow Fund | 31,165 | - | 649 | 7,073 | (1,474) | (286) | 37,127 |
| Otto C. Pressprich Fund | 77,857 | - | 1,621 | 17,668 | (3,682) | (714) | 92,750 |
| TOTAL ENDOWED MISCELLANEOUS FUNDS | 265,466 | - | 5,528 | 60,242 | (12,222) | (2,434) | 316,580 |
| TOTAL ENDOWMENT FUNDS | 7,784,061 | 243,415 | 163,643 | 1,770,975 | (323,240) | (71,885) | 9,566,969 |
| FUNDS FUNCTIONING AS ENDOWMENTS | | | | | | | |
| Peter & Barbra Boyse Program | 182,575 | - | 3,801 | 41,433 | (6,537) | (1,674) | 219,598 |
| Coca-Cola Scholarship | 47,033 | - | 979 | 10,673 | (2,040) | (431) | 56,214 |
| Gilbert A. Currie Fund | - | 312,000 | - | - | - | - | 312,000 |
| Delta College Public Radio Fund | 89,424 | (10,823) | 1,862 | 20,293 | (3,030) | (820) | 96,906 |
| Delta College Foundation Fund | 715,583 | - | 14,899 | 162,386 | (33,818) | (6,559) | 852,491 |
| Delta College Foundation Student Scholarships | 127,284 | 2,000 | 2,674 | 28,949 | (5,053) | (1,175) | 154,679 |
| Delta College Endowed Teaching Chair Challenge Grant Fund | 81,259 | 646 | 1,692 | 18,440 | (646) | (745) | 100,646 |
| Delta College Public TV Fund | 53,733 | 28,670 | 1,366 | 12,679 | (1,890) | (576) | 93,982 |
| Alden B. Dow Fund | 37,104 | - | 773 | 8,420 | (1,755) | (340) | 44,202 |
| Laughner Award | 12,901 | - | 269 | 2,927 | (513) | (118) | 15,466 |
| Possible Dream Program | 1,009,565 | 75,035 | 21,020 | 229,099 | (33,954) | (9,254) | 1,291,511 |
| Sailing School Program | 20,990 | - | 437 | 4,762 | (928) | (192) | 25,069 |
| UNUM Projects | 255,003 | - | 5,309 | 57,867 | (12,059) | (2,337) | 303,783 |
| Macauley & Helen Whiting Fund | 639,193 | - | 13,309 | 145,051 | (27,747) | (5,859) | 763,947 |
| TOTAL FUNDS FUNCTIONING AS ENDOWMENTS | 3,271,647 | 407,528 | 68,390 | 742,979 | (129,970) | (30,080) | 4,330,494 |
| TOTAL | \$ 11,055,708 | \$ 650,943 | \$ 232,033 | \$ 2,513,954 | \$ (453,210) | \$ (101,965) | \$ 13,897,463 |

Report of Independent Auditors

Board of Directors
Delta College Foundation
University Center, Michigan

We have audited the accompanying statements of financial position of Delta College Foundation (the Foundation) as of June 30, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta College Foundation as of June 30, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The details of Delta College endowment fund on pages 1-5 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Andrews Hooper Pavlik PLC

Saginaw, Michigan
October 18, 2011

**DELTA COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION**

| | June 30, | |
|--|----------------------------|----------------------------|
| Assets | 2011 | 2010 |
| Current assets: | | |
| Cash and cash equivalents (Note 2) | \$ 745,593 | \$ 741,349 |
| Accounts receivable | 293 | - |
| Short-term investments (Notes 1 & 2) | 231,178 | 224,570 |
| Pledges receivable (Notes 1 & 4) | <u>527,999</u> | <u>304,136</u> |
| Total current assets | 1,505,063 | 1,270,055 |
| | | |
| Long-term pledges receivable (Notes 1 & 4) | <u>729,148</u> | <u>557,058</u> |
| | | |
| Total assets | <u>\$ 2,234,211</u> | <u>\$ 1,827,113</u> |
| | | |
| Liabilities and net assets | | |
| Current liabilities: | | |
| Accounts payable | \$ 2,610 | \$ 9,393 |
| Due to WDCQ-TV (Notes 1 & 4) | <u>150,000</u> | <u>150,000</u> |
| Total current liabilities | 152,610 | 159,393 |
| | | |
| Due to WDCQ-TV (Notes 1 & 4) | <u>292,050</u> | <u>432,702</u> |
| Total liabilities | 444,660 | 592,095 |
| | | |
| Net assets: | | |
| Unrestricted | 491,980 | 519,392 |
| Temporarily restricted (Note 5) | <u>1,297,571</u> | <u>715,626</u> |
| Total net assets | <u>1,789,551</u> | <u>1,235,018</u> |
| | | |
| Total liabilities and net assets | <u>\$ 2,234,211</u> | <u>\$ 1,827,113</u> |

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

**DELTA COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES**

Year Ended June 30,

| | 2011 | | | 2010 | | |
|--|-------------------|------------------------|---------------------|-------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| Revenues and other support: | | | | | | |
| Contributions | \$ 91,194 | \$ 2,097,633 | \$ 2,188,827 | \$ 98,069 | \$ 2,068,216 | \$ 2,166,285 |
| Gifts in kind | - | 67,342 | 67,342 | - | 59,532 | 59,532 |
| Support services from Delta College | 393,551 | - | 393,551 | 381,024 | - | 381,024 |
| Special events, net of expenses \$67,454 in 2011 and \$66,121 in 2010 | - | 121,833 | 121,833 | - | 121,347 | 121,347 |
| Revenues from investments | | | | | | |
| Endowment distribution | 33,818 | 7,135 | 40,953 | 34,513 | 6,826 | 41,339 |
| Other | 8,998 | - | 8,998 | 14,440 | - | 14,440 |
| Net assets released from restrictions | 984,681 | (984,681) | - | 1,525,478 | (1,525,478) | - |
| | <u>1,512,242</u> | <u>1,309,262</u> | <u>2,821,504</u> | <u>2,053,524</u> | <u>730,443</u> | <u>2,783,967</u> |
| Less: Amount raised on behalf of others | - | (727,317) | (727,317) | - | (708,801) | (708,801) |
| | <u>1,512,242</u> | <u>581,945</u> | <u>2,094,187</u> | <u>2,053,524</u> | <u>21,642</u> | <u>2,075,166</u> |
| Expenses and other deductions: | | | | | | |
| Program | | | | | | |
| Grants and distributions to or for Delta College | 1,114,447 | - | 1,114,447 | 1,633,876 | - | 1,633,876 |
| Fundraising | 24,126 | - | 24,126 | 9,536 | - | 9,536 |
| Management and general | 7,530 | - | 7,530 | 2,160 | - | 2,160 |
| Support services from Delta College | 393,551 | - | 393,551 | 381,024 | - | 381,024 |
| | <u>1,539,654</u> | <u>-</u> | <u>1,539,654</u> | <u>2,026,596</u> | <u>-</u> | <u>2,026,596</u> |
| Increase (decrease) in net assets | (27,412) | 581,945 | 554,533 | 26,928 | 21,642 | 48,570 |
| Net assets at beginning of year | 519,392 | 715,626 | 1,235,018 | 492,464 | 693,984 | 1,186,448 |
| Net assets at end of year | <u>\$ 491,980</u> | <u>\$ 1,297,571</u> | <u>\$ 1,789,551</u> | <u>\$ 519,392</u> | <u>\$ 715,626</u> | <u>\$ 1,235,018</u> |

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

**DELTA COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS**

| | Year Ended June 30, | |
|--|----------------------------|-------------------|
| | 2011 | 2010 |
| | <u> </u> | <u> </u> |
| Cash flows from operating activities: | | |
| Increase in net assets | \$ 554,533 | \$ 48,570 |
| Changes in operating assets and liabilities: | | |
| Change in accounts receivable | (293) | 86 |
| Change in pledges receivable | (395,953) | 192,226 |
| Change in accounts payable | (6,783) | 6,592 |
| Change in due to WDCQ-TV | <u>(140,652)</u> | <u>(124,204)</u> |
| Net cash provided by operating activities | 10,852 | 123,270 |
| Cash flows from investing activities: | | |
| Maturities (purchases) of investments | <u>(6,608)</u> | <u>239,255</u> |
| Net cash provided by (used in) investing activities | <u>(6,608)</u> | <u>239,255</u> |
| Net change in cash and cash equivalents | 4,244 | 362,525 |
| Cash and cash equivalents at beginning of year | <u>741,349</u> | <u>378,824</u> |
| Cash and cash equivalents at end of year | <u>\$ 745,593</u> | <u>\$ 741,349</u> |

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

**DELTA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2011**

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Business Description:

The Foundation was formed in 1978 for the purpose of receiving and administering funds for the support or benefit of Delta College. Donors are predominately from the College's district which includes the Bay, Midland and Saginaw counties. The following is a summary of the Foundation's significant accounting policies.

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting.

Basis of Presentation:

The Foundation's financial statements have been prepared in accordance with authoritative guidance.

This guidance requires that net assets, revenues and expenses be classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor imposed stipulations that either expire by passage of time or are fulfilled and removed by actions of the Foundation pursuant to those stipulations.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that must be maintained permanently by the College. Generally, the donors permit the College to expend part or all of the income earned on these assets for general or specific purposes. At June 30, 2011 and 2010, there were no permanently restricted net assets held by the Foundation.

Revenue Recognition and Contributions to Delta College:

Authoritative guidance requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Foundation to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

**DELTA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - Continued
Year Ended June 30, 2011**

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition and Contributions to Delta College - Continued:

Revenues from sources other than contributions are reported as increases in unrestricted net assets. Contributions, including unconditional promises to give (pledges), are recognized as revenue in the period received and reported as increases in the appropriate category of net assets based on the presence or absence of donor restrictions. Contributions other than cash (gifts in kind) are recorded at their fair market value at the date of the gift. Expirations of temporary restrictions on net assets are reported as reclassifications from temporarily restricted net assets to unrestricted net assets.

Upon receipt of contributions, the Foundation distributes the funds directly to Delta College or holds them for future distribution to the College (see Note 3).

Fair Value Measurements:

In accordance with authoritative guidance, the Foundation is required to report all financial instruments on a fair value basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation performs a detailed analysis of the assets and liabilities subject to authoritative guidance and uses valuation techniques that maximize the use of observable, market corroborated inputs (Level 1) and minimizes the use of unobservable inputs (Level 3). Financial assets and liabilities recorded at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

Level 2 – Inputs for assets and liabilities traded in less active dealer or broker markets. Valuations may be obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Unobservable inputs derived from other valuation methodologies, including discounted cash flows or similar techniques. They are not based on market exchange, dealer or broker traded transactions and will incorporate assumptions and projections to determine the fair value assigned to such assets or liabilities.

**DELTA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - Continued
Year Ended June 30, 2011**

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements – Continued:

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

Investments – Comprised entirely of certificates of deposit, the fair value of similar investments can be obtained in the market, classifying them as a level 2 valuation.

Pledges receivable – Pledges do not trade in an active, open market with readily observable prices. Therefore, the Foundation calculates the fair value of each pledge using the income approach valuation technique. The Foundation discounts each pledge payment based on when the cash flow is scheduled to be received and applies the corresponding annual nominal treasury rate published on the Federal Reserve website to the payment.

Once discounted, the pledges are further adjusted for anticipated uncollectible amounts. The Foundation analyzes past pledge collection and default data to determine an appropriate uncollectible reserve to apply to the discounted pledges. Due to the nature of the valuation inputs, pledges receivable are classified as level 3 valuations.

Due to WDCQ-TV – This liability represents the portion of Foundation pledges receivable that are due to Delta College WDCQ-TV Public Broadcasting Station. A discounted cash flow computation is used to determine the value of the pledges and the corresponding liability and is described in the pledges receivable summary above. This liability is classified as a level 3 valuation.

The fair values of assets and liabilities measured on a recurring basis at June 30, 2011 are as follows:

| | Fair Value as of June 30, 2011 | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--------------------|-----------------------------------|---|--|--|
| Assets | | | | |
| Investments | \$ 231,178 | \$ - | \$ 231,178 | \$ - |
| Pledges receivable | 1,257,147 | - | - | 1,257,147 |
| Liabilities | | | | |
| Due to WDCQ-TV | 442,050 | - | - | 442,050 |

**DELTA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - Continued
Year Ended June 30, 2011**

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements – Continued:

The fair values of assets and liabilities measured on a recurring basis at June 30, 2010 are as follows:

| | Fair Value as of June 30, 2010 | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--------------------|-----------------------------------|---|--|--|
| Assets | | | | |
| Investments | \$ 224,570 | \$ - | \$ 224,570 | \$ - |
| Pledges receivable | 861,194 | - | - | 861,194 |
| Liabilities | | | | |
| Due to WDCQ-TV | 582,702 | - | - | 582,702 |

Financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) include discounted pledges receivable and any related payables due to affiliated organizations at June 30, 2011 and 2010 as follows:

| | 2011 | | 2010 | |
|--|---|-----------------------------|---|-----------------------------|
| | Fair Value Measurements Using Significant Unobservable Inputs (Level 3) | Amount Due To WDCQ-TV | Fair Value Measurements Using Significant Unobservable Inputs (Level 3) | Amount Due To WDCQ-TV |
| Balance at beginning of year | \$ 861,194 | \$ 582,702 | \$ 1,053,420 | \$ 706,906 |
| Change in discount loss | 6,632 | 9,348 | 30,170 | 25,796 |
| Change in reserve for uncollectible accounts | (19,462) | - | 2,467 | - |
| Change in outstanding balance | 408,783 | (150,000) | (224,863) | (150,000) |
| Balance at end of year | <u>\$ 1,257,147</u> | <u>\$ 442,050</u> | <u>\$ 861,194</u> | <u>\$ 582,702</u> |

**DELTA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - Continued
Year Ended June 30, 2011**

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Delta College Public Broadcasting Fundraising Activities:

The Delta College Public Broadcasting fundraising revenues have been accounted for and are presented as “amounts raised on behalf of others” in the accompanying financial statements of the Foundation. In June 2009, the Foundation together with Delta College’s WDCQ-TV Public Broadcasting Station, secured a \$746,920 multi-year pledge from an area foundation for the renovation of WDCQ-TV’s production studio. At June 30, 2011 and 2010, the entire discounted pledge in the amount of \$442,050 and \$582,702, respectively, has been recorded as a pledge receivable and as a liability due to WDCQ-TV.

Tax Exempt Status:

The Internal Revenue Service has ruled that the Foundation is qualified under Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income taxes under present federal and state income tax laws. The Foundation is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

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 the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At June 30, 2011 and 2010, cash and cash equivalents invested in interest-bearing accounts and short-term commercial paper were valued at \$745,593 and \$741,349, respectively. At June 30, 2011 and 2010, the Foundation also held short-term investments consisting of certificates of deposit valued at \$231,178 and \$224,570, respectively. Bank balances for cash and cash equivalents and certificates of deposit combined at June 30, 2011 and 2010 (without recognition of checks written but not cleared, or of deposits in transit) were \$437,920 and \$958,294, respectively. Of these bank balances, approximately \$393,000 and \$475,000, respectively, were covered by federal depository insurance; the remainder was uninsured and uncollateralized.

DELTA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - Continued
Year Ended June 30, 2011

NOTE 3. DELTA COLLEGE ENDOWMENTS

The Foundation receives gifts on behalf of the Delta College Endowment Fund each year. Amounts received that are intended to be added to an existing endowment are transferred to the College's Endowment Fund within 30 days of receipt. The College's policy for establishment of a new endowment requires a minimum gift of \$20,000. Donations received to establish a new endowment are held by the Foundation in an endowment-in-progress account until the \$20,000 minimum is reached and are transferred within 30 days of reaching this threshold. Interest is allocated to endowments-in-progress while they are held by the Foundation. The entire balance of the endowment-in-progress account, including interest, is transferred to the College when a new endowment is established. The following is a summary of activity for the College's Endowment Fund as extracted from the College's financial statements for the years ended June 30, 2011 and 2010.

| | <u>2011</u> | <u>2010</u> |
|---|----------------------|----------------------|
| Fund balance at beginning of year | \$ 11,055,708 | \$ 9,907,632 |
| Contributions (from Delta College & Foundation) | 650,943 | 348,007 |
| Income from investments | 232,033 | 215,545 |
| Gain on investments | 2,513,954 | 899,193 |
| Distributions | (453,210) | (221,709) |
| Investment fees | <u>(101,965)</u> | <u>(92,960)</u> |
| Fund balance at end of year | <u>\$ 13,897,463</u> | <u>\$ 11,055,708</u> |

Endowment investments include the College's permanent endowment funds and funds functioning as endowments. Although these quasi-endowment funds have been established by the Board of Trustees for the same purposes as endowment funds, any portion of quasi-endowment funds may be expended.

DELTA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - Continued
Year Ended June 30, 2011

NOTE 4. PLEDGES RECEIVABLE

As of June 30, 2011 and 2010, donors to the Foundation have made unconditional promises to give (pledges) totaling \$1,299,550 and \$890,767, respectively. Of these amounts \$446,920 and \$596,920, respectively, was pledged on behalf of the WDCQ public broadcasting station for studio renovations. The discounted balance of these pledges was \$442,050 and \$582,702 at June 30, 2011 and 2010, respectively, and is shown as a payable to WDCQ in the Foundation's Statements of Financial Position. The discounted balances of the remaining pledges made on behalf of the Foundation at June 30, 2011 and 2010, were \$844,660 and \$288,593, respectively. Pledges were discounted to their present value assuming their respective terms, with applicable discount rates averaging 1.29% for 2011 and 1.38% for 2010. The discounts were \$7,970 and \$5,254 at June 30, 2011 and 2010, respectively.

Management has established a reserve for uncollectible pledges based on 3.5% of discounted pledges. At June 30, 2011 and 2010, the reserve balance was \$29,563 and \$10,101, respectively. A reserve for uncollectible pledges is not reflected in the Foundation's financial statements on the portion of pledges due to WDCQ as the entire pledge is from a single donor and is deemed collectible based on previous experience with that donor. Pledges determined to be uncollectible are charged against the allowance for uncollectible pledges in the period that determination is made. Discounted pledges at June 30, 2011 and 2010, net of reserve, are scheduled to be collected as follows:

| | <u>2011</u> | <u>2010</u> |
|-------------------------|---------------------|-------------------|
| Less than one year | \$ 527,999 | \$ 304,136 |
| One to five years | 728,298 | 556,208 |
| Greater than five years | <u>850</u> | <u>850</u> |
| Total | <u>\$ 1,257,147</u> | <u>\$ 861,194</u> |

**DELTA COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS - Continued
 Year Ended June 30, 2011**

NOTE 5. TEMPORARILY RESTRICTED NET ASSETS

A summary of temporarily restricted net assets and the related donor restrictions as of June 30, 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|--------------|-------------|
| Pending endowments | \$ 129,533 | \$ 146,109 |
| Instructional department uses | 305,619 | 189,362 |
| Special projects and programs | 658,732 | 193,463 |
| Scholarships and awards | 203,687 | 186,692 |
| | <hr/> | <hr/> |
| Total temporarily restricted net assets | \$ 1,297,571 | \$ 715,626 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTE 6. OTHER MATTERS

Subsequent events have been evaluated through October 18, 2011, which is the date the financial statements were available to be issued.