



**Delta College**

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**Audited Financial Statements  
and Other Financial Information**

**June 30, 2017**

**Delta College**

**Audited Financial Statements and Other Financial Information**

**June 30, 2017**

**Audited Financial Statements**

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**Management's Discussion and Analysis**  
**Delta College**  
**Year Ended June 30, 2017**

The discussion and analysis of the financial statements of Delta College (the College) provides an overview of the College's financial activities for the years ended June 30, 2017, 2016 and 2015. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

**Using This Report**

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

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

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

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

**Financial Highlights**

During the year ended June 30, 2015, the College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The provisions of these standards resulted in the College recognizing its calculated share of the pension liability and related expenses and deferred inflows and outflows for the Michigan Public School Employees' Retirement System (MPSERS).

The 2017 activity resulted in an increase in the net pension liability of \$3.1 million, increase in deferred outflows and a decrease in deferred inflows of resources, respectively, of \$2.8 million and \$129,000, and an increase in pension expense of \$209,000. As of June 30, 2017 and 2016, respectively, the impact of these standards resulted in a reduction in unrestricted net position for the College of \$82.4 million and \$82.2 million.

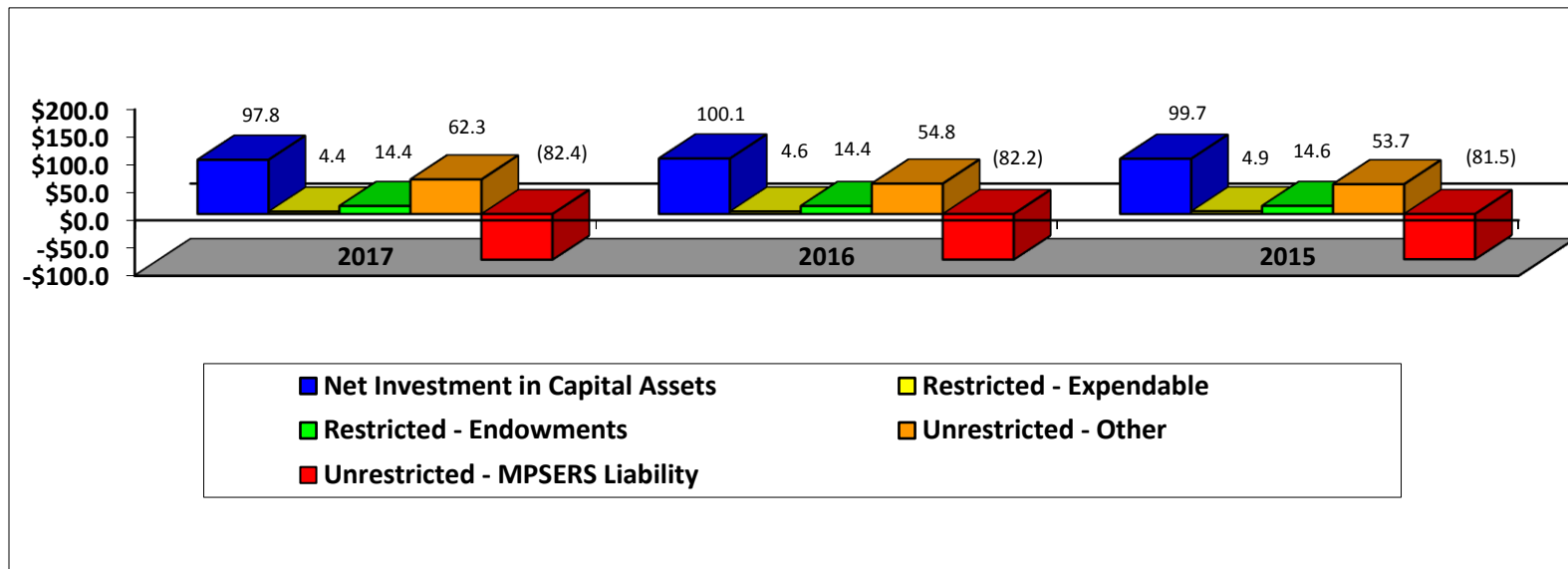
Excluding the significant and distorting effects of implementing the MPSERS pension adjustments in accordance with aforementioned GASB Statements No. 68 and No. 71, the College's financial position improved during both fiscal years ended June 30, 2017 and 2016, respectively, with net position increasing by \$5.0 million and \$1.0 million. This equates to approximately a 2.9% annual increase in net position in 2017 and a 0.6% annual increase in 2016.

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2017**  
**Financial Highlights - Continued**

For 2017, the \$5.0 million overall net increase in net position noted in the preceding paragraph was primarily related to a \$7.5 million increase in unrestricted net position before accounting for the effects of GASB Statements No. 68 and No. 71. The College also experienced a \$2.3 million net decrease in capital assets. Enrollment decreased again this year, by approximately 8,100 credit hours, or 4.3%, in comparison to 2016, and Pell grant revenue also decreased by \$1.7 million; however, total tuition and fee revenue increased by \$800,000.

For 2016, the \$1.0 million overall net increase in net position primarily related to a \$1.1 million increase in unrestricted net position before accounting for the effects of GASB Statements No. 68 and No. 71. The College also experienced a \$403,000 net increase in capital assets, which was offset by a \$547,000 decrease in restricted net position. Enrollment decreased again this year, by approximately 11,400 credit hours, or 5.7%, and Pell grant revenue also decreased by \$2.2 million; however, total tuition and fee revenue increased by \$1.4 million.

The following chart provides a graphical breakdown of net position by category for the fiscal years ending June 30, 2017, 2016 and 2015, in millions:



**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

**Summary of Selected Financial Data**

Following is a summary of the major components of the financial position of the College as of June 30, 2017, 2016 and 2015, in millions:

	2017	2016	2017-2016 Change	2015	2016-2015 Change
Current Assets	\$ 61.6	\$ 59.3	\$ 2.3	\$ 53.9	\$ 5.4
Long-Term Assets:					
Capital Assets, Net of Depreciation	97.8	100.1	(2.3)	99.7	0.4
Other	26.6	22.8	3.8	28.0	(5.2)
Total Assets	186.0	182.2	3.8	181.6	0.6
Deferred Outflows of Resources	12.4	9.6	2.8	8.1	1.5
Current Liabilities	7.1	8.3	(1.2)	8.7	(0.4)
Non-Current Liabilities	90.8	87.7	3.1	80.7	7.0
Total Liabilities	97.9	96.0	1.9	89.4	6.6
Deferred Inflows of Resources	4.0	4.1	(.1)	8.9	(4.8)
Net Position:					
Net Investment in Capital Assets	97.8	100.1	(2.3)	99.7	0.4
Restricted – Expendable	4.4	4.6	(.2)	4.9	(0.3)
Restricted – Endowments	14.4	14.4	-	14.6	(0.2)
Unrestricted	(20.1)	(27.4)	7.3	(27.8)	0.4
Total Net Position	\$ 96.5	\$ 91.7	\$ 4.8	\$ 91.4	\$ 0.3

**June 30, 2017:** During the year ended June 30, 2017, total assets increased by \$3.8 million and total liabilities increased by \$1.9 million. The primary change in assets was reflected by a \$6.1 million overall increase in the combination of cash and cash equivalent and short-term and long-term investments, which was offset by a \$2.3 million decrease in capital assets. The increase in liabilities of \$1.9 million was related to the increase in the MPSERS net pension liability offset by a decrease in accrued payroll due a reduction in the number of days accrued as of June 30, 2017 compared to the prior year end.

**June 30, 2016:** During the year ended June 30, 2016, total assets increased by \$682,000 and total liabilities increased by \$6.6 million. The primary change in assets was reflected by a \$3.2 million overall increase in the combination of cash and cash equivalent and short-term and long-term investments, which was offset by a \$1.1 million decrease in appropriation receivable from the State of Michigan primarily related to the final payments received during the year on the Health Professionals Building Renovation Project and an overall decrease of \$1.4 million in pledges receivable primarily due to final payment received on the Dow STEM Explorer project during the year. The increase in liabilities was caused by a \$7.0 million increase in the MPSERS net pension liability.

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

**Summary of Selected Financial Data - Continued**

The following summarizes the major components of the College's operating results for the years ended June 30, 2017, 2016 and 2015, in millions:

	2017	2016	2017-2016 Change	2015	2016-2015 Change
Operating Revenue:					
Tuition and Fees	\$ 24.6	\$ 23.8	\$0.8	\$ 22.4	\$ 1.4
Grants and Contracts	5.0	6.0	(1.0)	5.9	0.1
Public Broadcasting Gifts	0.7	0.6	0.1	0.6	-
Auxiliary Services	4.9	5.0	(0.1)	5.4	(0.4)
Other	0.9	1.0	(0.1)	0.9	0.1
Total Operating Revenue	36.1	36.4	(0.3)	35.2	1.2
Operating Expenses:					
Instruction	40.2	40.3	(0.1)	40.3	-
Public Services	2.6	2.5	0.1	2.6	(0.1)
Instructional Support	8.2	8.1	0.1	7.8	0.3
Student Services	20.2	21.2	(1.0)	22.7	(1.5)
Institutional Administration	8.5	8.3	0.2	8.2	0.1
Operation and Maintenance of Facilities	7.2	6.5	0.7	7.2	(.7)
Depreciation	4.9	4.8	0.1	4.6	0.2
Total Operating Expenses	91.8	91.7	0.1	93.4	(1.7)
Operating Loss	(55.7)	(55.3)	(0.4)	(58.2)	2.9
Nonoperating Revenue (Expenses)					
State Appropriations	21.2	16.0	5.2	17.3	(1.3)
Property Taxes	22.2	23.0	(0.8)	23.0	-
Pell Federal Grant Revenue	13.1	14.8	(1.7)	17.0	(2.2)
Other	3.6	0.2	3.4	4.5	(4.3)
Net Nonoperating Revenue (Expenses)	60.1	54.0	6.1	61.8	(7.8)

*(continued on next page)*

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

**Summary of Selected Financial Data - Continued**

*(continued from previous page)*

	<b>2017</b>	<b>2016</b>	<b>2017-2016 Change</b>	<b>2015</b>	<b>2016-2015 Change</b>
Other Revenue					
Capital Gifts, Grants and Appropriations	\$ -	\$ -	\$ -	\$ 2.1	\$ (2.1)
Additions to Permanent Endowments	0.4	1.6	(1.2)	1.4	0.2
Total Other Revenue	0.4	1.6	(1.2)	3.5	(1.9)
Increase in Net Position	4.8	0.3	4.5	7.1	(6.8)
Net Position – Beginning of Year					
Beginning of Year	91.7	91.4	0.3	165.9	(74.5)
Adjust for Change in Accounting Principle	-	-	-	(81.6)	81.6
Net Position – Beginning of Year, as Restated	91.7	91.4	0.3	84.3	7.1
Net Position – End of Year	\$ 96.5	\$ 91.7	\$ 4.8	\$ 91.4	\$ 0.3

**Operating Revenue**

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

**June 30, 2017:** Operating revenue changes are highlighted by the following factors for the year ended June 30, 2017:

- The 2017 academic in-district tuition rate increased by \$3.00 per credit hour, an increase of 3.1%. Enrollment totaled 179,200 credit hours, which was a decrease of 4.3% from 2016. The net impact of these changes resulted in \$800,000 increase in tuition and fee revenues generated by academic programs, net of scholarship allowance. Additionally, as noted below, related Pell grant (non-operating) revenues and corresponding operating expenses also decreased by \$1.7 million.
- Of the \$24.6 million in tuition and fees, which was net of \$6.4 million in offsetting scholarship allowances, and the \$5.0 million in grants and contracts operating revenue, Corporate Services provided administration, education and training of \$3.0 million and \$2.5 million, respectively. Corporate Services tuition and fee revenue increased by \$214,000 from the prior year, which was offset by a \$288,000 decrease in grants and contracts revenue.
- The Auxiliary services revenue consists primarily of sales in the Bookstore of \$4.6 million, which had offsetting scholarship allowances approximating \$1.1 million, Food Services of \$958,000, and Fitness & Recreation Center of \$340,000. Bookstore sales dropped by \$162,000, or 3.4%, Food Services sales declined by 7.1%, and Fitness & Recreation Center revenue decreased by 0.6% during the year.

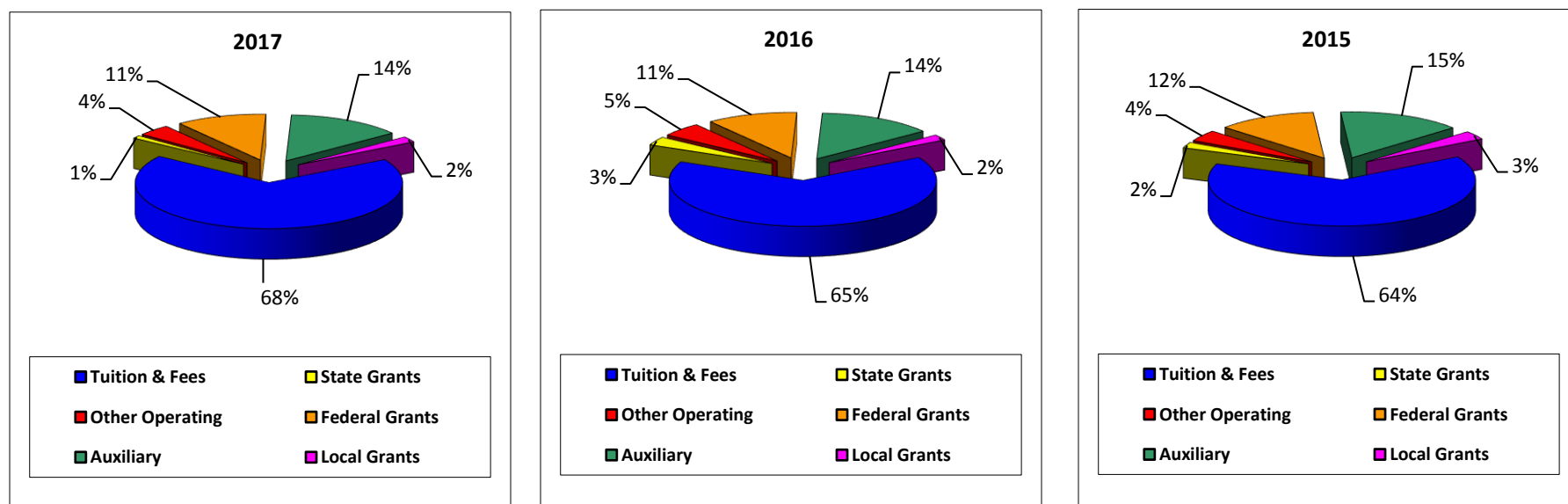
**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

**Operating Revenue - Continued**

**June 30, 2016:** Operating revenue changes are highlighted by the following factors for the year ended June 30, 2016:

- The 2016 academic in-district tuition rate increased by \$2.00 per credit hour, an increase of 2.1%. Enrollment totaled 187,318 credit hours, which was a decrease of 5.7% from 2015. The net impact of these changes resulted in a \$844,000 increase in tuition and fee revenues generated by academic programs, net of scholarship allowance. Additionally, as noted below, related Pell grant (non-operating) revenues and corresponding operating expenses also decreased by \$2.2 million.
- Of the \$23.8 million in tuition and fees, which was net of \$6.9 million in offsetting scholarship allowances, and the \$6.0 million in grants and contracts operating revenue, Corporate Services provided administration, education and training of \$2.8 million and \$2.8 million respectively. Corporate Services tuition and fee revenue increased by \$382,000 from the prior year, which was offset by a \$125,000 decrease in grants and contracts revenue.
- The Auxiliary services revenue consists primarily of sales in the Bookstore of \$4.7 million, which had offsetting scholarship allowances approximating \$1.2 million, Food Services of \$1.0 million, and Fitness & Recreation Center of \$342,000. Bookstore sales dropped by \$649,000, or 12.0%, Food Services sales declined by 7.1%, and Fitness & Recreation Center revenue increased by 6.1% during the year.

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2017, 2016 and 2015:





## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2017

#### Operating Expenses

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

**June 30, 2017:** Operating expense changes are highlighted by the following factors for the year ended June 30, 2017:

- Base salary increases approximated 1.50%, and the employee contribution toward medical insurance remained at 20%. Under the self-funded employee medical coverage contract with Blue Cross Blue Shield (BCBS) of Michigan, the College pays for actual claims incurred, up to a maximum \$125,000 per claim, a stop-loss insurance premium for claims in excess of \$125,000, and a monthly administrative fee. The College health insurance costs were \$4.8 million in 2017 and \$5.3 million in 2016.
- Public Act 300 of 2012 enacted by the State of Michigan legislature made significant reforms to the MPSERS that are designed to reduce overall benefit costs, but the cost reduction impact of the changes will not be experienced by employers for many years. During 2017, the College's overall retirement expense for MPSERS was \$11.8 million, an increase of \$200,000. Of this total, \$7.9 million was for contributions to MPSERS, and \$3.9 million was due to the annual Unfunded Actuarial Accrued Liability (UAAL) Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment was paid to the College for pass-through to the MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$3.9 million UAAL retirement expense was directly offset by the same amount of increase in state aid non-operating revenue, as noted below. The College also recorded an accrual adjustment increasing annual pension expense by \$208,000 due to implementation of the new GASB Statement No. 68. Refer to Note 6 for more information regarding the College's retirement plans.
- Overall operating expenses remained relatively unchanged when compared to 2016. There was a \$1.7 million reduction in Pell grants expensed under the student services functional category, which was offset by overall increases in other functional categories, largely in the area of operation and maintenance, depreciation, and Institutional administration totaling \$1.0 million.

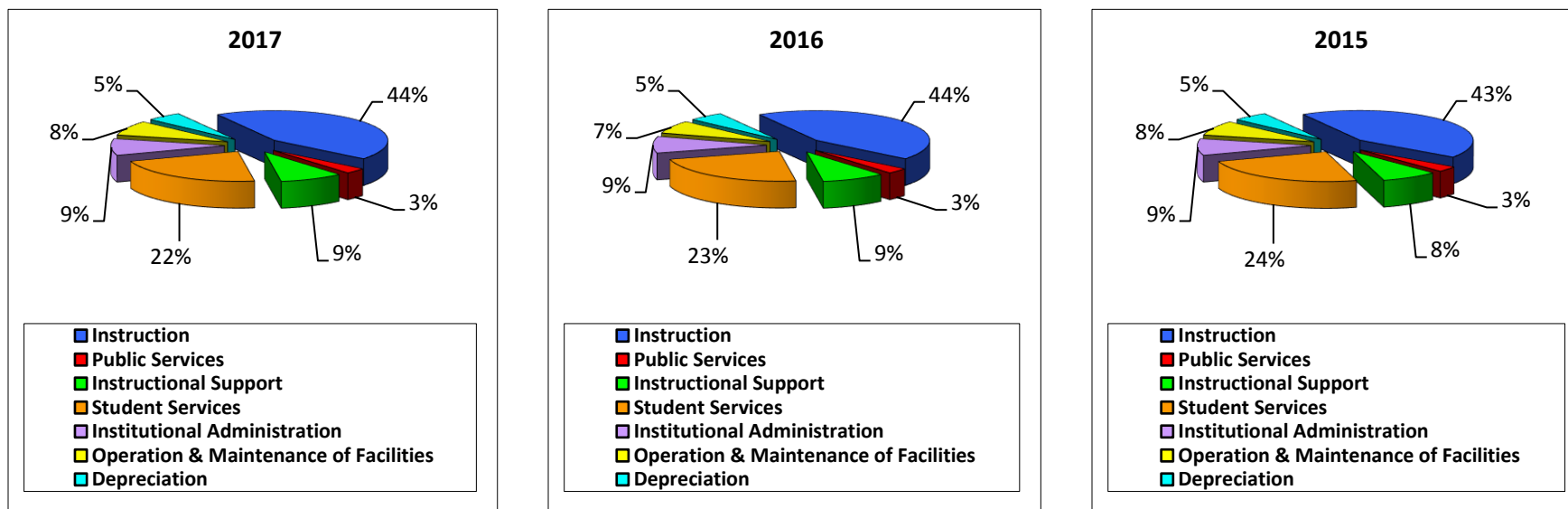
**June 30, 2016:** Operating expense changes are highlighted by the following factors for the year ended June 30, 2016:

- Base salary increases approximated 1.0%, and employee contribution toward medical insurance increased to 20%. The College experienced increased claims during 2016, which resulted in an increase in employee health insurance expense of \$556,000.
- During 2016, the College's overall retirement expense for MPSERS was \$11.6 million, an increase of \$1.0 million from 2015. Of this total, \$7.9 million was for contributions to MPSERS, and \$3.7 million was due to the annual UAAL Rate Stabilization Payment. The \$3.7 million UAAL retirement expense was directly offset by the same amount of increase in state aid non-operating revenue, as noted below. The College also recorded an accrual adjustment increasing annual pension expense by \$781,000 due to implementation of the new GASB Statement No. 68. Refer to Note 6 for more information regarding the College's retirement plans.

**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

**Operating Expenses - Continued**

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2017, 2016 and 2015:



**Nonoperating Revenue (Expenses)**

Nonoperating revenue includes all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, investment income (including realized and unrealized gains and losses), gifts and grants, including Pell grants to students, and contracts that do not require any services to be performed. Nonoperating expenses are those that are not primarily incurred for operating purposes.

**June 30, 2017:** Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2017:

- Base state appropriations totaled \$15.0 million, an increase of \$200,000 over 2016 base state appropriations of \$14.8 million.
- As discussed above, an additional \$3.9 million was received specifically for pass-through to the Michigan Public School Employees’ Retirement System for purpose of the UAAL Rate Stabilization payment. The 2017 UAAL payment was \$200,000 higher than what was received in 2016. \$2.8 million of the UAAL Rate Stabilization Payment was recorded as a deferred inflow of resources and will be recognized as revenue in the next fiscal year. The UAAL is included in the State Appropriation line item.
- The College also received a Personal Property Tax Loss Reimbursement in an amount of \$2.6 million which is included in the State Appropriations line item.
- Final taxable value of property within the district remained almost unchanged from 2016, and the College recognized property tax revenue of \$22.2 million in 2017 at a levy rate of 2.0427 mills.
- The College recognized net investment income of \$3.0 million. This consisted of a combined net gain on investments and investment fee expenses in the Endowment Fund totaling \$2.4 million, and general investment earnings of \$600,000, the majority of which was due to increases in short-term interest rates related to the College’s general investments.
- Pell grants awarded to students were \$13.1 million, a decrease of \$1.7 million, or 11.5%, from 2016.

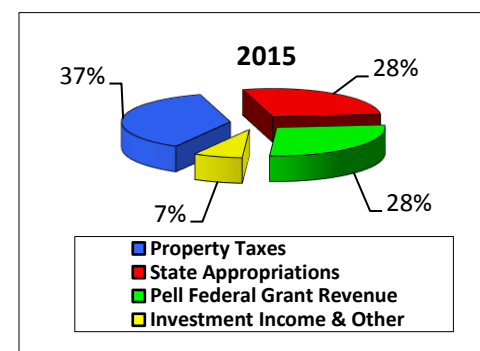
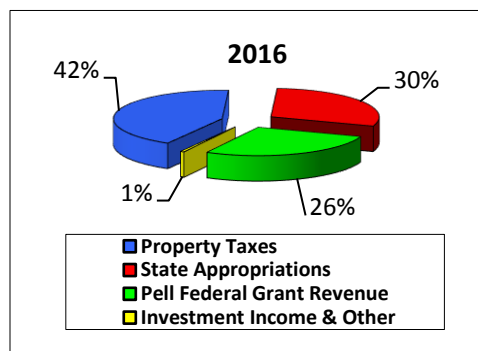
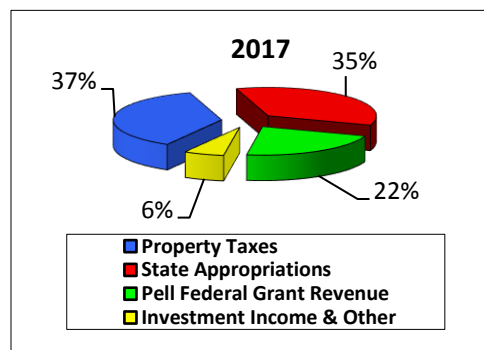
**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

**Nonoperating Revenue (Expenses) - Continued**

**June 30, 2016:** Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2016:

- Base state appropriations totaled \$14.8 million, an increase of \$300,000 over 2015 base state appropriation of \$14.5 million.
- As discussed above, an additional \$3.7 million was received specifically for pass-through to the Michigan Public School Employees’ Retirement System for purpose of the UAAL Rate Stabilization Payment. The 2016 UAAL payment was \$1.0 million higher than what was received in 2015. \$2.5 million of the UAAL rate stabilization was recorded as a deferred inflow of resources and will be recognized as revenue in the next fiscal year. The UAAL is included in the State Appropriation line item.
- Final taxable value of property within the district remained almost unchanged from 2015, and the College recognized property tax revenue of \$23.0 million in 2016 at a levy rate of 2.0427 mills.
- The College recognized net investment income of \$148,000. This consisted of a combined net loss on investments and investment fee expenses in the Endowment Fund totaling \$450,000, which was offset by general investment earnings of \$598,000 the majority of which was due to increases in short-term interest rates related to the College’s general investments.
- Pell grants awarded to students were \$14.8 million, a decrease of \$2.2 million, or 12.9%, from 2015.

The following is a graphic illustration of nonoperating revenue by source for the years ended June 30, 2017, 2016 and 2015:



**Other Revenue**

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

**June 30, 2017:** Changes in other revenue are highlighted by the following factors for the year ended June 30, 2017:

- Additions to permanent endowments for the year were \$380,000, a decrease of \$1.2 million from 2016. The large decrease is due to the Foundation providing \$1.0 million to establish an endowment for the STEM Explorer project in 2016.

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

**Other Revenue - Continued**

**June 30, 2016:** Changes in other revenue are highlighted by the following factors for the year ended June 30, 2016:

- Additions to permanent endowments for the year were \$1.6 million, which included another \$1.0 million for continued support of the Dow Foundation STEM Explorer project.

**Statement of Cash Flows**

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

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

The following summarizes the major cash flow components for the College for the years ended June 30, 2017, 2016 and 2015, in millions:

	<b>2017</b>	<b>2016</b>	<b>2017-2016 Change</b>	<b>2015</b>	<b>2016-2015 Change</b>
Cash Provided by (Used in):					
Operating Activities	\$ (52.3)	\$ (49.5)	\$ (2.8)	\$ (54.0)	\$ 4.5
Noncapital Financing Activities	58.1	56.7	1.4	60.2	(3.5)
Capital and Related Financing Activities	(2.8)	(4.1)	1.3	(2.4)	(1.7)
Investing Activities	(10.3)	(12.5)	2.2	6.9	(19.4)
Net Increase (Decrease) in Cash	(7.3)	(9.4)	2.1	10.7	(20.1)
Cash and Cash Equivalents – Beginning of Year	20.8	30.2	(9.4)	19.5	10.7
Cash and Cash Equivalents – End of Year	\$ 13.5	\$ 20.8	\$ (7.3)	\$ 30.2	\$ (9.4)

**June 30, 2017:** Cash and cash equivalents decreased by \$7.3 million during the year ended June 30, 2017; however, the College's combined cash and cash equivalents and short and long term investments increased in total by \$6.1 million. A concerted effort was made during the year to ensure that the College's excess cash balances were invested in a timely manner in order to maximize investment income.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2017

#### Statement of Cash Flows - Continued

**June 30, 2016:** Cash and cash equivalents decreased by \$9.4 million during the year ended June 30, 2016, although the College's combined cash and cash equivalents and short and long term investments increased in total by \$3.2 million. Due to increases in short term investment interest rates, the College reduced its long term investments and allocated more funds into short term commercial paper investments during the year, and accordingly, experienced a positive impact on its general investment earnings.

#### Capital Assets

At June 30, 2017, the College had \$163.1 million invested in capital assets, which net of accumulated depreciation of \$65.3 million, resulted in a book value of \$97.8 million. Capital assets decreased by \$2.3 million in 2017, which included net additions of \$2.6 million less annual depreciation charges of \$4.9 million. Details of these assets, shown net of accumulated depreciation, as of June 30, 2017, 2016 and 2015 are as follows, in millions:

	<b>2017</b>	<b>2016</b>	<b>2017-2016 Change</b>	<b>2015</b>	<b>2016-2015 Change</b>
Land and Improvements	\$ 7.3	\$ 7.8	\$ (0.5)	\$ 6.6	\$ 1.2
Infrastructure	6.0	6.4	(0.4)	5.8	0.6
Buildings	77.9	79.2	(1.3)	80.9	(1.7)
Furniture and Equipment	6.2	6.2	-	5.2	1.0
Construction in Progress	0.4	0.5	(0.1)	1.2	(0.7)
Totals	\$ 97.8	\$ 100.1	\$ (2.3)	\$ 99.7	\$ 0.4

In accordance with the College's Five-Year Capital Outlay Master Plan and Sustainability Strategic Initiative, the College focused on the following capital construction and maintenance projects during 2017 and 2016:

- The College upgraded handrails, the conference room and the solarium with total capital project costs of \$1.2 million.
- The College installed an emergency power system in wings L, M and Z with total capital projects of \$400,000.
- The College is currently upgrading the pedestrian lighting around the sidewalks of the college and parking lots. This is construction in progress of \$200,000.

## **Management's Discussion and Analysis - Continued**

### **Delta College**

**Year Ended June 30, 2017**

#### **Debt**

During the year ended June 30, 2012, the College became involved in the Michigan New Jobs Training Program (MNJTP), which was authorized by state legislature in 2008. Under this program, the College may enter into agreements with employers to provide worker education and job training that is funded by state income tax withholdings on the new employees hired by the employers. The agreements provide for the employer to prepay the College the costs for the training and education, and the College then issues non-interest bearing revenue bonds payable to the employer equal to the prepayments. The employer remits state income tax withholdings for these new employees directly to the College. The College then remits these state income tax withholdings back to the employer on a quarterly basis to reimburse the employer for the costs of the training, thus reducing the College's MNJTP bonds payable. As of June 30, 2017, the College has outstanding MNJTP bonds payable of \$1,000. Refer to Note 7 for more detailed information about the MNJTP program.

#### **Economic Factors That Will Affect the Future**

The economic position of the College is closely tied to that of the State of Michigan. The State appropriated \$15.0 million in base funding for 2017-18, which is a zero increase from 2016-2017. The College has received performance incentive funding for 2017-2018 of \$83,000.

The regional economy continues to slowly recover and combined with declining K-12 enrollments, the College's enrollment continues to decline. This trend is evident at community colleges across the State as non-traditional students return to the workforce. Enrollment management plan initiatives are in place at the College with goals to attract an increased percentage of the declining K-12 graduates and adults seeking new skills. However, on top of the 72,000 decline in generated credit hours experienced by the College since 2009-2010, another drop of 4,211 credit hours has been projected for the 2017-2018 year. Delta's Board of Trustees, Budget Cabinet and administration have a long history of focusing on tuition affordability, and accordingly, planned an in-district tuition rate increase of \$7.50, or 7.5% for 2017-2018.

The College's property tax base increased very slightly for 2017-2018 and projected property tax revenue has been budgeted at \$22.0 million. Property tax revenues continue to be an area of concern for the College, with continued demands for lower property tax valuations, as well as greater capture and abatement of College tax revenues to fund economic development. Additionally, recent legislation approved reductions in the property tax base for levying taxes on personal property. With the passage of Proposal 1 on August 5, 2014 in Michigan, the revenue lost from the phase out of personal property taxes are reimbursed by the State. In November of 2016, The College received \$2.5 million from the State for this purpose. For 2017-2018, the budget reflects an anticipated reimbursement of \$1.3 million.

In addition to national concerns of rising medical costs, the state-mandated contributions to fund both the pension and medical components of the Michigan Public School Employees Retirement System pension fund continue to be a concern. The 2012 MPSERS Reform Act made significant changes to the retirement system in order to better control and ultimately reduce the overall cost to employers to fund employee retirement benefits. Due to the System's significant unfunded liability, the full effect of these changes will not be realized for many years. The College's contribution rate to the retirement system averages around 25%, and when combined with required employer FICA and Medicare contributions, the College pays approximately 33% of each covered payroll dollar toward these government-mandated employee benefits.

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

**Economic Factors That Will Affect the Future – Continued**

Current financial plans and recent capital investments continue to strategically prepare the College to pursue our Mission and Vision:

Mission: Delta College serves the Great Lakes Bay Region by educating, enriching and empowering our diverse community of learners to achieve their personal, professional and academic goals.

Vision: Delta College is our communities' first choice to learn, work and grow.

State fiscal challenges will likely continue for some years. The College is prepared to face the forecasted changes in enrollment, operating costs and the demand for services. The College will continue to provide excellent learning opportunities and great value for the educational dollar to create positive futures for the students and communities it serves.

## Report of Independent Auditors

Board of Trustees  
Delta College

### Report on the Financial Statements

We have audited the accompanying financial statements of Delta College (the College) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta College as of June 30, 2017 and 2016, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 13 and the Required Supplementary Information on page 50 (Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions for Michigan Public School Employees' Retirement System, and Notes to Required Supplementary Information) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Supplementary Information*

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2017 on our consideration of Delta College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

*Andrews Hooper Pavlik PLC*

Saginaw, Michigan  
October 26, 2017

**Balance Sheets**  
**Delta College**

	June 30,	
	2017	2016
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 13,521,417	\$ 20,765,578
Short-term investments (Note 2)	40,930,171	31,462,629
Property taxes receivable	201,655	304,405
State appropriations receivable (Note 5)	3,408,594	3,340,402
Federal and state grants receivable	1,426,972	1,389,533
Accounts receivable, net of allowance of \$3,648,760 in 2017 and \$3,734,938 in 2016	613,461	592,134
Pledges receivable (Note 3)	282,448	424,333
Inventories	974,068	936,562
Prepaid expenses and other assets	299,363	119,538
<b>Total Current Assets</b>	<b>61,658,149</b>	<b>59,335,114</b>
<b>Long-Term Investments</b> (Note 2)	<b>26,258,766</b>	<b>22,423,607</b>
<b>Long-Term Pledges Receivable</b> (Note 3)	<b>338,448</b>	<b>420,990</b>
<b>Capital Assets</b> (Note 4)	<b>97,801,318</b>	<b>100,097,714</b>
<b>Total Assets</b>	<b>186,056,681</b>	<b>182,277,425</b>
<b>Deferred Outflows of Resources</b> (Note 6)	<b>12,383,334</b>	<b>9,649,958</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	1,953,302	1,894,740
Accrued payroll and other compensation	3,817,541	5,333,427
Unearned revenue	1,361,958	1,076,901
Current portion of MNJTP bonds payable (Note 7)	1,000	40,006
<b>Total Current Liabilities</b>	<b>7,133,801</b>	<b>8,345,074</b>
<b>Non-Current Liabilities</b>		
Net pension liability (Note 6)	90,806,454	87,735,519
<b>Total Liabilities</b>	<b>97,940,255</b>	<b>96,080,593</b>
<b>Deferred Inflows of Resources</b> (Note 6)	<b>4,042,622</b>	<b>4,171,320</b>
<b>Net Position</b>		
Net investment in capital assets	97,801,318	100,097,714
Restricted for:		
Donor-restricted endowments	14,412,397	14,371,893
Expendable scholarships and awards	1,129,961	1,122,040
Instructional department uses	1,864,509	2,031,283
Public broadcasting activities	1,063,311	1,063,311
Other restricted uses	332,547	368,746
Unrestricted (Note 1)	(20,146,905)	(27,379,517)
<b>Total Net Position</b>	<b>\$ 96,457,138</b>	<b>\$ 91,675,470</b>

The accompanying notes are an integral part of these statements.

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

	<b>Year Ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Operating Revenue</b>		
Tuition and fees, net of scholarship allowance of \$6,404,632 in 2017 and \$6,883,388 in 2016	\$ 24,582,161	\$ 23,781,445
Federal grants and contracts	3,887,150	4,029,386
State grants and contracts	281,336	1,200,380
Local and nongovernmental grants and contracts	825,266	772,424
Public broadcasting gifts	669,113	646,950
Auxiliary activities, net of scholarship allowance of \$1,077,413 in 2017 and \$1,211,928 in 2016	4,896,979	4,989,605
Miscellaneous	925,108	955,203
<b>Total Operating Revenue</b>	<b>36,067,113</b>	<b>36,375,393</b>
<b>Operating Expenses</b>		
Instruction	40,199,972	40,297,297
Public services	2,596,724	2,512,985
Instructional support	8,213,957	8,118,035
Student services	20,169,619	21,196,885
Institutional administration	8,518,317	8,267,278
Operation and maintenance of facilities	7,159,260	6,435,468
Depreciation expense	4,930,260	4,808,744
Fundraising expenses	23,205	25,670
<b>Total Operating Expenses</b>	<b>91,811,314</b>	<b>91,662,362</b>
<b>Operating Loss</b>	<b>(55,744,201)</b>	<b>(55,286,969)</b>
<b>Nonoperating Revenue (Expenses)</b>		
State appropriations	21,178,639	15,916,134
Property tax levy	22,171,146	23,034,150
Pell federal grant revenue	13,148,046	14,806,794
Gifts	140,317	222,187
Special events, net of expenses of \$59,867 in 2017 and \$58,737 in 2016	68,288	92,188
Investment income, net of investment expense of \$338,599 in 2017 and \$160,346 in 2016	3,002,918	165,574
Loss on disposition of capital assets	(186,450)	(147,769)
Foundation grants and distributions to or for Delta College	613,209	(73,818)
<b>Net Nonoperating Revenue (Expenses)</b>	<b>60,136,113</b>	<b>54,015,440</b>
<b>Net Income (Loss) Before Other Revenue</b>	<b>4,391,912</b>	<b>(1,271,529)</b>
<b>Other Revenue</b>		
State capital appropriations	-	890
Capital gifts and grants	5,863	5,863
Additions to permanent endowments	383,893	1,556,229
<b>Total Other Revenue</b>	<b>389,756</b>	<b>1,562,982</b>
<b>Increase in Net Position</b>	<b>4,781,668</b>	<b>291,453</b>
<b>Net Position - Beginning of Year</b>	<b>91,675,470</b>	<b>91,384,017</b>
<b>Net Position - End of Year</b>	<b>\$ 96,457,138</b>	<b>\$ 91,675,470</b>

The accompanying notes are an integral part of these statements.

**Statements of Cash Flows**  
**Delta College**

	<b>Year Ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash Flows from Operating Activities</b>		
Tuition and fees	\$ 24,821,160	\$ 23,617,673
Grants and contracts	5,065,358	5,996,383
Public broadcasting gifts	669,113	646,950
Payments to suppliers	(47,494,459)	(46,205,612)
Payments to employees	(41,163,059)	(39,455,812)
Auxiliary enterprise charges	4,896,979	4,989,605
Other	933,306	954,560
	<u>(52,271,602)</u>	<u>(49,456,253)</u>
Net Cash Used In Operating Activities		
<b>Cash Flows from Noncapital Financing Activities</b>		
State appropriations	21,110,447	15,711,426
Local property taxes	22,273,896	22,956,424
Pell federal grant revenue	13,138,213	14,785,067
Gifts and contributions for other than capital purposes	718,223	3,231,922
Foundation special events receipts	74,788	76,688
Foundation grants and distributions to or for Delta College	613,209	(73,818)
Agency fund transactions	187,612	(36,751)
	<u>58,116,388</u>	<u>56,650,958</u>
Net Cash Provided by Noncapital Financing Activities		
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from capital gifts, grants and appropriations	56,375	1,244,089
Purchase of capital assets	(2,843,946)	(5,360,082)
Proceeds from disposition of capital assets	23,632	133
Proceeds from issuance of MNJTP bonds	479,000	539,515
Principal paid on MNJTP bonds	(456,950)	(568,021)
	<u>(2,741,889)</u>	<u>(4,144,366)</u>
Net Cash Used in Capital and Related Financing Activities		
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales and maturities of investments	72,932,695	68,982,118
Investment income	378,546	436,439
Purchase of investments	(83,658,299)	(81,958,143)
	<u>(10,347,058)</u>	<u>(12,539,586)</u>
Net Cash Used in Investing Activities		
<b>Net Decrease in Cash and Cash Equivalents</b>	(7,244,161)	(9,489,247)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>20,765,578</u>	<u>30,254,825</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 13,521,417</u>	<u>\$ 20,765,578</u>

The accompanying notes are an integral part of these statements.

**Statements of Cash Flows - Continued**  
**Delta College**

	Year Ended June 30,	
	2017	2016
<b>Reconciliation of Operating Loss to</b>		
<b>Net Cash Used in Operating Activities:</b>		
Operating loss	\$ (55,744,201)	\$ (55,286,969)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	4,930,260	4,808,744
Allowance for uncollectible accounts	(86,178)	152,253
(Increase) decrease in assets:		
Federal and state grants receivable	(27,606)	(4,949)
Accounts receivable	65,876	(53,461)
Inventories	(37,506)	230,439
Prepaid expenses and other assets	(149,627)	265,238
Increase in deferred outflows of resources	(2,733,376)	(1,509,111)
Increase (decrease) in liabilities:		
Accounts payable	(196,127)	(626,339)
Accrued payroll and other compensation	(1,515,886)	389,637
Unearned revenue	280,532	(111,812)
Net pension liability	3,070,935	7,039,711
Decrease in deferred inflows of resources	(128,698)	(4,749,634)
<b>Net Cash Used In Operating Activities</b>	<b>\$ (52,271,602)</b>	<b>\$ (49,456,253)</b>

The accompanying notes are an integral part of these statements.

## **Notes to Financial Statements**

### **Delta College**

**June 30, 2017**

#### **Note 1. Significant Accounting Policies**

##### **Reporting Entity**

Delta College is a Michigan community college whose financial statements have been prepared in accordance with the generally accepted accounting principles as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, and 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 in accordance with criteria established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment to GASB Statements No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College. Based on application of the criteria, the Delta College Foundation discussed in Note 14 is included in the College’s reporting entity.

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

##### **Accrual Basis**

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

##### **Cash and Cash Equivalents**

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

##### **Capital Assets**

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

##### **Compensated Absences**

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

## **Note to Financial Statements - Continued**

**Delta College**

**June 30, 2017**

### **Note 1. Significant Accounting Policies – Continued**

#### **Fair Value Measurements**

The GASB issued GASB Statement No. 72, Fair Value Measurement and Application, which provides governments with guidance for determining fair value measurement and applying fair value to certain investments and disclosures related to all fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The College performs a detailed analysis of assets and liabilities subject to authoritative guidance and uses valuation techniques that maximize the use of observable, market corroborated inputs (level 1) and minimizes the use of unobservable inputs (level 3). Financial assets and liabilities recorded at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for an asset or liability.

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

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

There have been no changes in valuation techniques used that have a significant impact on the results for the year ending June 30, 2017 or 2016. Refer to Note 2 for fair value classification balances for these various types of investments held by the College as of June 30, 2017 and 2016.

#### **Gifts and Pledges**

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

## **Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2017**

### **Note 1. Significant Accounting Policies – Continued**

#### **Inventories**

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

#### **Internal Service Activities**

Revenue and expenses related to internal service activities approximating \$691,000 and \$677,000 for 2017 and 2016, respectively, have been eliminated. These activities include services provided by the College's Bookstore, Food Services, Fitness & Recreation Center, and Planetarium Gift Shop & Conference Services, as well as the use of printing and copy services, and college vehicles.

#### **Pensions**

For purposes 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 (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **Revenue Recognition**

State appropriations for operations are recognized as revenue on a proportionate basis over the period for which they are appropriated (see Note 5). Restricted Fund revenue is primarily recognized only to the extent expended. Revenue received prior to year-end that is related to the next fiscal year is recorded as unearned revenue. As of June 30, 2017 and 2016, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately \$678,000 and \$641,000, respectively. Additionally, advance payments approximating \$260,000 for the fall 2017 semester were received before June 30, 2017 and recorded as unearned revenue. As of June 30, 2016, advance payments approximating \$251,000 for the fall 2016 semester were received before year end and recorded as unearned revenue.

#### **Reclassification**

Certain 2016 amounts have been reclassified to conform to the 2017 presentation.



**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 1. Significant Accounting Policies – Continued**

**Unrestricted Net Position**

As of June 30, 2017 and 2016, the College has designated the use of unrestricted net position as follows:

	<b>2017</b>	<b>2016</b>
Designated for potential contingency in state appropriations	\$ 3,408,594	\$ 3,340,402
Designated for Corporate Services activities	1,168,730	1,055,889
Designated for future capital outlay	34,390,007	29,780,713
Designated for funds functioning as endowments	7,997,043	5,769,705
Other designated fund activities	3,964,437	4,007,250
MPSERS pension liability	(82,465,742)	(82,256,881)
Unrestricted and unallocated	11,390,026	10,923,405
	<hr/>	<hr/>
Total Unrestricted Net Position	\$ (20,146,905)	\$ (27,379,517)

**Note 2. Cash and Cash Equivalents and Investments**

The College considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The College considers all investments maturing within one year or less as of the balance sheet date to be short-term. The College's deposits and investments are included on the balance sheet at June 30, 2017 and 2016 under the following classifications:

	<b>2017</b>	<b>2016</b>
Cash and cash equivalents	\$ 13,521,417	\$ 20,765,578
Short-term investments	40,930,172	31,462,629
Long-term investments	26,258,766	22,423,607
	<hr/>	<hr/>
Total	\$ 80,710,355	\$ 74,651,814

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 2. Cash and Cash Equivalents and Investments – Continued**

The amounts in the chart on the previous page are classified in the following categories:

	<u>2017</u>	<u>2016</u>
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 11,993,415	\$ 14,650,425
Investments in securities and similar instruments	68,662,033	59,946,539
Petty cash and cash on hand	54,907	54,850
Total	<u>\$ 80,710,355</u>	<u>\$ 74,651,814</u>

**Bank Deposits**

The above deposits at June 30, 2017 and 2016 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$12,198,422 and \$15,401,201, respectively. Of these bank deposits, approximately \$2,180,000 for both years, was covered by federal depository insurance, and the remainder was uninsured and uncollateralized. The College believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the College evaluates each financial institution within which it deposits College funds and assesses the level of risk of each. Only those institutions with an acceptable estimated risk level are used as depositories.

**Investments – Excluding Endowment Fund Investments**

**Credit Risk** – Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College’s policy for reducing credit risk is to invest surplus funds, excluding Endowment Fund monies, in accordance with the provisions set forth in Michigan Public Act 331 of 1996, as amended through 2014. This Act allows the College to invest in: bonds, bills or notes of the United States or its agencies; obligations of the State of Michigan or any of its political subdivisions rated as investment grade by at least one standard rating service; corporate commercial paper rated prime by at least one of the standard rating services; bankers acceptances issued by and certificates of deposit of financial institutions which are members of the Federal Deposit Insurance Corporation; mutual funds and investment pools that are composed of authorized investment instruments; and certain repurchase agreements. The College does not have a formal investment policy further limiting its investment options. Endowment Fund investments are subject to a separate investment policy which is discussed in detail later in this footnote.

## Notes to Financial Statements - Continued

Delta College

June 30, 2017

### Note 2. Cash and Cash Equivalents and Investments – Continued

#### Investments – Excluding Endowment Fund Investments – Continued

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have a formal policy limiting investment maturities; however, the College manages its exposure to interest rate risk by limiting the significant majority of investment maturities to less than three years. Investments in longer-term securities are managed through a laddered-maturity and step-rate portfolio in order to obtain some of the higher interest rates offered on the market.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the organization's investment in a single issuer. The College does not have a policy limiting the amount the College is allowed to invest in any one issuer; however, the College evaluates each issuer in which it invests College funds and assesses the level of risk of each. The College invests with only those issuers with an acceptable estimated risk level.

**Custodial Credit Risk** – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the College will not be able to recover the value of the investments that are in the possession of an outside party. The College does not have a formal policy addressing custodial credit risk; however, all of the College's investments are issued in the name of the College. Custody of the College's certificates of deposit remains with the financial institutions from which they were purchased, while the agency notes, bonds and commercial paper are held in safekeeping by either PNC Capital Markets LLC or Morgan Stanley Smith Barney LLC. In the event that PNC Capital Markets LLC or Morgan Stanley Smith Barney LLC were to become insolvent, and the College's investment account assets were not fully accounted for, each of these accounts would be protected up to a maximum of \$500,000 through Securities Investor Protection Corporation (SIPC). In addition, in the event that SIPC coverage is not adequate to cover a client's loss, Morgan Stanley Smith Barney LLC also carries supplemental insurance protection subject to an aggregate loss limit maximum of \$1.0 billion for the firm, with a no per client limit for securities and a \$1.9 million per client limit for the cash portion of any remaining shortfall.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2017**

**Note 2. Cash and Cash Equivalents and Investments – Continued**

**Investments – Excluding Endowment Fund Investments – Continued**

The following tables present the investments and maturities that the College held at June 30, 2017 and 2016 including certificates of deposit and commercial paper classified as cash equivalents, and excluding the Endowment Fund investments:

**June 30, 2017:**

Investment Type	S&P Quality Ratings	Fair Value	By Maturity		
			Less Than One Year	1-3 Years	More Than 3 Years
Certificates of Deposit	N/A	\$ 3,534,520	\$ 2,034,520	\$ 1,500,000	\$ -
U.S. Agency Securities	AA+	2,952,165	-	-	2,952,165
Commercial Paper	A1+/P1 to A2/P2	43,890,812	43,890,813	-	-
<b>Total Investments</b>		<b>\$ 50,377,497</b>	<b>\$ 45,925,333</b>	<b>\$ 1,500,000</b>	<b>\$ 2,952,165</b>

**June 30, 2016:**

Investment Type	S&P Quality Ratings	Fair Value	By Maturity		
			Less Than One Year	1-3 Years	More Than 3 Years
Certificates of Deposit	N/A	\$ 2,021,330	\$ 2,021,330	\$ -	\$ -
U.S. Agency Securities	AA+	3,006,978	-	-	3,006,978
Commercial Paper	A1+/P1 to A2/P2	37,436,674	37,436,674	-	-
<b>Total Investments</b>		<b>\$ 42,464,982</b>	<b>\$ 39,458,004</b>	<b>\$ -</b>	<b>\$ 3,006,978</b>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2017**

**Note 2. Cash and Cash Equivalents and Investments – Continued**

**Investments – Excluding Endowment Fund Investments – Continued**

The College’s investments at June 30, 2017 and 2016 were invested as follows, including commercial paper classified as cash equivalents and excluding the Endowment Fund investments:

Issuer	Investment Type	June 30, 2017		June 30, 2016	
		Fair Value	Percentage of Total	Fair Value	Percentage of Total
Federal Farm Credit Bank	Notes	\$ 994,318	2%	\$ 1,006,553	2%
Federal Home Loan Bank	Notes	984,047	2%	999,993	2%
Federal National Mortgage Assn.	Notes	973,800	2%	1,000,432	2%
Abbey Nat’l North America LLC	Commercial Paper	3,997,103	8%	3,983,665	9%
Apple Inc.	Commercial Paper	-	-	1,999,060	5%
Atlantic Asset Securitization	Commercial Paper	1,991,960	4%	-	-
Bank of Tokyo Mitsubishi	Commercial Paper	1,988,473	4%	-	-
BPCE	Commercial Paper	1,993,460	4%	-	-
Canadian Imperial Holdings Inc.	Commercial Paper	1,985,771	4%	-	-
Catholic Health Initiative	Commercial Paper	-	-	1,999,580	5%
Chevron Corp.	Commercial Paper	-	-	1,986,860	5%
Collateralized CP Co. LLC	Commercial Paper	1,994,311	4%	-	-
Credit Agricole CIB NY	Commercial Paper	2,993,614	6%	1,993,451	5%
Danske Corp.	Commercial Paper	1,999,620	4%	-	-
Deutsche Telekom AG	Commercial Paper	1,996,520	4%	-	-
Dexia Credit Local SA NY	Commercial Paper	1,996,698	4%	-	-
Ford Motor Credit	Commercial Paper	1,999,200	4%	1,995,420	5%
General Electric Capital Treasury LLC	Commercial Paper	1,998,100	4%	1,998,775	5%
ING US Funding LLC	Commercial Paper	2,992,665	6%	2,499,175	6%
JP Morgan Securities LLC	Commercial Paper	1,991,990	4%	1,999,400	5%
Mondelez International	Commercial Paper	-	-	1,997,960	5%
Nataxis NY Branch	Commercial Paper	1,991,486	4%	3,996,327	9%
National Grid USA	Commercial Paper	-	-	1,996,280	5%
Nationwide Building Soc.	Commercial Paper	-	-	1,996,580	5%

*(continued on next page)*

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 2. Cash and Cash Equivalents and Investments – Continued**

**Investments – Excluding Endowment Fund Investments – Continued**

*(continued from previous page)*

Issuer	Investment Type	June 30, 2017		June 30, 2016	
		Fair Value	Percentage of Total	Fair Value	Percentage of Total
Nissan Motor Acceptance	Commercial Paper	\$ 2,997,980	6%	\$ -	-
Prudential PLC	Commercial Paper	-	-	3,996,980	9%
Societe Generale North Amer.	Commercial Paper	3,985,360	8%	-	-
Swedish Export Credit Corp	Commercial Paper	1,997,061	4%	-	-
Toyota Credit Puerto Rico	Commercial Paper	999,440	2%	999,254	2%
Toyota Motor Credit Corp.	Commercial Paper	-	-	1,997,907	5%
Chemical Bank	Certificate of Deposit	1,500,000	2%	-	-
Independent Bank	Certificate of Deposit	1,010,980	2%	1,006,952	2%
Wolverine Bank	Certificate of Deposit	1,023,540	2%	1,014,378	2%
Total Investments		\$ 50,377,497	100%	\$ 42,464,982	100%

**Endowment Fund Investments**

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

The Delta College Endowment Fund Investment and Distribution Policy limits investment of Endowment Fund monies to the following instruments: bonds, notes or treasury bills of the United States or its agencies; corporate bonds rated investment grade by Moody’s Investors Service, Inc. or Standard & Poor’s Corporation; certificates of deposit of institutions which are members of the Federal Deposit Insurance Corporation; commercial paper rated prime as A1 by Moody’s Investors Service, Inc. and/or P1 by Standard & Poor’s Corporation; certain bankers acceptances; common stock traded on a major stock exchange; international equity investments and American Depository Receipts (ADR’s); mutual funds; convertible securities, bonds and preferred stocks; and alternative investments made using mutual funds, exchange traded funds or separately managed accounts to ensure that daily valuations and liquidity are maintained. Alternative investments may not exceed 30% of the total fund measured by market value. The fixed income portfolio shall maintain a weighted average quality of investment grade. Additionally, all investments in the Fund must have a readily ascertainable market value and must be readily marketable.

The following investments are only authorized as alternative investment strategies in accordance with the preceding paragraph: short sales; put and call option strategies; commodities futures; direct investment in tangible assets such as real estate, oil and gas, and precious metals; private placements; venture capital financing; and hedge funds. The following investments are prohibited: margin purchases and securities of the Investment Manager including proprietary mutual funds.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2017**

**Note 2. Cash and Cash Equivalents and Investments – Continued**

**Endowment Fund Investments - Continued**

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

**Concentration of Credit Risk** – The Delta College Endowment Fund Investment and Distribution Policy limits the investment in individual securities of any one issuer or in any one alternative investment strategy to 5% of the market value of the assets of the Fund, except for convertible securities, which may not exceed 15% of the Fund. This 5% limit also does not apply to money market funds, mutual funds, except the mutual funds that are classified as alternative investments, or obligations of the United States government or its agencies. Additionally, the Fund is limited to a maximum composite of 20% invested in international equities and ADR's, and a maximum composite of 30% invested in alternatives. As of June 30, 2017 and 2016, the Endowment Fund did not hold any securities of any one issuer in excess of these limits.

**Custodial Credit Risk** – The Endowment Fund investment policy does not address the issue of custody. The Endowment Fund investments are held by Morgan Stanley Smith Barney LLC as custodian, and are listed under the account name Delta College Endowment Fund. Morgan Stanley Smith Barney LLC's investor protection coverage has been described on the previous page in the Custodial Credit Risk section related to the College's investments outside of the Endowment Fund.

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

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 2. Cash and Cash Equivalents and Investments – Continued**

**Endowment Fund Investments – Continued**

At June 30, 2017 and 2016 the Endowment Fund had the following investments and maturities:

Investment Type	S&P Quality Ratings	Fair Value	By Maturity			
			Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Corporate Bonds	AAA to A-	\$ 716,116	\$ 33,994	\$ 381,007	\$ 211,342	\$ 89,773
Corporate Bonds	BBB+ to BBB-	291,710	-	92,153	173,806	25,751
Corporate Convertible Bonds *	A	150,649	-	54,804	-	95,845
Corporate Convertible Bonds *	BBB+ to BB-	998,072	210,143	424,755	70,785	292,389
Corporate Convertible Bonds *	Unrated	222,308	42,320	179,988	-	-
International Bonds	BBB+	48,974	-	48,974	-	-
Government & Agency Bonds	AAA to AA+	1,699,484	138,088	404,600	164,949	991,847
		4,127,313	\$ 424,545	\$ 1,586,281	\$ 620,882	\$ 1,495,605
Bond Funds	N/A	2,365,510				
Preferred Stock	N/A	225,367				
Equities	N/A	12,394,758				
International Equities	N/A	2,693,653				
Total Investments		<u>\$ 21,806,601</u>				

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



**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 2. Cash and Cash Equivalents and Investments – Continued**

**Endowment Fund Investments – Continued**

Investment Type	S&P Quality Ratings	Fair Value	By Maturity			
			Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Corporate Bonds	AA+ to A-	\$ 483,854	\$ 36,153	\$ 164,529	\$ 218,416	\$ 64,756
Corporate Bonds	BBB+ to BBB-	290,782	-	49,504	185,589	55,689
Corporate Convertible Bonds *	A to A-	238,302	30,578	46,920	-	160,804
Corporate Convertible Bonds *	BBB+ to B	844,015	44,389	497,049	62,657	239,920
Corporate Convertible Bonds *	Unrated	148,800	-	148,800	-	-
International Bonds	BBB+	37,086	-	37,086	-	-
Government & Agency Bonds	N/A	1,546,332	234,593	466,079	188,698	656,962
		<u>3,589,171</u>	<u>\$ 345,713</u>	<u>\$ 1,409,967</u>	<u>\$ 655,360</u>	<u>\$ 1,178,131</u>
Bond Funds	N/A	2,024,881				
Preferred Stock	N/A	189,814				
Equities	N/A	11,281,454				
International Equities	N/A	<u>2,331,309</u>				
Total Investments		<u>\$ 19,416,629</u>				

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

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 2. Cash and Cash Equivalents and Investments – Continued**

**Fair Value Measurement of Investments**

The fair value of assets measured on a recurring basis at June 30, 2017 and 2016 are as follows:

	Fair Values	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
<b>June 30, 2017:</b>				
Investments excluding endowment fund investments	\$ 50,377,497	\$ -	\$ 50,377,497	\$ -
Endowment Investments:				
Equities	15,088,411	15,088,411	-	-
Bond funds	6,492,823	-	6,492,823	-
Preferred stock	225,367	-	225,367	-
Total investments by fair value	\$ 72,184,098	\$ 15,088,411	\$ 57,095,687	\$ -
<b>June 30, 2016:</b>				
Investments excluding endowment fund investments	\$ 42,464,982	\$ -	\$ 42,464,982	\$ -
Endowment Investments:				
Equities	13,612,763	13,612,763	-	-
Bond funds	5,614,052	-	5,614,052	-
Preferred stock	189,814	-	189,814	-
Total investments by fair value	\$ 61,881,611	\$ 13,612,763	\$ 48,268,848	\$ -

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2017**

**Note 3. Pledges Receivable**

As of June 30, 2017 and 2016, donors to the College (including the Delta College Foundation) have made unconditional promises to give (pledges) approximating \$643,000 and \$860,000, respectively. Such pledges are discounted to their present value, assuming their respective terms, at applicable discount rates with total discounts at June 30, 2017 and 2016, respectively, of approximately \$17,000 and \$8,000. Management has also established an allowance for uncollectible pledges approximating \$5,000 and \$7,000, respectively, as of June 30, 2017 and 2016. Pledges deemed uncollectible are charged against the allowance in the period that determination is made. Collection of pledges receivable, net of discount and allowance, as of June 30, 2017 and 2016, are scheduled as follows:

	<u>2017</u>	<u>2016</u>
Less than one year	\$ 282,448	\$ 424,333
One to five years	337,569	420,064
Greater than five years	879	926
Total	<u>\$ 620,896</u>	<u>\$ 845,323</u>

**Note 4. Capital Assets**

The following tables present the changes in the various capital asset class categories for the years ended June 30, 2017 and 2016:

<b>Year Ended June 30, 2017:</b>	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
<b>Depreciable Capital Assets:</b>					
Buildings	40 years	\$ 119,887,840	\$ 1,801,172	\$ 440,841	\$ 121,248,171
Land improvements	20-40 years	9,798,333	-	-	9,798,333
Infrastructure	20-25 years	11,951,456	25,530	12,765	11,964,221
Furniture and equipment	5-20 years	17,693,750	1,031,798	459,708	18,265,840
<b>Non-depreciable Capital Assets:</b>					
Construction in progress		443,231	1,761,068	1,826,702	377,597
Land		1,351,560	-	-	1,351,560
Fine art collection		88,752	51,080	-	139,832
Total Capital Assets		<u>161,214,922</u>	<u>4,670,648</u>	<u>2,740,016</u>	<u>163,145,554</u>
<b>Less Accumulated Depreciation:</b>					
Buildings		40,670,682	2,978,966	268,392	43,381,256
Land improvements		3,385,573	468,250	-	3,853,823
Infrastructure		5,522,399	425,224	12,765	5,934,858
Furniture and equipment		11,538,554	1,057,820	422,075	12,174,299
Total Accumulated Depreciation		<u>61,117,208</u>	<u>\$ 4,930,260</u>	<u>\$ 703,232</u>	<u>65,344,236</u>
Capital Assets, Net		<u>\$ 100,097,714</u>			<u>\$ 97,801,318</u>

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 4. Capital Assets – Continued**

<b>Year Ended June 30, 2016:</b>	<b>Estimated Useful Life</b>	<b>Beginning Balance</b>	<b>Additions/ Depreciation</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Depreciable Capital Assets:</b>					
Buildings	40 years	\$ 118,813,330	\$ 1,361,235	\$ 286,725	\$ 119,887,840
Land improvements	20-40 years	8,320,070	1,678,989	200,726	9,798,333
Infrastructure	20-25 years	11,064,471	1,022,058	135,073	11,951,456
Furniture and equipment	5-20 years	15,904,718	2,050,434	261,402	17,693,750
<b>Non-depreciable Capital Assets:</b>					
Construction in progress		1,195,865	3,309,648	4,062,282	443,231
Land		1,351,560	-	-	1,351,560
Fine art collection		88,752	-	-	88,752
<b>Total Capital Assets</b>		<b>156,738,766</b>	<b>9,422,364</b>	<b>4,946,208</b>	<b>161,214,922</b>
<b>Less Accumulated Depreciation:</b>					
Buildings		37,881,067	2,942,990	153,375	40,670,682
Land improvements		3,114,699	468,259	197,385	3,385,573
Infrastructure		5,230,088	425,124	132,813	5,522,399
Furniture and equipment		10,818,634	972,371	252,451	11,538,554
<b>Total Accumulated Depreciation</b>		<b>57,044,488</b>	<b>\$ 4,808,744</b>	<b>\$ 736,024</b>	<b>61,117,208</b>
<b>Capital Assets, Net</b>		<b>\$ 99,694,278</b>			<b>\$ 100,097,714</b>

**Note 5. Recognition of State Appropriations**

The College records revenue from state operating appropriations in accordance with the accounting method described in the annual funding bill passed by the State of Michigan legislature, which provides that state appropriations are recorded as revenue in the period for which they were appropriated. Accordingly, the College recognizes 100% of the state's fiscal year appropriations as revenue during the College's fiscal year. Also, since state appropriations are distributed over an 11-month period, October through August, the College records a receivable at June 30 each year for the subsequent payments received in July and August. The accrued state appropriation receivables at June 30, 2017 and 2016, respectively, are \$3.4 million and \$3.3 million, and includes \$698,000 and \$667,000, respectively, to be passed through to MPSERS for the UAAL Stabilization payment.

Based on past experience, for each of the years ended June 30, 2017 and 2016, the College has designated a portion of its unrestricted net position equal to the July and August payment amounts as estimates of the potential contingency in the event that the State were to change its method of distributing state appropriations that would cause the College to experience a permanent deferral or elimination of state appropriation revenue, as occurred during the 2006-2007 fiscal year.

## Notes to Financial Statements - Continued

Delta College

June 30, 2017

### Note 6. Retirement Plans

#### MPSERS Defined Benefit Pension and Defined Contribution Plans

**Plan Description** – The majority of College employees participate in MPSERS, a statewide multiple employer cost-sharing public school employee retirement system governed by the State of Michigan that provides retirement, survivor and disability benefits to plan members and their beneficiaries.

Until July 1, 2010, MPSERS provided two defined benefit plans, the Basic Plan and the Member Investment Plan. An employee who participates in the Basic Plan may retire at age 55 with 30 or more years of credited service or at age 60 with 10 or more years of credited service with a retirement benefit, payable monthly for life, equal to either 1.25% or 1.50%, as opted by the employee, of his or her final average compensation multiplied by the number of years of credited service. Final average compensation is the employee's highest total wages earned during a period of 60 consecutive calendar months.

An employee who participates in the Member Investment Plan (MIP) may retire at any age with 30 years of service, or at age 60 with 5 years of credited service, provided the member has worked through his or her 60<sup>th</sup> birthday and has credited service in each of the five school fiscal years immediately preceding the retirement allowance effective date, with a retirement benefit, payable monthly for life, equal to either 1.25% or 1.50%, as opted by the employee, of the participant's final average compensation multiplied by the number of years of credited service. Final average compensation is the employee's highest total wages earned during a period of 36 consecutive calendar months.

Benefits under both plans, which are established by state statute, are fully vested upon reaching 10 years of service. Vested employees with less than 30 years of service may retire at age 55 under reduced benefits.

In accordance with Public Act 75 of 2010, on July 1, 2010, MPSERS introduced a hybrid retirement plan called the Pension Plus Plan. New members who began working on or after July 1, 2010, but before September 4, 2012, were required to participate in the Pension Plus Plan. This plan is a combination of the defined benefit MIP Plan, as previously described, and a newly created Defined Contribution Plan administered by Voya Financial. Both components of the Pension Plus Plan include member and employer contributions. Employer contributions to the MIP defined benefit component of the Pension Plus Plan are at a slightly reduced rate than the employer contribution rate required for participants in the Basic and MIP Plans.

Public Act 300 of 2012, commonly referred to as MPSERS Reform 2012, was enacted on September 4, 2012. This legislation made significant changes to the retirement system, for both existing members and new members, in order to better control and ultimately reduce the overall cost to employers to fund employee retirement benefits. The primary changes included providing one-time irrevocable plan options for existing members in regards to both pension and retirement healthcare benefits, expansion of the defined contribution components of the system, general increases in the share of contribution required to be paid by active members, and elimination of retirement healthcare insurance for new members hired on or after September 4, 2012. Although the MPSERS Reform 2012 changes were initially established to begin effective October 1, 2012, due to some legal delays, the changes did not become fully effective until February 1, 2013.

The MPSERS Reform 2012 legislation also capped at 20.96% the portion of the employer contribution rate assessed for purposes of covering the system's unfunded actuarial accrued liability (UAAL), and the State has been providing additional appropriation funding to the College for pass-through to MPSERS for purposes of covering the UAAL in excess of the 20.96% cap. For the years ended June 30, 2017 and 2016, respectively, the College received from the State and paid to MPSERS \$3.8 million and \$3.7 million for the additional UAAL.

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Benefit Pension and Defined Contribution Plans – Continued**

**Plan Description (continued)** – The MPSERS Reform 2012 legislation also introduced two new options under the Defined Contribution Plan: the new Personal Healthcare Fund (PHF), a defined contribution savings plan administered by Voya Financial and designed to supplement retiree healthcare costs; and the 100% Defined Contribution Plan option, also administered by Voya Financial. All new MPSERS participants hired after September 4, 2012 by default are placed in the Pension Plus Plan, but may opt to retroactively elect the 100% Defined Contribution Plan within 75 days. New members are also automatically placed into the PHF fund, as the former retirement health insurance option has been eliminated for all new employees. Additionally, existing members had the one-time irrevocable option to convert from their current pension and healthcare insurance benefit plan to either or both the PHF and the 100% Defined Contribution Plan. The Defined Contribution Plan, including the PHF, provide for both member and employer contributions.

Participants are immediately 100% vested in all employee contributions to the Defined Contribution Plan. Vesting in employer contributions to the Defined Contribution Plan is on a graduated scale: 50% at 2 years, 75% at 3 years, and 100% at 4 years. Eligibility for retirement distributions from the Defined Contribution Plan also vary from the Basic, MIP, or Pension Plus defined benefit plans, and follow standard IRS guidelines for 457 and 401(k) plan distributions.

MPSERS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the pension and post-employment health care plans. That report may be obtained by writing to MPSERS at P.O. Box 30171, Lansing, MI 48909-7671, or on their website at <http://www.michigan.gov/mpsers-cafr>.

**Post-Employment Benefits** – MPSERS Reform 2012 also made some changes relative to post-employment healthcare benefits. Specifically, retirees participating in MPSERS have the option of continuing health, prescription drug, dental and vision coverage, but the portion of the retiree insurance premium subsidized by MPSERS has changed. Retirees having these coverages contribute an amount equivalent to the monthly cost for Part B Medicare and 20% to 70% of the monthly premium amount for the health, dental, and vision coverages, depending on their years of service. Required contributions for post-employment healthcare benefits are included as part of the College's total contribution to MPSERS, plus the employee contributions to the Healthcare Insurance Trust, as discussed below.

**Funding Policy** – Employer contributions to MPSERS result from the effects of implementing the School Finance Reform Act (ACT). Under the ACT, each College is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree healthcare benefit amounts on a cash disbursement basis.

Public Act 75 of 2010, in conjunction with Public Act 77, also required all MPSERS members, effective July 1, 2010, to begin contributing a mandatory 3.0% to an irrevocable Healthcare Insurance Trust for purposes of funding retiree healthcare insurance benefits. Members earning less than \$18,000 annually were allowed to contribute 1.5% during the 2010-2011 year, but their required contribution increased to 3.0% as of July 1, 2011. These mandatory contributions are nonrefundable. Not soon after this legislation was enacted, a lawsuit was filed against the State claiming that the mandatory contribution was unlawful, and thus far, court rulings have supported this claim. This decision, however, continues to be appealed, and until the lawsuit is resolved, reporting units are required to continue to withhold and contribute the 3.0%. It is anticipated that the MPSERS Reform 2012 actions made by legislature will negate this legal claim.

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Benefit Pension and Defined Contribution Plans – Continued**

Required contributions to the pension plan from the College were \$8.2 million and \$6.9 million for the years ending June 30, 2017 and 2016, respectively.

Following are the employer and employee contribution rates associated with the MPSERS system for the year ended June 30, 2017:

Plan Description	July 1, 2016 – September 30, 2016			
	Employer Defined Benefit	Employee Defined Benefit	Employer Defined Contribution	Employee Defined Contribution
Basic with Health Insurance Trust (HI)	25.78%	-	-	-
Basic converted to Personal Healthcare Fund (PHF)	25.35%	-	-	-
Basic 4% with HI	25.78%	4.00%	-	-
Basic 4% converted to PHF	23.35%	4.00%	-	-
Basic converted to DC with HI	21.39%	-	4.00%	Elective up to IRS limit
Basic converted to DC with PHF	20.96%	-	4.00%	Elective up to IRS limit
MIP Fixed with HI	25.78%	3.90%	-	-
MIP Fixed converted to PHF	25.35%	3.90%	-	-
MIP Graded with HI	25.78%	3.00-4.30%	-	-
MIP Graded converted to PHF	25.35%	3.00-4.30%	-	-
MIP Plus with HI	25.78%	3.00-6.40%	-	-
MIP Plus converted to PHF	25.35%	3.00-6.40%	-	-
MIP Fixed/Graded/Plus 7% with HI	25.78%	7.00%	-	-
MIP Fixed/Graded/Plus 7% converted to PHF	25.35%	7.00%	-	-
MIP Fixed/Graded/Plus converted to DC with HI	21.39%	-	4.00%	Elective up to IRS limit
MIP Fixed/Graded/Plus converted to DC with PHF	20.96%	-	4.00%	Elective up to IRS limit
Pension Plus with HI	24.56%	3.00-6.40%	50% match up to 1.00%	Automatically enrolled at 2.00%, but can elect to change
Pension Plus with PHF	24.13%	3.00-6.40%	50% match up to 1.00%	Automatically enrolled at 2.00%, but can elect to change
100% Defined Contribution	20.96%	-	50% match up to 3.00%	Automatically enrolled at 6.00%, but can elect to change
Healthcare Insurance Trust (HI)	-	3.00%	-	-
Personal Healthcare Fund (PHF)	-	-	100% match up to 2.00%	Automatically enrolled at 2.00%, but can elect to change

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Benefit Pension and Defined Contribution Plans – Continued**

Plan Description	October 1, 2016 – June 30, 2017			
	Employer Defined Benefit	Employee Defined Benefit	Employer Defined Contribution	Employee Defined Contribution
Basic with Health Insurance Trust (HI)	24.94%	-	-	-
Basic converted to Personal Healthcare Fund (PHF)	24.72%	-	-	-
Basic 4% with HI	24.94%	4.00%	-	-
Basic 4% converted to PHF	24.72%	4.00%	-	-
Basic converted to DC with HI	21.18%	-	4.00%	Elective up to IRS limit
Basic converted to DC with PHF	20.96%	-	4.00%	Elective up to IRS limit
MIP Fixed with HI	24.94%	3.90%	-	-
MIP Fixed converted to PHF	24.72%	3.90%	-	-
MIP Graded with HI	24.94%	3.00–4.30%	-	-
MIP Graded converted to PHF	24.72%	3.00–4.30%	-	-
MIP Plus with HI	24.94%	3.00–6.40%	-	-
MIP Plus converted to PHF	24.72%	3.00–6.40%	-	-
MIP Fixed/Graded/Plus 7% with HI	24.94%	7.00%	-	-
MIP Fixed/Graded/Plus 7% converted to PHF	24.72%	7.00%	-	-
MIP Fixed/Graded/Plus converted to DC with HI	21.18%	-	4.00%	Elective up to IRS limit
MIP Fixed/Graded/Plus converted to DC with PHF	20.96%	-	4.00%	Elective up to IRS limit
Pension Plus with HI	24.31%	3.00–6.40%	50% match up to 1.00%	Automatically enrolled at 2.00%, but can elect to change
Pension Plus with PHF	24.09%	3.00–6.40%	50% match up to 1.00%	Automatically enrolled at 2.00%, but can elect to change
100% Defined Contribution	20.96%	-	50% match up to 3.00%	Automatically enrolled at 6.00%, but can elect to change
Healthcare Insurance Trust (HI)	-	3.00%	-	-
Personal Healthcare Fund (PHF)	-	-	100% match up to 2.00%	Automatically enrolled at 2.00%, but can elect to change



**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 6. Retirements Plans – Continued**

**MPSERS Defined Benefit Pension and Defined Contribution Plans – Continued**

The following table discloses pertinent information relative to MPSERS funding for the three-year period beginning July 1, 2014 through June 30, 2017. The table includes pension and healthcare benefit data combined for all four components of the MPSERS retirement system: the Basic Defined Benefit Plan, the MIP Defined Benefit Plan, the Pension Plus Defined Benefit Plan, and the Defined Contribution Plan administered by Voya Financial. It also includes the required employee contributions to the irrevocable healthcare trust that were effective beginning July 1, 2010.

	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
Employer funding percentage range	24.09%-27.09%	24.13%-27.35%	24.19%-27.27%
Total College payroll	\$41.1 million	\$39.3 million	\$40.0 million
MPSERS covered compensation	\$31.5 million	\$30.3 million	\$30.7 million
College contributions (excluding UAAL)	\$8.0 million	\$7.9 million	\$7.9 million
Employee contributions	\$2.4 million	\$2.2 million	\$2.2 million

**Measurement of the MPSERS Net Pension Liability** – The plan’s net pension liability is to be measured as the total pension liability, less the amount of the pension plan’s fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer’s contribution requirement).

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

	<u>2017</u>	<u>2016</u>
Total pension liability	\$67,917,445,078	\$66,312,041,902
Plan fiduciary net position	42,968,263,308	41,887,015,147
Net pension liability	<u>\$24,949,181,770</u>	<u>\$24,425,026,755</u>
Plan fiduciary net position as a percentage of total pension liability	63.27%	63.17%
Net pension liability as a percentage of covered employee payroll	295.81%	292.61%

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Benefit Pension and Defined Contribution Plans – Continued**

**Proportionate Share of Net Pension Liability, Deferrals, and Pension Expense** – At June 30, 2017 and 2016, respectively, the College reported a liability of \$90.8 million and \$87.7 million for its proportionate share of the net pension liability of MPSERS. The 2017 net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2015, which was the measurement date for the 2016 net pension liability. The College’s proportion of the 2017 and 2016 net pension liability was determined by dividing each employer’s statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2016, the College’s proportion was .36396%, an increase of .00476% from its proportion measured as of September 30, 2015, which was .35920%.

For the year ended June 30, 2017 and 2016, respectively, the College recognized MPSERS pension expense of and \$8.6 million and \$7.1 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS pension from the following sources:

	Year Ended June 30, 2017		Year Ended June 30, 2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,419,688	\$ -	\$ -	\$ 290,606
Differences between expected and actual experience	1,131,688	215,214	2,160,234	-
Net difference between projected and actual earnings on pension plan assets	1,509,203	-	447,819	-
Changes in proportion and differences between College contributions and proportionate share of contributions	1,134,636	1,029,144	337,993	1,333,153
College contributions subsequent to the measurement date	7,188,119	-	6,703,912	-
Rate stabilization appropriations received after the measurement date	-	2,798,264	-	2,547,561
<b>Total</b>	<b>\$ 12,383,334</b>	<b>\$ 4,042,622</b>	<b>\$ 9,649,958</b>	<b>\$ 4,171,320</b>

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Benefit Pension and Defined Contribution Plans – Continued**

***Proportionate Share of Net Pension Liability, Deferrals, and Pension Expense (continued)*** – The College reported deferred outflows of resources related to pension contributions subsequent to the measurement date of \$7.2 million and \$6.7 million, respectively, as of June 30, 2017 and 2016 that will be recognized as a reduction of the net pension liability in the College’s respective subsequent fiscal year. Rate stabilization appropriations received subsequent to the measurement date reported as deferred inflows of resources will be recognized as revenue in the College’s respective subsequent fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 677,138
2019	558,368
2020	2,221,846
2021	493,505
Total	<u>\$ 3,950,857</u>

***Rate of Return, Discount Rate and Long-term Expected Rate of Return*** – The discount rate used to measure the total pension liability was 8.0% for the Basic and MIP Plans and 7.0% for the Pension Plus Plan for both valuation years, September 30, 2016 and 2015, and was based on the long term expected rate of return on pension investments. The projection of cash flows used to determine this discount rate assumed that employee member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2017**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Benefit Pension and Defined Contribution Plans – Continued**

**Rate of Return, Discount Rate and Long-term Expected Rate of Return (continued)** – Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2016 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	28.0%	5.9%
% Alternative Investment Pools	18.0	9.2
International Equity	16.0	7.2
Fixed Income Pools	10.5	0.9
Real Estate & Infrastructure Pools	10.0	4.3
Absolute Return Pools	15.5	6.0
Short-Term Investment Pools	2.0	0.0
Total	<u>100.0%</u>	

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the College’s proportionate share of the net pension liability, calculated using the discount rate of 8.0% for the Basic and MIP Plans and 7.0% for the Pension Plus Plan, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.0% point lower (7.0% for the Basic and MIP Plans and 6.0% for the Pension Plus Plan) or 1.0% point higher (9.0% for the Basic and MIP Plans and 8.0% for the Pension Plus Plan) than the current rates:

	Net Pension Liability at 1.0% Decrease (7.0% for Basic and MIP Plans, and 6.0% for Pension Plus Plan)	Net Pension Liability at Current Discount Rate (8.0% for Basic and MIP Plans, and 7.0% for Pension Plus Plan)	Net Pension Liability at 1.0% Increase (9.0% for Basic and MIP Plans, and 8.0% for Pension Plus Plan)
Year Ended June 30, 2017	\$ 116,935,856	\$ 90,806,454	\$ 68,776,856
Year Ended June 30, 2016	\$ 113,113,575	\$ 87,735,519	\$ 66,340,779

For non-university employers, the Basic and MIP Plans are non-hybrid plans. Pension Plus is a hybrid plan, with a defined benefit (pension) component and a defined contribution (DC) component.

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Benefit Pension and Defined Contribution Plans – Continued**

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

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

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

The total pension liability in the September 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal cost actuarial cost method
Assumed investment rate of return	8.0% for Basic and MIP Plans and 7.0% for Pension Plus Plan, net of investment and administrative expenses
Wage inflation rate	3.50%
Projected rate of pay increases	3.50 to 12.30%, including wage inflation at 3.50%
Cost-of-living pension adjustments	3.00% annual non-compounded for MIP members
Mortality basis	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB. This assumption was first used for the September 30, 2014 valuation for the MPSERS system. For retirees, 100% of the table rates were used. For active members, 80% of the table rates were used for males and 70% of the table rates were used for females.

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 6. Retirement Plans – Continued**

**Actuarial Valuations and Assumptions (continued)** – Assumption changes as a result of an experience study for the period 2007 through 2012 have been adopted by the MPSERS system for use in the annual pension valuations beginning with the September 30, 2014 valuation. The total pension liability as of September 30, 2016 is based on the results of an actuarial valuation date of September 30, 2015, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for liabilities is the average of the expected remaining service lives of all employees, which is 4.6273 years and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2016 MPSERS Comprehensive Annual Financial Report (CAFR), which is available online at [www.michigan.gov/mpsers-cafr](http://www.michigan.gov/mpsers-cafr).

**Payable to Pension Plan** – As of June 30, 2017 and 2016, respectively, the College reported \$1,054,000 and \$663,000 for outstanding amount of required contributions to MPSERS for the year then ended, which included the UAAL pass-through payments due to MPSERS.

**ORP Defined Contribution Plan**

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

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

During the years ended June 30, 2017 and 2016, compensation covered under the ORP approximated \$7.8 million and \$7.2 million, respectively, which resulted in contributions by the College of approximately \$782,000 and \$722,000.

## **Notes to Financial Statements - Continued**

### **Delta College**

**June 30, 2017**

#### **Note 7. MNJTP Bonds Payable**

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

In connection with this program, during the year ended June 30, 2012, the College entered into a MNJTP agreement with Xalt Energy MI, LLC (formerly Dow Kokam MI, LLC), which provided for a maximum bond principal amount of \$6,190,000. Under this agreement, during the years ended June 30, 2017 and 2016, respectively, the College issued bond principal to the company totaling \$440,000 and \$562,000 and repaid bond principal of \$479,000 and \$523,000. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with Xalt Energy as of June 30, 2017. The College had outstanding MNJTP bonds payable and offsetting accounts receivable of \$39,000 as of June 30, 2016. As of June 30, 2017, total bonds issued to date under this agreement total \$1,856,000.

During the year ended June 30, 2013, the College entered into a MNJTP agreement with ECO-Bio Plastics Midland, Inc., with the maximum bond principal issue amount of \$200,000. For the year ended June 30, 2016, the College issued bond principle to the company totaling \$11,000, whereas no bond principal was issued during the year ended June 30, 2017. Additionally, for each year 2017 and 2016, respectively, the College repaid bond principal of zero and \$17,000, and had outstanding MNJTP bonds payable and offsetting accounts receivable of \$1,000 for both years, all of which due to be repaid in less than one year. As of June 30, 2017, total bonds issued to date under this agreement total \$50,000.

#### **Note 8. Operating Lease Obligations**

The College leases one of its off campus centers under a short-term operating lease, with total lease expense approximating \$31,000, for each of the years ended June 30, 2017 and 2016. At June 30, 2017, the College has noncancellable future lease payments of \$31,000 scheduled to be paid during the years ending June 30, 2018 and June 30, 2019.

#### **Note 9. Contingent Liabilities**

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

## **Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2017**

### **Note 10. Risk Management**

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

### **Note 11. Contractual Commitments**

The College has outsourced the management and operational support of its information technology services. At its September 2016 meeting, the College's Board of Trustees approved and accepted a contract renewal with Ellucian, with the new contract period beginning November 1, 2016 and ending October 31, 2023. The 7-year contract includes the expansion of services relating to technology support in the Health Professions Building, training support for standard software used College-wide and support of all classroom technology and audio visual support for special events. The 7-year contract fee schedule calls for monthly payments ranging from \$187,000 to \$201,000 through October 2023, with a total contractual commitment of \$16.9 million over the 7-year contract period. The contract also provides for an annual payment adjustment based on the Consumer Price Index.

### **Note 12. Capital Construction Projects**

The College submitted a Capital Outlay Request for planning the Saginaw Center Project the past four years. On June 29, 2016 the State of Michigan approved Public Act 268 of 2016 which included the planning authorization for our project. Submitted were schematic design plans to the State Budget Office on March 16, 2017, which was the next step required to secure final approval for the State's 50% matching funds. On July 14, 2017 the State of Michigan approved Public Act 107 of 2017 which provided the final approval and included the construction authorization for our project. Since the Saginaw Center project has received construction authorization we are now eligible to submit our next project, which last year was the Midland Center Project, as our Priority #1 project and request that it be included in the Fiscal Year 2019 Executive Budget Recommendation. The Saginaw Center project has an estimated cost of \$12,739,000. As of June 30, 2017, the project has expenditures of \$196,000 with \$107,000 of construction in progress.

### **Note 13. Endowment Spending Rate Policy**

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



**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2017**

**Note 14. Delta College Foundation**

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

On June 1, 2016, the Foundation Board of Directors approved a 1% Endowment Administration Fee, to be applied to all funds held in the Endowment Fund. The fee, based on the endowment's fair market value, will be assessed by the Foundation annually, on June 30. It was implemented for the first time on June 30, 2017, and approximated \$180,000. The calculation of the annual fee will be consistent with the Distribution Policy and based on a five-year quarterly moving average market value of the Fund. The fee is in addition to the Investment Fees already charged by Morgan Stanley to manage the endowment's investments. Funds resulting from implementation of the 1% Endowment Administration Fee will be used to support the Foundation's operational needs for philanthropic growth at Delta College.

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

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

Condensed financial information for the Foundation is provided below:

<b>Delta College Foundation Condensed Balance Sheets</b>		
	<b>June 30, 2017</b>	<b>June 30, 2016</b>
<b>Assets</b>		
Current assets	\$ 1,312,246	\$ 1,185,207
Long-term assets	338,448	420,990
<b>Total Assets</b>	<b>1,650,694</b>	<b>1,606,197</b>
<b>Liabilities</b>		
Current liabilities	38,663	28,712
<b>Net Position</b>		
Donor-restricted endowments	107,775	67,271
Restricted-expendable	959,190	1,154,242
Unrestricted	545,066	355,972
<b>Total Net Position</b>	<b>\$ 1,612,031</b>	<b>\$ 1,577,485</b>

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 14. Delta College Foundation – Continued**

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

	Year Ended June 30, 2017	Year Ended June 30, 2016
<b>Operating Revenue</b>	\$ -	\$ -
<b>Operating Expenses</b>		
Institutional administration	34,818	66,896
Fundraising	23,205	25,670
Total Operating Expenses	58,023	92,566
<b>Operating Loss</b>	(58,023)	(92,566)
<b>Nonoperating Revenue (Expenses)</b>		
Gifts	1,197,440	1,792,616
Special events	68,288	92,188
Investment income	274,762	86,915
Foundation grants and distributions to or for Delta College	(1,453,784)	(3,346,426)
Net Nonoperating Revenue (Expenses)	86,706	(1,374,707)
<b>Net Income (Loss) Before Other Revenue</b>	28,683	(1,467,273)
<b>Other Revenue</b>		
Capital gifts and grants	5,863	5,863
<b>Increase (Decrease) in Net Position</b>	34,546	(1,461,410)
<b>Net Position</b>		
Beginning of year	1,577,485	3,038,895
End of year	\$ 1,612,031	\$ 1,577,485

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2017**

**Note 14. Delta College Foundation – Continued**

**Delta College Foundation Condensed Statements of Cash Flows**

	<b>Year Ended June 30, 2017</b>	<b>Year Ended June 30, 2016</b>
<b>Net Cash Used in Operating Activities</b>	\$ (54,572)	\$ (96,452)
<b>Net Cash Used in Noncapital Financing Activities</b>	(2,641)	(38,734)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	51,375	(63,886)
<b>Net Cash Provided by Investing Activities</b>	274,762	86,915
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	268,924	(112,157)
<b>Cash and Cash Equivalents</b>		
Beginning of year	760,874	873,031
End of year	\$ 1,029,798	\$ 760,874

**Note 15. Tax Abatements**

Delta College receives reduced property tax revenue because of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by Bay, Midland and Saginaw Counties. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. For the year ended June 30, 2017, Delta College property tax revenues were reduced by \$296,257 under these programs. There are no abatements made by the College.

**Required Supplementary Information**  
**Schedule of Proportionate Share of Net Pension Liability and Contributions for Michigan Public School**  
**Employees' Retirement System (MPERS), and Notes to Required Supplementary Information**  
**Delta College**  
**June 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Schedule of Proportionate Share of Net Pension Liability</u></b>			
Delta College's proportion of the collective MPERS net pension liability:			
As a percentage	0.36396%	0.35920%	0.36636%
Amount	\$ 90,806,454	\$ 87,735,519	\$ 80,695,808
Delta College's covered employee payroll	\$ 30,432,804	\$ 30,587,339	\$ 30,260,280
Delta College's proportionate share of the collective pension liability, as a percentage of the College's covered employee payroll	298.4%	286.8%	266.7%
MPERS fiduciary net position, as a percentage of the total pension liability	63.27%	63.17%	66.20%
<b><u>Schedule of Contributions for MPERS</u></b>			
Delta College's statutorily required contributions	\$ 8,655,641	\$ 8,475,840	\$ 6,412,460
Delta College's contributions in relation to the actuarially determined contractually required contribution	<u>8,655,641</u>	<u>8,475,840</u>	<u>6,412,460</u>
Delta College's contribution deficiency (excess)	\$ -	\$ -	\$ -
Delta College's covered employee payroll	\$ 31,475,611	\$ 30,304,431	\$ 29,660,019
Delta College contributions as a percentage of covered employee payroll	27.5%	28.0%	21.6%

**Notes to Required Supplementary Information**

Changes of benefit terms: There were no changes of benefit terms in 2017.

Changes of assumptions: There were no changes of benefit assumptions in 2017.

**Supplemental Schedules of Other Financial Information**  
**Consolidating Balance Sheet**  
**Delta College**  
**June 30, 2017**

	<b>Combined Total</b>	<b>General Fund</b>	<b>Designated Fund</b>	<b>Auxiliary Activities Fund</b>	<b>Expendable Restricted Fund</b>	<b>Endowment Fund</b>	<b>Plant Fund</b>	<b>MPSERS Retirement GASB 68 Fund</b>	<b>Debt Fund</b>	<b>Agency Fund</b>	<b>Foundation</b>
<b>Assets</b>											
<b>Current Assets</b>											
Cash and cash equivalents	\$ 13,521,417	\$ 109,376	\$ 854,688	\$ 1,818,550	\$ 2,099,946	\$ 476,011	\$ 6,827,806	\$ -	\$ 22,050	\$ 283,192	\$ 1,029,798
Short-term investments	40,930,172	6,979,113	3,987,108	3,017,569	996,370	-	25,950,012	-	-	-	-
Property taxes receivable	201,655	201,655	-	-	-	-	-	-	-	-	-
State appropriations receivable	3,408,594	3,408,594	-	-	-	-	-	-	-	-	-
Federal and state grants receivable	1,426,972	92,394	315,503	-	1,019,075	-	-	-	-	-	-
Accounts receivable	613,461	(31,449)	588,883	54,244	1,783	-	-	-	-	-	-
Pledges receivable	282,448	-	-	-	-	-	-	-	-	-	282,448
Inventories	974,068	162,153	-	811,915	-	-	-	-	-	-	-
Prepaid expenses and other assets	299,365	220,521	24,000	-	12,321	22,428	20,095	-	-	-	-
Due from (to) other funds	-	-	(68,383)	-	68,383	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>61,658,152</b>	<b>11,142,357</b>	<b>5,701,799</b>	<b>5,702,278</b>	<b>4,197,878</b>	<b>498,439</b>	<b>32,797,913</b>	<b>-</b>	<b>22,050</b>	<b>283,192</b>	<b>1,312,246</b>
<b>Long-Term Investments</b>	<b>26,258,766</b>	<b>973,800</b>	<b>-</b>	<b>1,500,000</b>	<b>-</b>	<b>21,806,601</b>	<b>1,978,365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Long-Term Pledges Receivable</b>	<b>338,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>338,448</b>
<b>Capital Assets</b>											
Land and improvements	11,149,893	-	-	-	-	-	11,149,893	-	-	-	-
Infrastructure	11,964,221	-	-	-	-	-	11,964,221	-	-	-	-
Buildings	121,248,171	-	-	-	-	-	121,248,171	-	-	-	-
Furniture and equipment	18,265,840	-	-	-	-	-	18,265,840	-	-	-	-
Fine art collection	139,832	-	-	-	-	-	139,832	-	-	-	-
Construction in progress	377,597	-	-	-	-	-	377,597	-	-	-	-
Allowance for depreciation	(65,344,236)	-	-	-	-	-	(65,344,236)	-	-	-	-
<b>Total Capital Assets</b>	<b>97,801,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,801,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>186,056,684</b>	<b>12,116,157</b>	<b>5,701,799</b>	<b>7,202,278</b>	<b>4,197,878</b>	<b>22,305,040</b>	<b>132,577,596</b>	<b>-</b>	<b>22,050</b>	<b>283,192</b>	<b>1,650,694</b>
<b>Deferred Outflows of Resources</b>	<b>12,383,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,383,334</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>											
<b>Current Liabilities</b>											
Accounts payable	1,953,305	927,363	60,288	12,164	258,814	-	386,271	-	21,050	283,192	4,163
Accrued payroll and other compensation	3,817,541	3,463,874	173,847	96,074	83,746	-	-	-	-	-	-
Unearned revenue	1,361,958	880,988	334,497	-	108,598	3,375	-	-	-	-	34,500
Current portion of MNJTP bonds payable	1,000	-	-	-	-	-	-	-	1,000	-	-
<b>Total Current Liabilities</b>	<b>7,133,804</b>	<b>5,272,225</b>	<b>568,632</b>	<b>108,238</b>	<b>451,158</b>	<b>3,375</b>	<b>386,271</b>	<b>-</b>	<b>22,050</b>	<b>283,192</b>	<b>38,663</b>
<b>Non-Current Liabilities</b>											
Net pension liability	90,806,454	-	-	-	-	-	-	90,806,454	-	-	-
<b>Total Liabilities</b>	<b>97,940,258</b>	<b>5,272,225</b>	<b>568,632</b>	<b>108,238</b>	<b>451,158</b>	<b>3,375</b>	<b>386,271</b>	<b>90,806,454</b>	<b>22,050</b>	<b>283,192</b>	<b>38,663</b>
<b>Deferred Inflows of Resources</b>	<b>4,042,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,042,622</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>											
Net investment in capital assets	97,801,318	-	-	-	-	-	97,801,318	-	-	-	-
Restricted for:											
Donor-restricted endowments	14,412,397	-	-	-	-	14,304,622	-	-	-	-	107,775
Expendable scholarships and awards	1,129,961	-	-	-	846,340	-	-	-	-	-	283,621
Instructional department uses	1,864,509	-	-	-	1,414,102	-	-	-	-	-	450,407
Public broadcasting activities	1,063,311	-	-	-	1,063,311	-	-	-	-	-	-
Other restricted uses	332,547	-	-	-	107,385	-	-	-	-	-	225,162
Unrestricted	(20,146,905)	6,843,932	5,133,167	7,094,040	315,582	7,997,043	34,390,007	(82,465,742)	-	-	545,066
<b>Total Net Position</b>	<b>\$ 96,457,138</b>	<b>\$ 6,843,932</b>	<b>\$ 5,133,167</b>	<b>\$ 7,094,040</b>	<b>\$ 3,746,720</b>	<b>\$ 22,301,665</b>	<b>\$ 132,191,325</b>	<b>\$ (82,465,742)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,612,031</b>

**Supplemental Schedules of Other Financial Information**  
**Consolidating Statement of Revenue, Expenses and Changes in Net Position**  
**Delta College**  
**Year Ended June 30, 2017**

	Combined Total	Elimination	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Retirement GASB 68 Fund	Foundation
<b>Operating Revenue</b>										
Tuition and fees, net of scholarship allowance of \$6,404,632 in 2017 and \$6,883,388 in 2016	\$ 24,582,161	\$ (6,404,632)	\$ 27,268,462	\$ 3,718,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	3,887,150	-	-	-	-	3,887,150	-	-	-	-
State grants and contracts	281,336	-	-	-	-	281,336	-	-	-	-
Local and nongovernmental grants and contracts	825,266	-	-	-	-	825,266	-	-	-	-
Public broadcasting gifts	669,113	-	-	-	-	669,113	-	-	-	-
Auxiliary activities, net of scholarship allowance of \$1,077,413 in 2017 and \$1,211,928 in 2016	4,896,979	(1,077,413)	-	-	5,974,392	-	-	-	-	-
Current year expenditures for capital equipment and facility improvements	-	(2,843,946)	-	-	-	-	-	2,843,946	-	-
Miscellaneous	925,108	(23,632)	402,298	333,770	-	210,549	-	2,123	-	-
<b>Total Operating Revenue</b>	<b>36,067,113</b>	<b>(10,349,623)</b>	<b>27,670,760</b>	<b>4,052,101</b>	<b>5,974,392</b>	<b>5,873,414</b>	<b>-</b>	<b>2,846,069</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses</b>										
Instruction	40,199,972	(544,191)	33,797,725	3,057,190	-	3,598,477	-	315,985	(25,214)	-
Public services	2,596,724	(40,263)	1,085,331	19,737	-	1,533,031	-	-	(1,112)	-
Instructional support	8,213,957	(56,580)	7,931,689	139,139	-	203,820	-	-	(4,111)	-
Student services	20,169,619	(7,607,606)	7,257,661	94,116	5,718,334	14,665,663	-	45,694	(4,243)	-
Institutional administration	8,518,317	(22,858)	7,585,183	654,697	-	-	-	270,342	(3,865)	34,818
Operation and maintenance of facilities	7,159,260	(2,054,493)	6,359,384	-	-	1,319	-	2,856,347	(3,297)	-
Depreciation expense	4,930,260	-	-	-	-	-	-	4,930,260	-	-
Fundraising expenses	23,205	-	-	-	-	-	-	-	-	23,205
Other expenses	-	(721,886)	-	-	-	-	721,886	-	-	-
<b>Total Operating Expenses</b>	<b>91,811,314</b>	<b>(11,047,877)</b>	<b>64,016,973</b>	<b>3,964,879</b>	<b>5,718,334</b>	<b>20,002,310</b>	<b>721,886</b>	<b>8,418,628</b>	<b>(41,842)</b>	<b>58,023</b>
<b>Operating Income (Loss)</b>	<b>(55,744,201)</b>	<b>698,254</b>	<b>(36,346,213)</b>	<b>87,222</b>	<b>256,058</b>	<b>(14,128,896)</b>	<b>(721,886)</b>	<b>(5,572,559)</b>	<b>41,842</b>	<b>(58,023)</b>
<b>Nonoperating Revenue (Expenses)</b>										
State appropriations	21,178,639	-	21,429,342	-	-	-	-	-	(250,703)	-
Property tax levy	22,171,146	-	22,171,146	-	-	-	-	-	-	-
Pell federal grant revenue	13,148,046	-	-	-	-	13,148,046	-	-	-	-
Gifts	140,317	(2,003,495)	13,610	106,355	-	701,965	124,442	-	-	1,197,440
Special events, net of expenses of \$59,867 in 2017 and \$58,737 in 2016	68,288	-	-	-	-	-	-	-	-	68,288
Investment income (loss), net of Endowment Fund inves expense of \$158,127 in 2017 and \$160,346 in 2016	3,002,918	(704,814)	190,042	98,900	-	499,954	2,400,889	243,185	-	274,762
Loss on disposition of capital assets	(186,450)	23,632	-	-	-	-	-	(210,082)	-	-
Foundation grants and distributions to or for Delta Colle	613,209	2,066,993	-	-	-	-	-	-	-	(1,453,784)
<b>Net Nonoperating Revenue (Expenses)</b>	<b>60,136,113</b>	<b>(617,684)</b>	<b>43,804,140</b>	<b>205,255</b>	<b>-</b>	<b>14,349,965</b>	<b>2,525,331</b>	<b>33,103</b>	<b>(250,703)</b>	<b>86,706</b>
<b>Net Income (Loss) Before Other Revenue</b>	<b>4,391,912</b>	<b>80,570</b>	<b>7,457,927</b>	<b>292,477</b>	<b>256,058</b>	<b>221,069</b>	<b>1,803,445</b>	<b>(5,539,456)</b>	<b>(208,861)</b>	<b>28,683</b>
<b>Other Revenue</b>										
State capital appropriations	-	-	-	-	-	-	-	-	-	-
Capital gifts and grants	5,863	(80,570)	-	-	-	-	-	80,570	-	5,863
Additions to permanent endowments	383,893	-	-	-	-	-	383,893	-	-	-
<b>Total Other Revenue</b>	<b>389,756</b>	<b>(80,570)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383,893</b>	<b>80,570</b>	<b>-</b>	<b>5,863</b>
<b>Increase (Decrease) in Net Position</b>	<b>4,781,668</b>	<b>-</b>	<b>7,457,927</b>	<b>292,477</b>	<b>256,058</b>	<b>221,069</b>	<b>2,187,338</b>	<b>(5,458,886)</b>	<b>(208,861)</b>	<b>34,546</b>
<b>Transfers In (Out)</b>	<b>-</b>	<b>-</b>	<b>(7,432,358)</b>	<b>(222,449)</b>	<b>(251,490)</b>	<b>94,513</b>	<b>40,000</b>	<b>7,771,784</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Net Position</b>	<b>4,781,668</b>	<b>-</b>	<b>25,569</b>	<b>70,028</b>	<b>4,568</b>	<b>315,582</b>	<b>2,227,338</b>	<b>2,312,898</b>	<b>(208,861)</b>	<b>34,546</b>
<b>Net Position - Beginning of Year</b>	<b>91,675,470</b>	<b>-</b>	<b>6,818,363</b>	<b>5,063,139</b>	<b>7,089,472</b>	<b>3,431,138</b>	<b>20,074,327</b>	<b>129,878,427</b>	<b>(82,256,881)</b>	<b>1,577,485</b>
<b>Net Position - End of Year</b>	<b>\$ 96,457,138</b>	<b>\$ -</b>	<b>\$ 6,843,932</b>	<b>\$ 5,133,167</b>	<b>\$ 7,094,040</b>	<b>\$ 3,746,720</b>	<b>\$ 22,301,665</b>	<b>\$ 132,191,325</b>	<b>\$ (82,465,742)</b>	<b>\$ 1,612,031</b>

**Supplemental Schedules of Other Financial Information**  
**Details of Certain General Fund Revenues**  
**Delta College**  
**Year Ended June 30, 2017**

**Tuition and Fees**

Tuition	\$	20,060,284
Registration fees		934,937
Course and program fees:		
Excess contact hour fees		1,946,243
Technology fees		3,046,333
Nursing & Dental Hygiene program fees		167,233
Online course fees		1,014,446
Auto course fees		53,040
Other fees		<u>45,946</u>
<b>Total Tuition and Fees</b>	<b>\$</b>	<b><u>27,268,462</u></b>

**Miscellaneous Revenue**

Collegiate ads	\$	3,225
Credit by exam		6,315
Live scan fees		19,955
Miscellaneous		192,187
Parking fines		519
Planetarium ticket sales		66,846
Rental of college facilities		65,046
Reserve parking		11,178
Testing		<u>37,027</u>
<b>Total Miscellaneous Revenue</b>	<b>\$</b>	<b><u>402,298</u></b>

**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses**  
**Delta College**  
**Year Ended June 30, 2017**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Instruction</b>						
Social Sciences	\$ 3,044,590	\$ 1,546,418	\$ 28,368	\$ -	\$ 32,592	\$ 4,651,968
Humanities	2,194,826	1,104,008	41,249	-	21,073	3,361,156
English	2,631,881	1,368,112	27,023	-	26,106	4,053,122
Mathematics & Computer Science	1,866,796	1,008,024	33,476	-	17,000	2,925,296
Sciences	3,383,172	1,604,005	113,365	-	34,426	5,134,968
Business & Information Technology	2,612,836	1,277,961	26,281	-	25,600	3,942,678
Health & Wellness	3,876,761	2,066,588	251,695	-	36,478	6,231,522
Technical Trades & Manufacturing	1,817,325	907,950	208,759	-	22,146	2,956,180
Instructional Equipment	-	-	518,608	22,227	-	540,835
<b>Total Instruction</b>	<b>21,428,187</b>	<b>10,883,066</b>	<b>1,248,824</b>	<b>22,227</b>	<b>215,421</b>	<b>33,797,725</b>
<b>Public Services</b>						
Television	364,590	232,122	-	-	2,905	599,617
Public Radio	75,488	45,225	-	-	705	121,418
Planetarium and Learning Center	192,620	109,020	45,452	-	2,055	349,147
President's Speakers Series	-	-	15,149	-	-	15,149
<b>Total Public Services</b>	<b>632,698</b>	<b>386,367</b>	<b>60,601</b>	<b>-</b>	<b>5,665</b>	<b>1,085,331</b>
<b>Instructional Support</b>						
Office of Vice President of Instruction & Learning Services	189,567	66,850	5,938	-	7,763	270,118
Division Chairs	1,126,472	678,696	59,833	-	12,789	1,877,790
Academic Deans	375,807	214,429	11,028	-	8,251	609,515
Faculty Secretarial & Instructional Support	96,053	53,791	23,841	56,580	2,109	232,374
Instructional Support Information Technology	-	-	1,400,256	-	-	1,400,256
Computer & Multimedia Laboratories	232,321	76,433	58,815	-	775	368,344
Library & Learning Resources Center	490,627	258,651	158,841	-	6,248	914,367
Teaching Learning and WRIT Centers	405,613	189,815	990	-	3,886	600,304
Academic Testing Center	131,000	77,798	399	-	413	209,610
Instructional Media Technology	80,234	24,796	18,936	-	125	124,091
Fitness & Aquatics Center Instructional Support	123,914	54,522	36,099	-	500	215,035
Developmental Education	-	-	473	-	2,077	2,550
Teaching Enhancement Centers	14,383	10,405	43,767	-	10,707	79,262
Center for Organizational Success	53,812	38,585	24,666	-	1,746	118,809
Accreditation & Assessment	-	-	37,160	-	643	37,803
Community Development & Strategic Partnerships	136,476	97,459	4,922	-	4,291	243,148
Service Learning & Community Engagement	90,353	67,814	32,247	-	6,206	196,620
Honors Program	-	-	7,159	-	3,244	10,403
eLearning	126,180	79,925	213,060	-	2,125	421,290
<b>Total Instructional Support</b>	<b>3,672,812</b>	<b>1,989,969</b>	<b>2,138,430</b>	<b>56,580</b>	<b>73,898</b>	<b>7,931,689</b>



**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Student Services</b>						
Office of Vice President of Student & Education Services	\$ 226,767	\$ 115,483	\$ 10,118	\$ -	\$ 8,455	\$ 360,823
Dean of Students	98,511	29,396	173,128	-	2,730	303,765
Dean of Enrollment Services	145,147	42,998	1,177	-	2,183	191,505
Admissions	337,119	202,912	59,568	-	3,222	602,821
Records & Registration	344,327	209,671	24,607	-	4,871	583,476
Counseling & Advising	768,975	410,015	8,287	-	7,209	1,194,486
Financial Aid	495,054	323,704	17,300	-	8,845	844,903
Enrollment Management & Student Goodwill	3,340	1,588	65,537	-	13,337	83,802
Student Engagement, Leadership, & Organizations	112,404	63,543	53,001	-	7,718	236,666
Career & Employment Services	151,066	75,910	23,837	-	2,792	253,605
Marketing & Publications	-	-	406,232	-	1,969	408,201
Veteran Services	60,943	42,368	989	-	500	104,800
Student Services Support Information Technology	-	-	524,730	-	-	524,730
Collegiate Student Newspaper	48,358	4,706	10,975	-	1,660	65,699
Disability Resources	84,316	51,750	35,461	-	4,141	175,668
Commencement & Student Awards	-	-	17,774	-	-	17,774
Possible Dream Program	49,507	33,632	508	-	500	84,147
Student Testing & Assessment	54,196	35,402	27,534	-	749	117,881
Scholarships & Grants	-	-	258,590	-	-	258,590
Ricker Center	88,620	53,992	104,288	-	792	247,692
Midland Center	59,207	43,998	3,947	-	500	107,652
Learning Centers & Innovative Programs	-	-	-	-	-	-
Athletic Programs	179,383	91,461	107,481	-	110,650	488,975
<b>Total Student Services</b>	<b>3,307,240</b>	<b>1,832,529</b>	<b>1,935,069</b>	<b>-</b>	<b>182,823</b>	<b>7,257,661</b>

**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Institutional Administration</b>						
Board of Trustees	\$ -	\$ -	\$ 18,329	\$ -	\$ 22,877	\$ 41,206
Development Office	277,569	178,744	29,909	-	4,086	490,308
Equity Office	37,367	23,279	5,084	-	155	65,885
President's Office	384,035	241,861	7,617	-	22,638	656,151
Memberships	-	-	125,431	-	1,317	126,748
Miscellaneous	-	-	55,073	-	4,957	60,030
Strategic Planning	-	-	17,545	-	8,163	25,708
Legal	-	-	40,702	-	-	40,702
Audit	-	-	51,204	-	-	51,204
Bank Fees, Collection Expenses & Bad Debts	-	-	648,600	-	-	648,600
Insurance, Unemployment & Other	-	58,370	435,313	-	-	493,683
Communications Technology	76,329	49,004	102,515	-	375	228,223
Business Services	270,190	175,530	8,099	-	2,015	455,834
Finance Office	746,845	430,034	37,955	-	13,108	1,227,942
Administrative Support Information Technology	41,104	23,592	967,006	-	175	1,031,877
Human Resources & Staff Recruitment	434,668	252,233	64,771	-	5,275	756,947
Senate	32,514	24,850	2,462	-	2,646	62,472
Post Office	56,339	41,730	4,246	-	275	102,590
Institutional Advancement	317,765	214,086	1,749	-	8,848	542,448
Institutional Research	279,859	147,585	7,921	-	2,621	437,986
Wellness & Professional Development	-	12,281	25,712	-	646	38,639
<b>Total Institutional Administration</b>	<b>2,954,584</b>	<b>1,873,179</b>	<b>2,657,243</b>	<b>-</b>	<b>100,177</b>	<b>7,585,183</b>
<b>Operation and Maintenance of Facilities</b>						
Public Safety	407,351	209,465	45,117	-	7,016	668,949
Facilities Management	578,470	337,503	3,797	-	7,144	926,914
Facility Operations	1,572,135	1,026,054	285,042	-	4,971	2,888,202
Utilities	-	-	1,313,569	-	-	1,313,569
Facility Maintenance & Improvements	-	-	268,450	-	-	268,450
Off-Campus Centers & President's House	-	-	293,300	-	-	293,300
<b>Total Operation and Maintenance of Facilities</b>	<b>2,557,956</b>	<b>1,573,022</b>	<b>2,209,275</b>	<b>-</b>	<b>19,131</b>	<b>6,359,384</b>
<b>Total General Fund Operating Expenses</b>	<b>\$ 34,553,477</b>	<b>\$ 18,538,132</b>	<b>\$ 10,249,442</b>	<b>\$ 78,807</b>	<b>\$ 597,115</b>	<b>\$ 64,016,973</b>



**Supplemental Schedules of Other Financial Information**  
**Details of Auxiliary Activities Fund**  
**Delta College**  
**Year Ended June 30, 2017**

	Net Position July 1, 2016	Operating Revenues	Expenses				Total Expenses	Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2017
			Salaries	Fringe Benefits	Supplies and Services	Capital Expenses				
<b>Auxiliary Activities</b>										
Bookstore	\$ 5,264,658	\$ 4,587,213	\$ 451,581	\$ 162,074	\$ 3,702,337	\$ -	\$ 4,315,992	\$ 271,221	\$ (250,000)	\$ 5,285,879
Food Services	488,238	958,566	378,863	144,818	423,487	-	947,168	11,398	(1,185)	498,451
Fitness & Recreation Center	625,258	340,473	221,258	76,499	33,502	-	331,259	9,214	(305)	634,167
Carlyon Farmhouse	5,325	-	-	-	-	-	-	-	-	5,325
Planetarium Gift Shop & Conference Services	(3,557)	23,628	9,588	1,318	16,880	-	27,786	(4,158)	-	(7,715)
Learning Resources Vending	16,972	1	-	-	-	-	-	1	-	16,973
<b>Total Auxiliary Activities</b>	<u>6,396,894</u>	<u>\$ 5,909,881</u>	<u>\$ 1,061,290</u>	<u>\$ 384,709</u>	<u>\$ 4,176,206</u>	<u>\$ -</u>	<u>5,622,205</u>	<u>287,676</u>	<u>(251,490)</u>	<u>6,433,080</u>
<b>Internal Service Operations</b>										
Internal Service Operations	692,578	755,083	<u>\$ 166,050</u>	<u>\$ 89,563</u>	<u>\$ 405,527</u>	<u>\$ 125,561</u>	786,701	(31,618)	-	660,960
Elimination of Rebilled Charges	-	(690,572)	-	-	-	-	(690,572)	-	-	-
<b>Net Internal Service Operations</b>	<u>692,578</u>	<u>64,511</u>	-	-	-	-	<u>96,129</u>	<u>(31,618)</u>	<u>-</u>	<u>660,960</u>
<b>Total</b>	<u>\$ 7,089,472</u>	<u>\$ 5,974,392</u>	-	-	-	-	<u>\$ 5,718,334</u>	<u>\$ 256,058</u>	<u>\$ (251,490)</u>	<u>\$ 7,094,040</u>



**Supplemental Schedule of Other Financial Information**  
**Details of Endowment Fund**  
**Delta College**  
**Year Ended June 30, 2017**

	Net Assets July 1, 2016	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2017
<b>Endowment Funds</b>						
Margaret Adams Scholarship	\$ 10,100	\$ -	\$ 1,365	\$ (397)	\$ (178)	\$ 10,890
Charleen T. Adcock Scholarship	51,040	-	6,899	(1,886)	(871)	55,182
Anderson Family Delta Sculpture Walk	97,466	-	13,174	(4,008)	(1,763)	104,869
Anderson Family Scholarship	37,938	-	5,127	(1,215)	(600)	41,250
Athletic Scholarship	338,174	-	45,709	(13,201)	(5,942)	364,740
M. Seth Babcock Scholarship	15,262	-	2,063	(600)	(269)	16,456
Mary Ann (McGregor) Badour Scholarship	36,569	-	4,943	(1,436)	(645)	39,431
James & Joy Baker Scholarship	36,989	-	5,000	(1,432)	(647)	39,910
Ormond Barstow/Ludo Frevel Award for Scholarly Achievement	28,417	-	3,841	(1,118)	(502)	30,638
Baxandall Scholarship	194,508	-	26,292	(6,390)	(3,118)	211,292
Bay City Central Class of '41 Scholarship	69,665	5,000	9,845	(2,529)	(1,195)	80,786
Elzie & Muriel Beaver Scholarship	130,613	-	17,654	(5,134)	(2,304)	140,829
Leonard & Esther Bergstein Scholarship	50,930	10,050	7,745	(1,386)	(782)	66,557
Darrell R. Berry Scholarship	28,422	-	3,842	(1,114)	(500)	30,650
Alfred J. Bladecki Scholarship	9,627	-	1,301	(379)	(170)	10,379
Martin & Emma Block Scholarships	437,685	-	59,159	(17,191)	(7,717)	471,936
Peter & Barbra Boyse Program (Restricted)	29,701	1,000	4,049	(1,089)	(506)	33,155
Peter D. Boyse President's Scholar Program	1,831,315	500	247,578	(71,877)	(32,279)	1,975,237
Louise K. Brentin Scholarship	16,469	14,250	3,244	(299)	(250)	33,414
Business Division Scholarship	139,103	125	18,806	(5,458)	(2,451)	150,125
Carlyon Farmhouse Maintenance	204,271	-	27,610	(8,031)	(3,604)	220,246
Donald & Betty Carlyon Scholarship	145,562	5,402	19,875	(4,812)	(2,351)	163,676
Donald & Betty Carlyon Endowed Teaching Chair	193,365	-	26,136	(7,603)	(3,412)	208,486
DeeMona Chatman Scholarship	22,042	-	2,979	(864)	(388)	23,769
William R. Collings Award for Outstanding Service & Academic Achievement	35,434	-	4,789	(1,392)	(625)	38,206
Lynn Conway Athletic Scholarship	24,858	240	3,373	(942)	(430)	27,099
Gilbert A. Currie Estate Scholarships	290,739	-	39,297	(11,440)	(5,131)	313,465
Ilau & Phillip Dean Scholarship	39,864	2,500	5,604	(1,441)	(681)	45,846
Delta Deltah's Scholarship	5,485	-	742	(216)	(97)	5,914
Delta College Employee-Sponsored Scholarship	107,897	-	14,584	(4,245)	(1,904)	116,332
Delta College Planetarium Fund	623,432	6,751	84,748	(23,826)	(10,855)	680,250
Robert DeVinney Endowed Teaching Chair	132,228	75	17,878	(5,188)	(2,330)	142,663
Dixon Family Scholarship	63,447	-	8,576	(2,491)	(1,119)	68,413
Herbert Doan Scholarship	8,502	10,500	1,509	(335)	(170)	20,006
B. Joe & Margery (Knepp) Dodson Scholarship	28,300	64,361	9,358	(1,101)	(741)	100,177
Frances Dolinski Scholarship	67,183	3,400	9,286	(2,241)	(1,095)	76,533
Henry Dolinski Scholarship	73,828	3,400	10,183	(2,500)	(1,211)	83,700
Dr. Louis W. Doll & Patricia Drury Scholarship	38,789	600	5,268	(1,518)	(683)	42,456
Tom Dostal Memorial Scholarship	25,897	1,200	3,553	(1,032)	(463)	29,155
Dow Chemical Company Michigan Operations Award for Physical Science	24,040	-	3,250	(944)	(424)	25,922
The Herbert H. & Grace A. Dow Foundation Science Education	2,000,000	-	270,329	(53,999)	(29,125)	2,187,205
Herbert H. & Barbara C. Dow Fund	40,511	-	5,475	(1,594)	(714)	43,678
Jerry & Terry Drake Scholarship & Broadcasting Program Support	221,538	-	29,944	(8,703)	(3,908)	238,871
Draper Family Scholarship	14,250	-	1,926	(561)	(251)	15,364
Gene R. Duckworth Scholarship	28,841	-	3,898	(1,125)	(506)	31,108
Fred E. Dulmage Award for Engineering & Technology	21,119	-	2,854	(830)	(373)	22,770

**Supplemental Schedule of Other Financial Information**  
**Details of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

	Net Assets July 1, 2016	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2017
<b>Endowment Funds - Continued</b>						
Eldon Enger & Fred Ross Scholarship	\$ 22,915	\$ 225	\$ 3,117	\$ (875)	\$ (399)	\$ 24,983
English Division Guest Lecturer	23,424	-	3,166	(914)	(412)	25,264
James E. & Leanne Lutz Erickson Scholarship	22,355	-	3,022	(821)	(380)	24,176
Faculty Executive Committee Award	4,783	-	646	(188)	(84)	5,157
Fettig Family Scholarship	21,234	6,200	3,363	(858)	(403)	29,536
Arthur J. & Bette L. Fisher Scholarship	270,659	-	36,584	(10,620)	(4,770)	291,853
Isabella M. Flynn Scholarship	270,278	-	36,532	(8,029)	(4,119)	294,662
Peter & Suzanne Frantz Award for Art	24,494	-	3,311	(961)	(431)	26,413
Dr. John & Joanne Fuller Scholarship	28,783	-	3,890	(1,017)	(479)	31,177
David R. Gamez Scholarship	71,160	-	9,618	(2,773)	(1,249)	76,756
Gerace Construction Scholarship	128,090	-	17,314	(5,031)	(2,259)	138,114
Gerity Broadcasting Company Scholarship	101,202	-	13,680	(3,982)	(1,786)	109,114
Gerstacker Faculty Recognition Award	31,766	-	4,293	(1,247)	(560)	34,252
Global Education Program	35,605	-	4,813	(1,401)	(628)	38,389
Robert M. Gohlke Scholarship	30,494	-	4,121	(1,193)	(536)	32,886
Jean Goodnow Scholarship	27,340	500	3,714	(1,030)	(472)	30,052
Gougeon Brothers, Inc. Award for Applied Industrial/Technical	23,424	-	3,166	(914)	(412)	25,264
Patricia L. & Robert W. Grant Jr. Scholarship & Humanities Program	253,848	-	34,311	(10,187)	(4,530)	273,442
Great Lakes Bay Manufacturers' Association Scholarship	38,752	-	5,238	(1,518)	(683)	41,789
Russell B. & Grace H. Green Scholarship	41,451	-	5,602	(1,628)	(731)	44,694
Priscilla Bogi Guritza Memorial Scholarship	23,597	-	3,189	(928)	(416)	25,442
Beki Gray Hadley Scholarship	41,516	20	5,613	(1,598)	(723)	44,828
David & Jackie Hall Scholarship	21,062	3	2,848	(826)	(371)	22,716
Hammond Family Scholarship	20,425	-	2,761	(404)	(261)	22,521
Sarah Hansen Scholarship	11,395	-	1,540	(447)	(201)	12,287
Joan B. Harry Scholarship	24,929	-	3,370	(987)	(442)	26,870
Harry Hawkins Scholarship	16,953	-	2,291	(667)	(299)	18,278
Robert & Joyce Hetzler Family Award for Outstanding Service & Leadership	23,757	-	3,212	(932)	(419)	25,618
Hilde & Walter Heyman Scholarship	18,975	-	2,565	(745)	(334)	20,461
Ada E. Hobbs Scholarship	11,996	-	1,622	(472)	(212)	12,934
Don Holzhei Memorial Scholarship	24,311	-	3,286	(933)	(423)	26,241
Home Builders Association of Bay, Midland & Saginaw Counties	20,100	-	2,717	(790)	(354)	21,673
Honors Student Scholarship	79,679	-	10,771	(3,135)	(1,407)	85,908
James R. & Anita H. Jenkins Family Scholarship	118,608	-	16,032	(4,092)	(1,950)	128,598
Phyllis E. Jones Memorial Scholarship	20,218	-	2,733	(794)	(357)	21,800
S. Preston & Dr. Betty B. Jones International Scholarship	91,249	4,027	12,680	(3,370)	(1,570)	103,016
Dan E. Karn Memorial Scholarship	4,071	-	551	(160)	(72)	4,390
Kaufmann Family Scholarship	19,118	-	2,584	(751)	(337)	20,614
Robert F. Keicher Memorial Scholarship	22,662	75	3,069	(884)	(398)	24,524
Dale & Alma Keyser Scholarship	30,138	500	4,116	(1,142)	(522)	33,090
Walter J. & Sophia M. Kilar Scholarship	23,122	-	3,126	(910)	(408)	24,930
International Order of King's Daughters & Sons Scholarship	26,619	-	3,598	(1,047)	(470)	28,700
Oscar W. Kloha Scholarship	38,537	-	5,208	(1,516)	(680)	41,549
Robert I. & Marjorie H. Knepp Scholarship	211,137	-	28,539	(8,251)	(3,713)	227,712
W.R. & Edith Knepp Scholarship	217,794	-	29,439	(8,569)	(3,844)	234,820
W.R. Knepp, Jr. Scholarship	164,841	-	22,281	(6,486)	(2,909)	177,727

**Supplemental Schedule of Other Financial Information**  
**Details of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

	Net Assets July 1, 2016	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2017
<b>Endowment Funds - Continued</b>						
Daniel P. Kubiak Scholarship	\$ 19,798	\$ -	\$ 2,676	\$ (778)	\$ (349)	\$ 21,347
Gary Laatsch Scholarship	37,997	100	5,140	(1,477)	(666)	41,094
Jack LaBreck Scholarship	5,932	-	802	(233)	(104)	6,397
Ilene M. Lane Nursing Scholarship	55,965	-	7,564	(2,171)	(980)	60,378
Dr. Thomas H. Lane & Janis E. Landry-Lane Scholarship	79,799	-	10,785	(3,092)	(1,396)	86,096
Edward & Kathryn (Dunn) Langenburg Award for Education	24,808	500	3,371	(966)	(437)	27,276
Thomas & Rose Mary Laur Scholarship	83,067	-	11,227	(2,398)	(1,249)	90,647
Leo & Evelyn Levy Scholarship	22,717	50	3,076	(888)	(400)	24,555
Denise Lovay-Gravlin Memorial Scholarship	21,289	1,270	2,926	(824)	(375)	24,286
Edward & Kathleen Lunt Scholarship	149,437	-	20,198	(5,216)	(2,471)	161,948
Karen MacArthur Endowed Teaching Chair	121,736	500	16,504	(4,754)	(2,142)	131,844
Thomas & Brenda Mahar Scholarship	24,679	-	3,336	(969)	(435)	26,611
William & Susan Marklewitz	-	152,715	5,237	-	(284)	157,668
Margaret McAlear Scholarship	37,641	-	5,088	(1,478)	(664)	40,587
James R. McIntyre Award for Health Sciences	24,239	-	3,276	(952)	(427)	26,136
Aceie & Thelma Micho Scholarship	92,159	6,303	12,672	(2,623)	(1,388)	107,123
Rhea Miller Scholarship	44,689	-	6,040	(1,755)	(788)	48,186
Richard & Gloria Miller Scholarship	30,427	2,489	4,294	(1,055)	(512)	35,643
Frances Goll Mills Award for Nursing	27,060	-	3,657	(1,056)	(475)	29,186
Dorothy & Robert Monica Scholarship	68,208	10,173	9,568	(2,319)	(1,132)	84,498
Monitor Sugar Scholarship	19,118	-	2,584	(751)	(337)	20,614
Paul Moore Social Science Division Award	21,196	260	2,879	(811)	(369)	23,155
Morley Foundation Award for Business Management	24,815	-	3,354	(976)	(438)	26,755
Virginia Morrison Scholarship	38,765	-	5,240	(1,280)	(623)	42,102
Wendell & Ethel Mullison Scholarship	24,103	-	3,257	(948)	(425)	25,987
W. Brock Neely Scholarship	41,281	2,000	5,751	(1,434)	(688)	46,910
William H. "Buddy" Oates Scholarship	29,271	-	3,957	(1,150)	(517)	31,561
Oscar P. & Louise H. Osthelder Scholarship	117,179	8,000	16,527	(4,083)	(1,967)	135,656
Jesse J. Oswald Scholarship	29,841	1,000	4,119	(1,157)	(526)	33,277
Marguerite Scull Parker Scholarship	24,457	-	3,305	(963)	(432)	26,367
Otto C. Pressprich Fund	101,202	-	13,680	(3,982)	(1,786)	109,114
Cecelia Randall Scholarship	20,919	-	2,827	(823)	(369)	22,554
Alfonso Rasch-Isla Scholarship	22,629	-	3,058	(904)	(403)	24,380
Newell Remington Scholarship & TLC Support	41,515	1,275	5,711	(1,547)	(716)	46,238
Skip Renker Award for Creative Writing	19,436	-	2,627	(760)	(342)	20,961
Renee Rookard Scholarship	70,164	-	9,483	(2,758)	(1,238)	75,651
Harold & Norine Rupp Scholarship	18,779	-	2,539	(738)	(331)	20,249
Saginaw County Child Development Centers Program Scholarship	16,022	-	2,165	(629)	(282)	17,276
Cliff & Grace Saladine Scholarship	25,275	-	3,416	(994)	(446)	27,251
Dawn Schmidt Award for Mathematics	25,187	75	3,411	(991)	(445)	27,237
Peggy A. Scott Scholarship	35,942	2,000	5,055	(1,224)	(598)	41,175
Ralph I. & Archie M. Selby Family Scholarship	20,192	-	2,730	(785)	(354)	21,783
Gene F. Shrum & Dee Dee (Shrum) Wacksman Scholarship	18,231	-	2,464	(711)	(320)	19,664
Van Dewitt & Ruth Simmons Scholarship	158,217	-	21,385	(6,225)	(2,792)	170,585
John M. Smith & William Wolgast Family Softball Scholarship	20,252	-	2,737	(796)	(357)	21,836
Paul Sowatsky Scholarship/Award	27,249	-	3,683	(1,072)	(481)	29,379



**Supplemental Schedule of Other Financial Information**  
**Details of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2017**

	Net Assets July 1, 2016	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2017
<b>Endowment Funds - Continued</b>						
Spittka Family Scholarship	\$ -	\$ 32,417	\$ 2,374	\$ -	\$ (108)	\$ 34,683
James Stark Scholarship	3,450	-	467	(136)	(61)	3,720
Eileen & Hugh Starks Scholarship	30,396	-	4,108	(1,193)	(535)	32,776
James & Elizabeth Stoddard Scholarship	40,000	20,000	7,127	(1,131)	(672)	65,324
Sturm Family Broadcast Programming Fund	165,648	-	22,389	(6,518)	(2,923)	178,596
SunGard Higher Education Endowed Teaching Chair	134,968	-	18,243	(5,306)	(2,381)	145,524
SunGard Higher Education Possible Dream Program	81,836	-	11,060	(2,797)	(1,338)	88,761
Julius & Irene Sutto Award for Life Sciences	23,696	-	3,203	(930)	(417)	25,552
Paul & Margaret Thompson Scholarship	31,844	-	4,305	(1,251)	(562)	34,336
Willie E. Thompson Scholarship	29,398	90	3,981	(1,104)	(506)	31,859
Margaret Timm Award for English	25,234	4,200	3,418	(987)	(445)	31,420
Wesley Timm Award for Social Science	29,989	200	4,061	(1,173)	(528)	32,549
Jeanne M. VanOchten & Wayne W. Adams Scholarship	-	20,000	-	-	-	20,000
Jim & Janis Van Tiflin Award	23,029	-	3,113	(898)	(405)	24,839
Ken & "Miss Mona" White Scholarship	73,896	7,600	10,637	(2,180)	(1,151)	88,802
Lola Bishop Whitney Award for Foreign Language	107,533	-	14,534	(4,231)	(1,898)	115,938
David & Carol Williams Scholarship	28,718	-	3,881	(961)	(464)	31,174
Alice & Jack Wirt Scholarship	197,966	-	26,759	(7,789)	(3,494)	213,442
Teresa Plackowski-Witucki Scholarship	20,432	-	2,762	(795)	(359)	22,040
Wolverine Bank Scholarship	35,601	-	4,812	(1,399)	(628)	38,386
Robert R. Zimmerman "Dr. Bob" Scholarship	84,869	2,668	11,471	(2,374)	(1,257)	95,377
Dr. Robert R. "Dr. Bob" Zimmerman Teaching Chair	75,543	7,104	10,211	(2,010)	(1,093)	89,755
Anton, Sr., Alma & Anton, Jr. Zucker Scholarship	75,655	-	10,226	(2,977)	(1,335)	81,569
Melvin & Hilda Zuehlke Scholarship and Special Needs Assistance Fund	131,756	-	17,808	(5,181)	(2,324)	142,059
<b>Total Endowment Funds</b>	<b>14,304,622</b>	<b>423,893</b>	<b>1,956,233</b>	<b>(519,953)</b>	<b>(242,835)</b>	<b>15,921,960</b>
<b>Funds Functioning As Endowments</b>						
Etcyl H. & Ruth Blair CGA	18,690	-	2,648	-	(176)	21,162
Peter & Barbra Boyse Program	241,987	-	32,709	(9,497)	(4,265)	260,934
Coca-Cola Scholarship	61,698	-	8,339	(2,423)	(1,088)	66,526
Gilbert A. Currie Fund	355,428	-	48,041	(13,916)	(6,256)	383,297
Delta College Public Radio Fund	67,013	-	9,058	(3,217)	(1,328)	71,526
Delta College Foundation Fund	979,329	19,038	134,248	(35,709)	(16,686)	1,080,220
Delta College Foundation Student Scholarships	249,084	8,332	34,201	(7,961)	(3,962)	279,694
Delta College Public TV Fund	644,599	57,072	87,987	(14,896)	(8,799)	765,963
Alden B. Dow Fund	48,230	-	6,519	(1,898)	(851)	52,000
Laughner Award	16,960	-	2,293	(667)	(300)	18,286
Possible Dream Program	1,889,286	40,000	255,364	(64,694)	(30,933)	2,089,023
Sailing School Program	27,477	-	3,714	(1,080)	(485)	29,626
UNUM Projects	331,469	-	44,803	(13,042)	(5,851)	357,379
Macauley & Helen Whiting Fund	838,455	-	113,331	(32,933)	(14,784)	904,069
<b>Total Funds Functioning As Endowments</b>	<b>5,769,705</b>	<b>124,442</b>	<b>783,255</b>	<b>(201,933)</b>	<b>(95,764)</b>	<b>6,379,705</b>
<b>Total</b>	<b>\$ 20,074,327</b>	<b>\$ 548,335</b>	<b>\$ 2,739,488</b>	<b>\$ (721,886)</b>	<b>\$ (338,599)</b>	<b>\$ 22,301,665</b>