



**Delta College**

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**Audited Financial Statements  
and Other Financial Information**

**June 30, 2019**

**Delta College**

**Audited Financial Statements and Other Financial Information**

**June 30, 2019**

**Audited Financial Statements**

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**Management's Discussion and Analysis**  
**Delta College**  
**Year Ended June 30, 2019**

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, 2019, 2018 and 2017. 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**

Effective July 1, 2017, the College implemented GASB Statement No. 75, *Postemployment Benefits Other Than Pensions (OPEB)*. The provisions of this statement resulted in the College recognizing for the first time, its calculated share of the OPEB liability and related expenses and deferred inflows and outflows for the Michigan Public School Employees' Retirement System (MPERS). In accordance with this statement, the College reported an initial net OPEB liability of \$33.8 million, a deferred outflow of resources of \$2.3 million and a deferred inflow of resources of \$1.0 million as a change in accounting principle adjustment that reduced its unrestricted net position as of July 1, 2017 by \$32.5 million. For the years ended June 30, 2019 and 2018, respectively, the College reported a net MPERS OPEB liability of \$28.8 million and \$32.1 million. In addition, the College recognized a negative MPERS OPEB expense of \$0.9 million and \$1.2 million, reported deferred outflows of resources of \$4.9 million and \$1.9 million, and deferred inflows of resources of \$6.5 million and \$1.1 million, for each of the two respective years. As of June 30, 2019 and 2018, respectively, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$30.4 million and \$31.3 million.

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 MPERS. The 2019 pension activity related to this statement resulted in the College recording a net pension liability of \$108.8 million, which is an increase of \$15.3 million over the prior year. For the years ended June 30, 2019 and 2018 respectively, the College recognized additional MPERS pension expense of \$3.5 million and \$1.3 million. For each of the aforementioned respective years, the College also reported deferred outflows of resources of \$34.7 million and \$20.5 million and deferred inflows of resources of \$13.1 million and \$10.7 million. As of June 30, 2019 and 2018, respectively, the impact of these standards resulted in a reduction in unrestricted net position for the College of \$87.2 million and \$83.7 million.

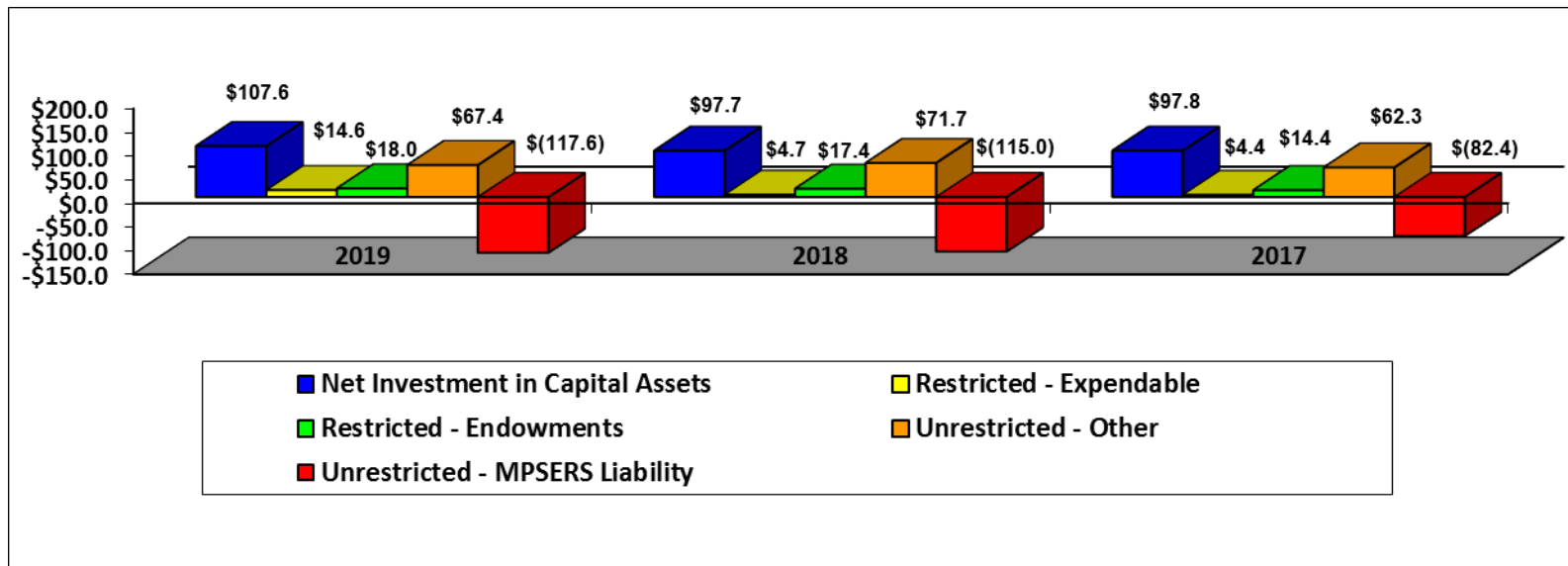
**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

**Financial Highlights - Continued**

Excluding the significant and distorting effects of implementing the MPSERS pension and OPEB adjustments in accordance with aforementioned GASB Statements No. 68, 71 and 75, the College’s financial position improved during both fiscal years ended June 30, 2019 and 2018, respectively, with net position increasing by \$16.1 million and \$12.6 million. This equates to annual increases of approximately 8.4% and 7.0% for the two respective years.

The majority of the fiscal year 2019 \$16.1 million increase in net position, excluding the effects of GASB 68 and 75, was due to a \$9.9 million increase in capital assets which resulted from the College’s many capital projects. These projects are described in detail under the Capital Assets section of this discussion and analysis and also in Note 12 to the financial statements. For 2018, the \$12.6 million overall net increase in net position noted in the preceding paragraph was primarily related to a \$9.4 million increase in unrestricted net position before accounting for the effects of the GASB pension and OPEB statements. A significant reason for the increase in net position over the prior year was due to a \$6.9 million increase in Personal Property Tax (PPT) loss reimbursement which is discussed later in further detail. Additional details resulting in the increases in net position for the two years are further described in the revenue and expense sections of this discussion and analysis.

The following chart provides a graphical breakdown of net position by category for the fiscal years ending June 30, 2019, 2018 and 2017, in millions:



**Management’s Discussion and Analysis - Continued**

**Delta College**

**Year Ended June 30, 2019**

**Summary of Selected Financial Data**

Following is a summary of the major components of the financial position of the College as of June 30, 2019, 2018 and 2017, in millions:

	<b>2019</b>	<b>2018</b>	<b>2019-2018 Change</b>	<b>2017</b>	<b>2018-2017 Change</b>
Current Assets	\$ 80.1	\$ 76.4	\$ 3.7	\$ 61.6	\$ 14.8
Long-Term Assets:					
Capital Assets, Net of Depreciation	107.6	97.7	9.9	97.8	(.1)
Other	32.8	25.7	7.1	26.6	(.9)
Total Assets	220.5	199.8	20.7	186.0	13.8
Deferred Outflows of Resources	39.6	22.4	17.2	12.4	10.0
Current Liabilities	12.9	8.3	4.6	7.1	1.2
Non-Current Liabilities	137.6	125.6	12.0	90.8	34.8
Total Liabilities	150.5	133.9	16.6	97.9	36.0
Deferred Inflows of Resources	19.6	11.8	7.8	4.0	7.8
Net Position:					
Net Investment in Capital Assets	107.6	97.7	9.9	97.8	(.1)
Restricted – Expendable	14.6	4.7	9.9	4.4	.3
Restricted – Endowments	18.0	17.4	.6	14.4	3.0
Unrestricted	(50.2)	(43.3)	(6.9)	(20.1)	(23.2)
Total Net Position	\$ 90.0	\$ 76.5	\$ 13.5	\$ 96.5	\$ (20.0)

**June 30, 2019:** During the year ended June 30, 2019, total assets increased by \$20.7 million and total liabilities increased by \$16.6 million. The majority of the increase in assets consisted of a \$9.9 million increase in capital assets, primarily due to construction in progress related to the College’s Saginaw Center construction project, and a \$4.6 million capital appropriation receivable from the State of Michigan also related to this project. In addition, pledges receivable increase \$5.4 million over the prior year due to amounts pledged by area foundations in support of the College’s new Center being built in downtown Midland. These increases were partially offset by a \$12.0 million increase in the MPSERS net pension and OPEB liabilities. In addition, accrued payroll and other compensation increased \$3.9 million over the prior year due to a \$3.8 million accrual for amounts owing related to an Employee Severance Plan (ESP) that the College offered during the year ending June 30, 2019. Delta College employees with 10 years of full-time service were eligible to participate in this plan. Those electing to participate were required to sever employment with the College by June 30, 2019; however, select positions deemed a critical need were granted extensions not to extend beyond June 30, 2020.

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

**Delta College**

**Year Ended June 30, 2019**

**Summary of Selected Financial Data - Continued**

**June 30, 2018:** During the year ended June 30, 2018, total assets increased by \$13.8 million and total liabilities increased by \$36.0 million. The primary change in assets was reflected by a \$14.1 million overall increase in the combination of cash and cash equivalents and short-term and long-term investments. The majority of this increase was due to a \$7.4 million increase in state appropriations, the majority of which was an increase in the PPT loss reimbursement. The College also experienced a \$1.1 million increase in Pell grant revenue. The increase in liabilities of \$36.0 million resulted primarily from the implementation of GASB Statement No. 75, discussed previously, which required the College to record a liability of \$32.1 million for its proportionate share of the MPSERS net OPEB liability. In addition, the College's MPSERS net pension liability increased by \$2.7 million over the prior year, and accounts payable increased by \$1.4 million primarily due to the College's current construction and renovation projects.

The following summarizes the major components of the College's operating results for the years ended June 30, 2019, 2018 and 2017, in millions:

	2019	2018	2019-2018 Change	2017	2018-2017 Change
Operating Revenue:					
Tuition and Fees	\$ 24.0	\$ 24.1	\$ (.1)	\$ 24.2	\$ (.1)
Grants and Contracts	5.0	5.3	(.3)	5.0	.3
Public Broadcasting Gifts	1.7	.8	.9	.7	.1
Auxiliary Services	4.0	4.5	(.5)	4.9	(.4)
Other	1.6	1.4	.2	1.3	.1
Total Operating Revenue	36.3	36.1	.2	36.1	-
Operating Expenses:					
Instruction	40.1	39.1	1.0	38.4	.7
Public Services	3.1	2.7	.4	2.6	.1
Information Technology	3.8	3.8	-	3.3	.5
Instructional Support	8.6	8.1	.5	8.5	(.4)
Student Services	18.7	19.8	(1.1)	19.6	.2
Institutional Administration	12.7	7.1	5.6	7.3	(.2)
Operation and Maintenance of Facilities	7.5	7.6	(.1)	7.2	.4
Depreciation	5.0	5.0	-	4.9	.1
Total Operating Expenses	99.5	93.2	6.3	91.8	1.4
Operating Loss	(63.2)	(57.1)	(6.1)	(55.7)	(1.4)
Nonoperating Revenue					
State Appropriations	23.0	28.9	(5.9)	21.5	7.4
Property Taxes	22.6	22.0	.6	21.9	.1
Pell Federal Grant Revenue	13.0	14.2	(1.2)	13.1	1.1
Other	3.6	4.2	(.6)	3.6	.6
Net Nonoperating Revenue	62.2	69.3	(7.1)	60.1	9.2

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

**Summary of Selected Financial Data - Continued**

*(continued from previous page)*

	2019	2018	2019-2018 Change	2017	2018-2017 Change
Other Revenue					
State Capital Appropriations	\$ 4.6	\$ -	\$ 4.6	\$ -	\$ -
Capital Gifts and Grants	9.4	-	9.4	-	-
Additions to Permanent Endowments	.5	.3	.2	.4	(.1)
Total Other Revenue	14.5	.3	14.2	.4	(.1)
Increase in Net Position	13.5	12.5	1.0	4.8	7.7
Net Position – Beginning of Year					
Beginning of Year	76.5	96.5	(20.0)	91.7	4.8
Adjust for Change in Accounting Principle	-	(32.5)	32.5	-	(32.5)
Net Position – Beginning of Year, as Restated	76.5	64.0	12.5	91.7	(27.7)
Net Position – End of Year	\$ 90.0	\$ 76.5	\$ 13.5	\$ 96.5	\$ (20.0)

**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, 2019:** Operating revenue changes are highlighted by the following factors for the year ended June 30, 2019:

- The 2019 academic in-district tuition rate increased by \$5.00 per credit hour, an increase of 4.7%. Enrollment totaled 160,500 credit hours, which represents a decrease of 6.7% from the prior year. The net impact of these changes resulted in \$100,000 decrease 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 decreased by \$1.2 million.
- Auxiliary services revenue consists primarily of sales in the Bookstore of \$3.7 million, which had offsetting scholarship allowances approximating \$964,000, Food Services of \$838,000, and Fitness & Recreation Center of \$346,000. Bookstore sales dropped by \$548,000, or 13.0%, due to declining enrollment and increasing online sales competition. Food Services revenues also experienced a significant decline of \$129,000, or 13.3%, from the prior year, while Fitness & Recreation Center revenues increased \$7,000, or 2.1% over the prior year.
- Public Broadcasting Gifts to the College for the year amounted to \$1.7 million, which represents a \$946,000, or 121%, increase over prior year. This increase was due to two large estate gifts to Delta College Q-TV totaling \$947,000.

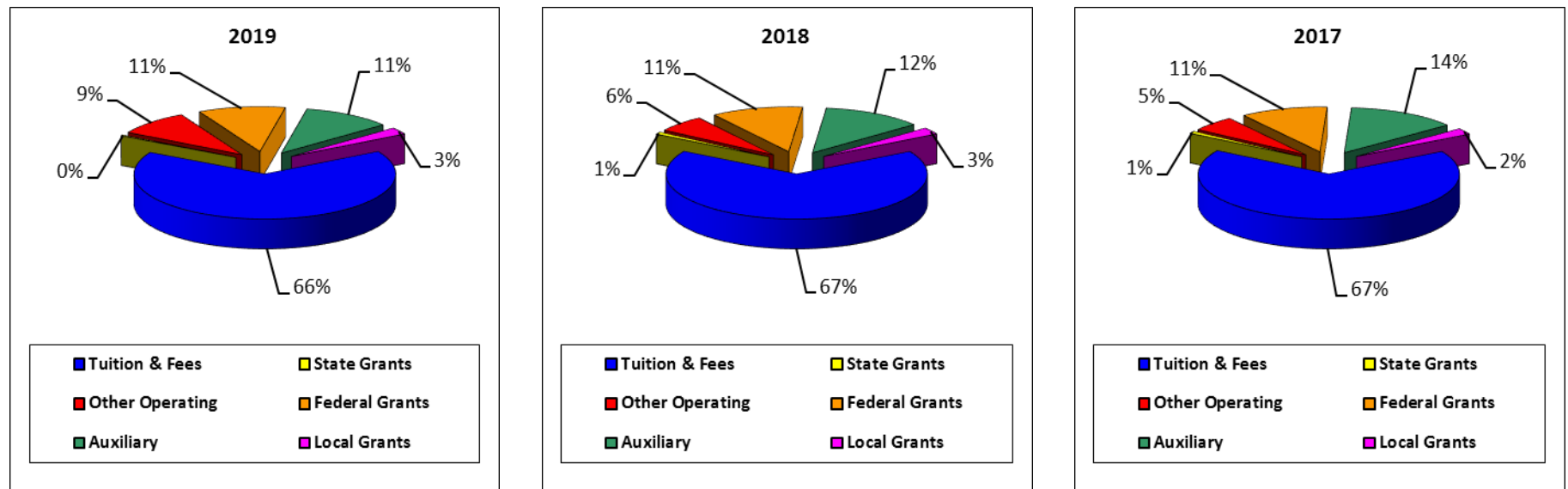
**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

**Operating Revenue - Continued**

**June 30, 2018:** Operating revenue changes are highlighted by the following factors for the year ended June 30, 2018:

- The 2018 academic in-district tuition rate increased by \$7.50 per credit hour, an increase of 7.5%. Enrollment totaled 172,100 credit hours, which represents a decrease of 4.0% from the prior year. The net impact of these changes resulted in \$100,000 decrease 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 increased by \$1.1 million.
- Of the \$24.1 million in tuition and fees, which was net of \$7.4 million in offsetting scholarship allowances, and the \$5.3 million in grants and contracts operating revenue, Corporate Services provided administration, education and training of \$3.3 million and \$2.5 million, respectively. Corporate Services tuition and fee revenue increased by \$284,000 over the prior year, and their grants and contracts revenue experienced an increase of \$49,000. These amounts are inclusive of revenues of \$.3 million from the Michigan New Jobs Training Program which is administered by Delta College Corporate Services.
- The Auxiliary services revenue consists primarily of sales in the Bookstore of \$4.2 million, which had offsetting scholarship allowances approximating \$1.1 million, Food Services of \$967,000, and Fitness & Recreation Center of \$339,000. Bookstore sales dropped by \$385,000, or 8.4%, due to increasing online sales competition. Food Services revenues increased by \$9,000, or .9%, over the prior year, while Fitness & Recreation Center revenue remained flat with a decrease of only \$1,000 or .3%.

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2019, 2018 and 2017:





## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2019

#### Operating Expenses

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

**June 30, 2019:** Operating expense changes are highlighted by the following factors for the year ended June 30, 2019:

- Base salary increases approximated 2.0%, and the employee contribution toward medical insurance remained at 20.0%. 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 \$150,000 per claim, a stop-loss insurance premium for claims in excess of \$150,000, and a monthly administrative fee. The College health insurance costs were \$5.1 million in 2019.
- 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 2019, the College's overall benefit expense for MPSERS including adjustments due to GASB 68 and 75, was \$12.2 million, an increase of approximately \$900,000 over the prior year. Of the \$12.2 million total, \$7.7 million was for the College's contributions to MPSERS, and \$4.5 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 MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$4.5 million UAAL benefit expense was directly offset by the same amount of increase in state aid non-operating revenue, as noted in the non-operating revenue section. The \$700,000 increase in the UAAL expense and offsetting revenue in the year ended June 30, 2019 was due to an extra one time early retirement incentive pass through payment. Refer to Note 6 to the financial statements for additional information regarding the College's benefit plans.
- Overall operating expenses increased by \$6.3 million over the prior year. The majority of this increase was due to increases in salaries and fringe benefits across the functional categories, and a one-time expense of \$3.8 million related to a voluntary employee severance plan offered during the fiscal year to eligible College employees. There were a total of 57 employees that exercised the option to participate in this plan. These increases were partially offset by a \$1.1 million decrease in Pell grants expensed under the student services functional category, which is offset by a corresponding decrease in Pell grant revenue, as mentioned on the following page.

**June 30, 2018:** Operating expense changes are highlighted by the following factors for the year ended June 30, 2018:

- Base salary increases approximated 1.9%, and the employee contribution toward medical insurance remained at 20.0%. Under the self-funded employee medical coverage contract with BCBS of Michigan, the College pays for actual claims incurred, up to a maximum \$150,000 per claim, a stop-loss insurance premium for claims in excess of \$150,000, and a monthly administrative fee. The College health insurance costs were \$5.0 million in 2018.
- During 2018, the College's overall benefit expense for MPSERS was \$11.3 million, which is consistent with the prior year. Of this total, \$7.5 million was for contributions to MPSERS, and \$3.8 million was due to the annual UAAL Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment was paid to the College for pass-through to MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$3.8 million UAAL benefit expense was directly offset by the same amount of increase in state aid non-operating revenue, as noted in the non-operating revenue section. Refer to Note 6 to the financial statements for additional information regarding the College's benefit plans.
- Overall operating expenses increased by \$1.4 million over the prior year. The majority of this increase was due to increases in salaries and fringe benefits across the functional categories and a \$1.1 million increase in Pell grants expensed under the student services functional category, which is offset by a corresponding increase in Pell grant revenue, as mentioned on the following page.

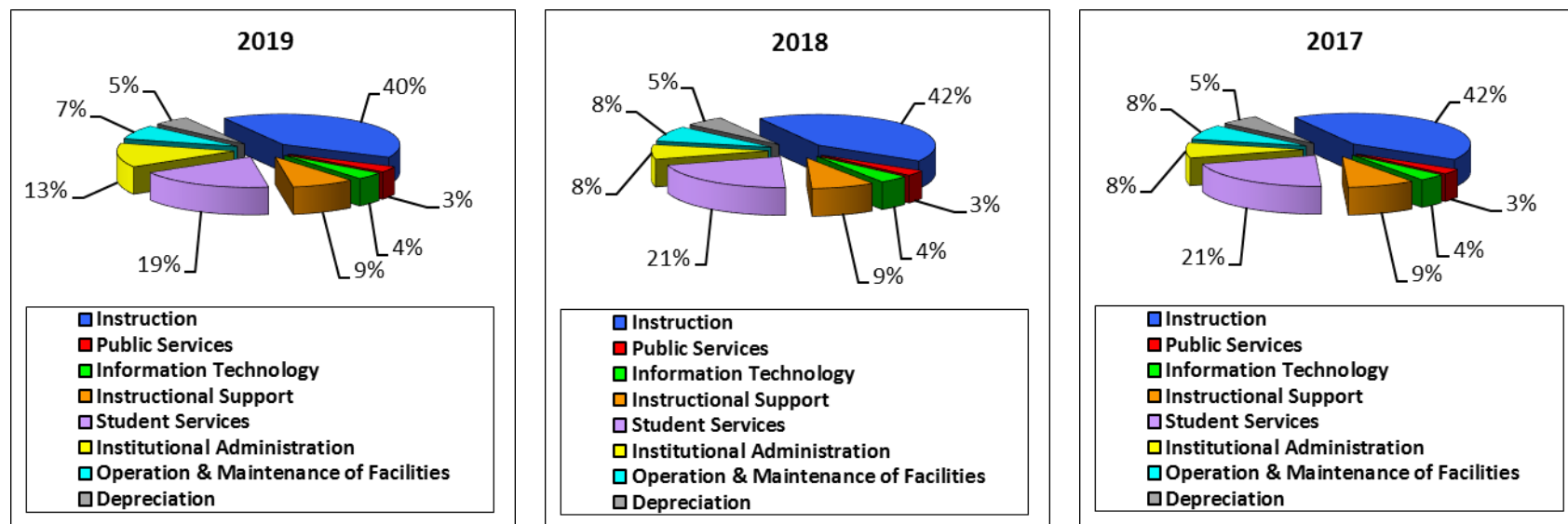
**Management’s Discussion and Analysis - Continued**

**Delta College**

**Year Ended June 30, 2019**

**Operating Expenses - Continued**

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2019, 2018 and 2017:



**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, 2019:** Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2019:

- Base state appropriations increased \$100,000 over the prior year to \$15.0 million and the College’s performance funding increased from \$83,000 in the prior year to \$114,000. In addition, the College received MSPERS contributions offsets during the year of approximately \$500,000, which represents an increase of \$200,000 of the prior year. Renaissance zone property tax reimbursement appropriations amounted to approximately \$200,000, which represents a decrease of \$100,000 from the prior year, which resulted due to phase outs.
- An additional \$4.1 million was received specifically for pass-through to the Michigan Public School Employees’ Retirement System for purpose of the UAAL Rate Stabilization payment. The entire \$4.1 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. As discussed above, the UAAL revenue deferred in the prior year of \$4.5 million was recognized during the current year and is included in the State Appropriation line item.
- Also included in State Appropriations revenue for the year is PPT loss reimbursement payments received from the State’s Local Community Stabilization Authority in the amount of \$2.7 million. This amount represents a \$6.8 million decrease from the prior year. The College had anticipated a significant decline and had budgeted accordingly.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2019

#### Nonoperating Revenue (Expenses) - Continued

##### *June 30, 2019 - Continued:*

- The total taxable value of property within the district increased slightly over the prior year, which resulted in an increase in property tax revenues of approximately \$600,000, to \$22.6 million in 2019 at a levy rate of 2.0427 mills.
- The College recognized net investment income of \$3.1 million, which is consistent with the prior year. The \$3.1 million consisted of a combined net gain on investments and investment fee expenses in the Endowment Fund totaling \$1.4 million, and general investment earnings of \$1.7 million.
- Pell grants awarded to students were \$13.0 million, a decrease of \$1.2 million, or 8.5%, from 2018. The number of students receiving Pell awards decreased by approximately 8.7% from the prior year, while the average award remained flat compared to the prior year with an increase of only \$18. A decrease in Pell grants was anticipated due to the decline in enrollment discussed previously. The College's Financial Aid and Educational Opportunities Center staff offer many workshops and perform various community outreach efforts in order to educate students about financial aid opportunities and provide assistance to students in completing the Free Application for Federal Student Aid (FAFSA). All of this work is within the mission of the College, to assist those who need our services to the greatest extent.

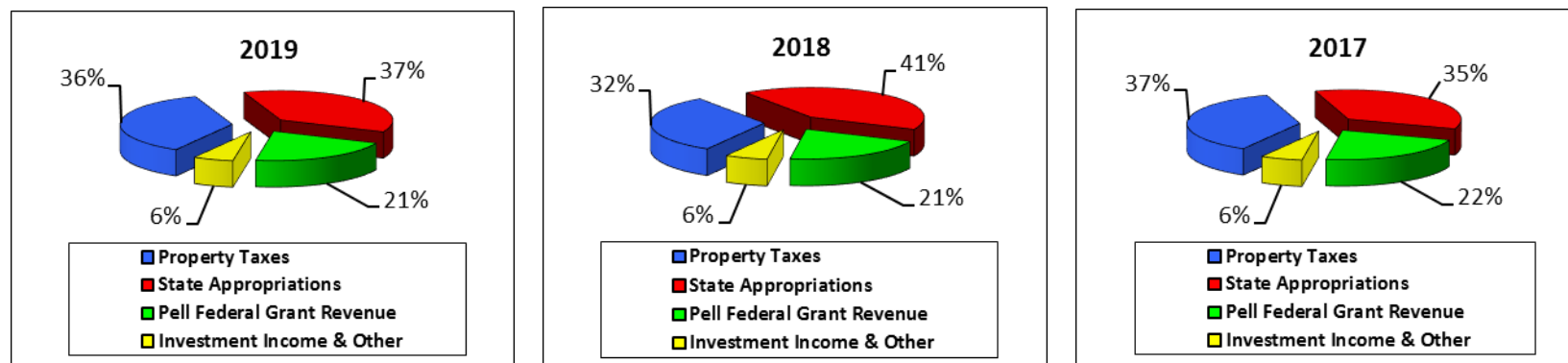
##### *June 30, 2018:* Nonoperating revenue and expense changes are highlighted by the following factors for the year ended June 30, 2018:

- Base state appropriations remained unchanged from the prior year at \$14.9 million; however, the College received an increase in MSPERS contributions offsets which totaled approximately \$300,000 for the current year. Renaissance zone property tax reimbursement appropriations of approximately \$300,000 remained flat compared to the prior year.
- An additional \$4.5 million was received specifically for pass-through to the Michigan Public School Employees' Retirement System for purpose of the UAAL Rate Stabilization payment. The entire \$4.5 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. As discussed above, the UAAL revenue deferred in the prior year of \$3.9 million was recognized during the current year and is included in the State Appropriation line item.
- The College received a PPT loss reimbursement in the amount of \$9.5 million from the State's Local Community Stabilization Authority. This payment is also required to be recorded in the State Appropriations line item. This amount represents a \$6.9 million increase over the prior year. The College anticipates this amount to decrease in future years since the State has changed the calculation for distribution of amounts collected in excess of the 100% loss amount.
- Final taxable value of property within the district remained relatively flat compared to the prior year. The College recognized property tax revenue of \$22.0 million in 2018 at a levy rate of 2.0427 mills.
- The College recognized net investment income of \$3.1 million. This consisted of a combined net gain on investments and investment fee expenses in the Endowment Fund totaling \$2.2 million, and general investment earnings of \$900,000, 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 \$14.2 million, an increase of \$1.1 million, or 8.4%, over 2017. The number of students receiving Pell awards decreased slightly from the prior year; however the average award increased approximately \$300.

**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

**Nonoperating Revenue (Expenses) - Continued**

The following is a graphic illustration of nonoperating revenue by source for the years ended June 30, 2019, 2018 and 2017:



**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, 2019:** Changes in other revenue are highlighted by the following factors for the year ended June 30, 2019:

- State capital appropriations totaled \$4.6 million for the year. This revenue represents the State’s portion of the Saginaw Center project expenses. The entire balance is recorded as a receivable as of June 30, 2019. The College received no such revenue during the years ended June 30, 2018 and 2017.
- Capital gifts and grants amounted to \$9.4 million for the year and represents pledges and cash gifts given to the College for its Saginaw and Midland Centers. The College received no capital gift revenue during the years ended June 30, 2018 and 2017.
- Additions to permanent endowments increased \$166,000, or 47.4%, to \$516,000.

**June 30, 2018:** Changes in other revenue are highlighted by the following factors for the year ended June 30, 2018:

- Additions to permanent endowments decreased \$33,000, or 8.6%, to \$351,000.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2019

#### 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, 2019, 2018 and 2017, in millions:

	2019	2018	2019-2018 Change	2017	2018-2017 Change
Cash Provided by (Used in):					
Operating Activities	\$ (51.5)	\$ (50.8)	\$ (.7)	\$ (52.3)	\$ 1.5
Noncapital Financing Activities	60.4	66.7	(6.3)	58.1	8.6
Capital and Related Financing Activities	(11.6)	(4.9)	(6.7)	(2.8)	(2.1)
Investing Activities	12.3	17.0	(4.7)	(10.3)	27.3
Net Increase (Decrease) in Cash	9.6	28.0	(18.4)	(7.3)	35.3
Cash and Cash Equivalents – Beginning of Year	41.5	13.5	28.0	20.8	(7.3)
Cash and Cash Equivalents – End of Year	\$ 51.1	\$ 41.5	\$ 9.6	\$ 13.5	\$ 28.0

**June 30, 2019:** Cash and cash equivalents increased by \$9.6 million during the year ended June 30, 2019, while the College's combined cash and cash equivalents and short and long term investments increased in total by \$.4 million. Due to the continued inverted yield curve, as investment maturities occurred throughout the year, the College continued to reinvest the proceeds in shorter term commercial paper and also increased the amount held in money market accounts, both of which are classified as cash equivalents for financial statement purposes.

**June 30, 2018:** Cash and cash equivalents increased by \$28.0 million during the year ended June 30, 2018, while the College's combined cash and cash equivalents and short and long term investments increased in total by \$14.0 million. Due to continued decreases in interest rates on longer term investments, as investment maturities occurred throughout the year, the College reinvested the proceeds in shorter term commercial paper, much of which was classified as cash equivalents for financial statement purposes. Another significant reason for the increase in overall cash and investments was due to the \$9.5 million PPT loss reimbursement payment received in November 2017.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2019

#### Capital Assets

At June 30, 2019, the College had \$181.5 million invested in capital assets, which net of accumulated depreciation of \$73.9 million, resulted in a book value of \$107.6 million. Capital assets increased by \$9.9 million in 2019, which included net additions of \$14.9 million less annual depreciation charges of \$5.0 million. Details of these assets, shown net of accumulated depreciation, as of June 30, 2019, 2018 and 2017 are as follows, in millions:

	2019	2018	2019-2018 Change	2017	2018-2017 Change
Land and Improvements	\$ 7.5	\$ 7.0	\$ .5	\$ 7.3	\$ (.3)
Infrastructure	6.0	6.0	-	6.0	-
Buildings	74.0	75.4	(1.4)	77.9	(2.5)
Furniture and Equipment	5.9	5.9	-	6.2	(.3)
Construction in Progress	14.2	3.4	10.8	0.4	3.0
Totals	\$ 107.6	\$ 97.7	\$ 9.9	\$ 97.8	\$ (.1)

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 2019 and 2018:

- The College began construction on its new Saginaw Center in the spring of 2018. Project costs to date as of June 30, 2019 and 2018, respectively, total \$11.0 million and \$2.0 million, with \$10.4 million and \$1.8 million recorded as Construction in Progress at each of these respective dates. This project has a total budget of \$12.7 million, with approximately \$6.4 million to be funded by the State Building Authority. Refer to Note 12 to the financial statements for additional information regarding the Saginaw Center construction project.
- The College began its west campus site improvements project in summer 2018 and had approximately \$400,000 in Construction in Progress as of June 30, 2018. This project has a total approved budget of \$4.5 million and contains many components including parking lot upgrades, a new baseball field, soccer and softball field improvements, a functional ADA accessible observatory, a multi-use athletic facility, recreational trail system and Delta walk/plaza. It is anticipated that this project will be completed by the end of calendar year 2020. During fiscal year 2019, the College had additional spending of approximately \$800,000, bringing the June 30, 2019 Construction in Progress balance for this project up to \$1.2 million. Refer to Note 12 to the financial statements for additional information regarding the west campus project.
- During fiscal year 2018, approximately \$200,000 was spent on the College's energy metering project. This project was completed during fiscal year 2019 with additional project costs of approximately \$300,000.
- The College began its C-wing lab control upgrade during fiscal year 2018, with total project costs to date and Construction in Progress of approximately \$900,000 as of June 30, 2018. An additional \$600,000 was spent on this project, which was completed and capitalized at an approximate cost of \$1.5 million as of June 30, 2019.
- During fiscal year 2019, the College spent approximately \$800,000 to repair its south roadway. This project was completed and capitalized as of June 30, 2019.
- In an effort to enhance the safety and security of the College's students and staff, the College undertook a project to install video surveillance cameras and an electronic door access control system. The total cost of this project is anticipated to be \$760,000, with an estimated completion date of December 2019. As of June 30, 2019, the College has spent approximately \$600,000 on this project, which is recorded as Construction in Progress.

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

### **Delta College**

**Year Ended June 30, 2019**

#### **Capital Assets - Continued**

- In fall 2018, the College began renovations to existing spaces that support its Lifelong Wellness programs, Athletics and the Fitness and Recreation Center's functional needs. The area being renovated is approximately 15,100 square feet and is located on two floors at the north end of our building. The renovated area will provide four new fitness studios. The renovations will also include a personal training and fitness testing space, storage and circulation space, and a reconfigured check-in and administration area. This project is expected to be completed during winter 2020, with an anticipated total project cost of approximately \$2.4 million. As of June 30, 2019, the College had incurred total expenditures for the project of approximately \$1.1 million, which is included in Construction in Progress. Refer to Note 12 to the financial statements for more information regarding this project.
- In April 2019, the College broke ground for its new Midland Center construction project. This 30,000 square foot facility will be located in downtown Midland on land donated by Chemical Bank and the Dow Chemical Company. The Delta College Foundation received several generous pledges and cash gifts totaling \$9.2 million from area foundations to help fund the estimated \$13.0 million cost of construction. The remaining funding needs of approximately \$3.8 million for this project will come from accumulated reserves in the College's Plant Fund. It is anticipated that this new facility will hold its first classes in the 2021 winter semester. As of June 30, 2019, the College has incurred total project spending of approximately \$700,000 primarily for engineering and architectural services, and has recorded \$600,000 in Construction in Progress. This project is discussed in more detail in Note 12 to the financial statements.

#### **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. Refer to Note 7 to the financial statements 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. On September 30, 2019, Governor Whitmer signed Enrolled Senate Bill No. 134 which provides for Community College State appropriations. For fiscal year 2019-2020, the College will receive State operating appropriations of \$15,058,600 in base funding, \$101,900 in performance funding and \$40,900 for costs incurred under the North American Indian Tuition Waiver, for an annual total of \$15,201,400. This amount represents an increase of \$97,100 over the prior year total of \$15,104,300.

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. In addition, the College has implemented retention initiatives which are intended to slow the enrollment decline, with the goal of attaining or exceeding our credit hour projections.

Since the peak of Delta's enrollment in 2009, Delta has had a decline in enrollment of 115,000 contact hours. An additional loss of 14,540 contact hours has been projected for the 2019-2020 year or a projection of 173,500 contact hours. Delta's Board of Trustees, Budget Cabinet and administration have a long history of focusing

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

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

on tuition affordability, and accordingly, planned an in-district tuition rate increase of \$3.00 or 2.7% for 2019-2020. Other fees, such as the technology fee was increased \$1.00. The on-line course fee was not changed. The College eliminated the excess contact hour fees and beginning in the fall of 2019, all students are charged using either an in-district, out-of-district or out-of-state tuition rate, plus any applicable fees.

The College recently opened the Saginaw Center campus in downtown Saginaw, Michigan for fall 2019 classes. The primary function of the Downtown Saginaw Center is a Community Outreach Center, extending into the urban environment and engaging the significant under-served and under-represented population where large numbers of adult resident have little college attainment. Programming is focused on developmental education courses with robust student services and academic support functions. The secondary function will be a Transfer Center with a focus on general education or core courses that prepare students, including dual enrolled high school students, for transfer to a four year college or university. The new center is also a strategic initiative to help bolster declining enrollment.

The College is currently constructing a Midland Center Campus in downtown Midland, Michigan. This campus will focus on STEM (Science, Technology, Engineering and Math) tracks and build a new course focused on health careers exploration. The construction is expected to be complete by calendar year end 2020.

The College's property tax base increased an estimated 1.9% for 2019-2020 and projected property tax revenue has been budgeted at \$22.7 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. Delta College received its 2018 PPT loss reimbursement in two separate payments in October and May. During fiscal year 2019, the College received payments in the amount of \$2.7 million. We had anticipated and budgeted revenue of \$1.6 million. The payment in October is calculated as 100% loss payment and was \$1.2 million. The May payment is called the "bonus" payment and is a result of excess tax collections that the Local Community Stabilization Authority (LCSA) is required to distribute to the taxing units. The College's May payment was \$1.5 million. There has been much uncertainty of how much to budget for in future years due to the complexity of the calculations by Treasury. For 2019-2020, the College's operating budget reflects a conservative PPT loss reimbursement estimate of \$1.2 million.

In addition to national concerns of rising medical costs, the state-mandated contributions to fund both the pension and OPEB components of the MPSERS fund continues 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 25.3%, 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.

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 and enrollment declines 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, 2019 and 2018, 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 audits. We conducted our audits 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, 2019 and 2018, 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 14 and the Required Supplementary Information on pages 49 (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) and 50 (Schedule of Proportionate Share of the Net OPEB 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 22, 2019 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 effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Andrews Hooper Pavlik PLC*

Saginaw, Michigan  
October 22, 2019

**Balance Sheets  
Delta College**

	June 30,	
	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 51,103,600	\$ 41,489,316
Short-term investments (Note 2)	15,041,481	27,764,009
Property taxes receivable	195,257	219,987
State appropriations receivable (Note 5)	8,190,858	3,458,790
Federal and state grants receivable	1,082,301	1,362,670
Accounts receivable, net of allowance of \$3,203,923 in 2019 and \$3,591,731 in 2018	1,084,117	729,237
Pledges receivable (Note 3)	2,107,820	143,473
Inventories	854,918	820,278
Prepaid expenses and other assets	479,404	393,189
<b>Total Current Assets</b>	<b>80,139,756</b>	<b>76,380,949</b>
<b>Long-Term Investments</b> (Note 2)	29,020,904	25,489,951
<b>Long-Term Pledges Receivable</b> (Note 3)	3,734,160	261,067
<b>Capital Assets</b> (Note 4)	<b>107,595,616</b>	<b>97,667,396</b>
<b>Total Assets</b>	<b>220,490,436</b>	<b>199,799,363</b>
<b>Deferred Outflows of Resources</b> (Note 6)	<b>39,614,456</b>	<b>22,362,237</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	3,513,175	3,116,500
Accrued payroll and other compensation	7,940,360	4,060,318
Unearned revenue	1,475,358	1,143,273
Current portion of MNJTP bonds payable (Note 7)	-	1,000
<b>Total Current Liabilities</b>	<b>12,928,893</b>	<b>8,321,091</b>
<b>Non-Current Liabilities</b>		
Net pension and OPEB liability (Note 6)	137,590,737	125,596,064
<b>Total Liabilities</b>	<b>150,519,630</b>	<b>133,917,155</b>
<b>Deferred Inflows of Resources</b> (Note 6)	<b>19,594,879</b>	<b>11,748,390</b>
<b>Net Position</b>		
Net investment in capital assets	107,595,616	97,667,396
Restricted for:		
Donor-restricted endowments	18,036,097	17,388,196
Expendable scholarships and awards	916,024	1,172,387
Instructional department uses	1,444,524	1,702,631
Public broadcasting activities	1,917,974	1,063,311
Other restricted uses	10,293,938	800,310
Unrestricted (Note 1)	(50,213,790)	(43,298,176)
<b>Total Net Position</b>	<b>\$ 89,990,383</b>	<b>\$ 76,496,055</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>2019</b>	<b>2018</b>
<b>Operating Revenue</b>		
Tuition and fees, net of scholarship allowance of \$7,502,330 in 2019 and \$7,448,667 in 2018	\$ 24,017,776	\$ 24,111,919
Federal grants and contracts	3,942,689	4,071,320
State grants and contracts	110,075	331,135
Local and nongovernmental grants and contracts	879,656	907,524
Michigan New Jobs Training Program	381,319	303,286
Public broadcasting gifts	1,724,834	779,242
Auxiliary activities, net of scholarship allowance of \$964,177 in 2019 and \$1,117,326 in 2018	3,975,731	4,485,530
Miscellaneous	1,234,216	1,088,988
<b>Total Operating Revenue</b>	<b>36,266,296</b>	<b>36,078,944</b>
<b>Operating Expenses</b>		
Instruction	40,056,976	39,091,127
Public services	3,056,662	2,707,484
Information technology	3,836,024	3,828,197
Instructional support	8,567,997	8,113,056
Student services	18,719,964	19,782,367
Institutional administration	12,717,736	7,144,943
Operation and maintenance of facilities	7,501,117	7,558,066
Depreciation expense	5,006,768	4,973,117
Fundraising expenses	6,226	12,115
<b>Total Operating Expenses</b>	<b>99,469,470</b>	<b>93,210,472</b>
<b>Operating Loss</b>	<b>(63,203,174)</b>	<b>(57,131,528)</b>
<b>Nonoperating Revenue (Expenses)</b>		
State appropriations	23,023,812	28,928,686
Property tax levy	22,613,280	21,942,601
Pell federal grant revenue	13,046,886	14,172,408
Gifts	965,639	1,256,763
Special events, net of expenses of \$61,957 in 2019 and \$62,616 in 2018	73,198	81,644
Investment income, net of investment expense of \$178,834 in 2019 and \$175,357 in 2018	3,079,553	3,106,355
Loss on disposition of capital assets	(389,702)	(32,949)
Foundation grants and distributions to or for Delta College	(184,241)	(117,611)
<b>Net Nonoperating Revenue</b>	<b>62,228,425</b>	<b>69,337,897</b>
<b>Net Income (Loss) Before Other Revenue</b>	<b>(974,749)</b>	<b>12,206,369</b>
<b>Other Revenue</b>		
State capital appropriations	4,608,532	-
Capital gifts and grants	9,344,654	-
Additions to permanent endowments	515,891	350,627
<b>Total Other Revenue</b>	<b>14,469,077</b>	<b>350,627</b>
<b>Increase in Net Position</b>	<b>13,494,328</b>	<b>12,556,996</b>
<b>Net Position - Beginning of Year</b>		
Beginning of year	76,496,055	96,457,138
Adjustment for change in accounting principle (Note 1)	-	(32,518,079)
<b>Net Position - Beginning of Year As Restated</b>	<b>76,496,055</b>	<b>63,939,059</b>
<b>Net Position - End of Year</b>	<b>\$ 89,990,383</b>	<b>\$ 76,496,055</b>

The accompanying notes are an integral part of these statements.

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

	Year Ended June 30,	
	2019	2018
<b>Cash Flows from Operating Activities</b>		
Tuition and fees	\$ 24,838,981	\$ 23,848,688
Grants and contracts	5,150,421	5,408,131
Michigan New Jobs Training Program	381,319	303,286
Public broadcasting gifts	1,274,834	779,242
Payments to suppliers	(47,853,409)	(46,311,692)
Payments to employees	(40,654,947)	(40,549,782)
Auxiliary enterprise charges	3,975,445	4,485,514
Other	1,395,770	1,234,298
Net Cash Used In Operating Activities	(51,491,586)	(50,802,315)
<b>Cash Flows from Noncapital Financing Activities</b>		
State appropriations	22,900,276	28,878,490
Local property taxes	22,638,010	21,924,269
Pell federal grant revenue	13,105,508	14,070,815
Gifts and contributions for other than capital purposes	1,632,815	1,818,877
Foundation special events receipts	72,297	85,644
Foundation grants and distributions to or for Delta College	(184,241)	(117,611)
Agency fund transactions	198,986	13,760
Net Cash Provided by Noncapital Financing Activities	60,363,651	66,674,244
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from capital gifts, grants and appropriations	3,752,919	25,000
Purchase of capital assets	(15,489,177)	(4,894,821)
Proceeds from disposition of capital assets	164,487	22,677
Proceeds from issuance of MNJTP bonds	541,911	351,650
Principal paid on MNJTP bonds	(541,911)	(373,700)
Net Cash Used in Capital and Related Financing Activities	(11,571,771)	(4,869,194)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales and maturities of investments	95,078,813	103,796,029
Investment income	1,391,069	798,460
Purchase of investments	(84,155,892)	(87,629,325)
Net Cash Provided by Investing Activities	12,313,990	16,965,164
<b>Net Increase in Cash and Cash Equivalents</b>	9,614,284	27,967,899
<b>Cash and Cash Equivalents - Beginning of Year</b>	41,489,316	13,521,417
<b>Cash and Cash Equivalents - End of Year</b>	\$ 51,103,600	\$ 41,489,316

The accompanying notes are an integral part of these statements.

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

	Year Ended June 30,	
	2019	2018
<b>Reconciliation of Operating Loss to</b>		
<b>Net Cash Used in Operating Activities:</b>		
Operating loss	\$ (63,203,174)	\$ (57,131,528)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	5,006,768	4,973,117
Allowance for uncollectible accounts	(387,808)	(57,029)
(Increase) decrease in assets:		
Federal and state grants receivable	221,747	165,895
Accounts receivable	32,496	(110,949)
Inventories	(34,640)	153,790
Prepaid expenses and other assets	(128,035)	(40,805)
Increase in deferred outflows of resources	(17,252,219)	(9,978,903)
Increase (decrease) in liabilities:		
Accounts payable	197,689	1,224,732
Accrued payroll and other compensation	3,880,042	242,777
Unearned revenue	334,386	(220,711)
Net pension and OPEB liability	11,994,673	2,271,531
Increase in deferred inflows of resources	7,846,489	7,705,768
<b>Net Cash Used In Operating Activities</b>	<b>\$ (51,491,586)</b>	<b>\$ (50,802,315)</b>

The accompanying notes are an integral part of these statements.

## **Notes to Financial Statements**

### **Delta College**

**June 30, 2019**

#### **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, 2019

### 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, municipal bonds, government and agency bonds, bond funds, preferred stock, equities, and international 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, municipal bonds, government and agency 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, 2019 or 2018. Refer to Note 2 for fair value classification balances for these various types of investments held by the College as of June 30, 2019 and 2018.

#### 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.

#### Inventories

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



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

**Delta College**

**June 30, 2019**

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

#### **Internal Service Activities**

Revenue and expenses related to internal service activities approximating \$643,000 and \$682,000 for 2019 and 2018, 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 and Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEBs, and pension and OPEB 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.

#### **Adoption of New Standard**

The GASB issued GASB Statement No. 75, *Postemployment Benefits Other Than Pensions*. Statement No. 75 requires governments providing OPEB to recognize their unfunded OPEB obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). In accordance with the statement, the College has reported a net OPEB liability of \$33.8 million, a deferred outflow of resources of \$2.3 million and a deferred inflow of resources of \$1.0 million as a change in accounting principle adjustment that reduced unrestricted net position as of July 1, 2017 by \$32.5 million.

#### **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, 2019 and 2018, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately \$626,000 and \$560,000, respectively. Additionally, advance payments approximating \$365,000 for the fall 2019 semester were received before June 30, 2019 and recorded as unearned revenue. As of June 30, 2018, advance payments approximating \$251,000 for the fall 2018 semester were received before year end and recorded as unearned revenue.

#### **Reclassification**

Certain 2018 amounts have been reclassified to conform to the 2019 presentation.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

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

**Unrestricted Net Position**

As of June 30, 2019 and 2018, the College has designated the use of unrestricted net position as follows:

	<b>2019</b>	<b>2018</b>
Designated for Corporate Services activities	\$ 1,384,560	\$ 1,342,207
Designated for future capital outlay	33,045,093	39,570,816
Designated for funds functioning as endowments	7,634,475	6,920,664
Other designated fund activities	10,170,377	8,727,263
MPSERS pension & OPEB liability	(117,571,160)	(114,982,217)
Unrestricted and unallocated	15,122,865	15,123,091
Total Unrestricted Net Position	<u>\$ (50,213,790)</u>	<u>\$ (43,298,176)</u>

**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, 2019 and 2018 under the following classifications:

	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 51,103,600	\$ 41,489,316
Short-term investments	15,041,481	27,764,009
Long-term investments	29,020,904	25,489,951
Total	<u>\$ 95,165,985</u>	<u>\$ 94,743,276</u>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

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

The amounts in the chart on the previous page are classified in the following categories at June 30:

	<u>2019</u>	<u>2018</u>
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 30,523,929	\$ 27,006,963
Investments in securities and similar instruments	64,586,849	67,681,406
Petty cash and cash on hand	55,207	54,907
Total	<u>\$ 95,165,985</u>	<u>\$ 94,743,276</u>

**Bank Deposits**

The above bank deposits at June 30, 2019 and 2018 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$31,207,222 and \$27,545,232, respectively. Of these bank deposits at June 30, 2019 and 2018, approximately \$4,800,000 and \$2,500,000, respectively, 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 1966, 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, 2019

### 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, 2019**

**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, 2019 and 2018 including certificates of deposit and commercial paper classified as cash equivalents, and excluding the Endowment Fund investments:

**June 30, 2019:**

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	\$ 5,650,198	\$ 4,590,387	\$ 1,059,811	-
U.S. Agency Securities	AA+	2,980,685	-	-	\$ 2,980,685
Commercial Paper	A1+/P1 to A2/P2	36,626,315	36,626,315	-	-
<b>Total Investments</b>		<b>\$ 45,257,198</b>	<b>\$ 41,216,702</b>	<b>\$ 1,059,811</b>	<b>\$ 2,980,685</b>

**June 30, 2018:**

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	\$ 9,094,598	\$ 9,094,598	\$ -	-
U.S. Agency Securities	AA+	2,882,335	-	-	\$ 2,882,335
Commercial Paper	A1+/P1 to A2/P2	42,128,993	42,128,993	-	-
<b>Total Investments</b>		<b>\$ 54,105,926</b>	<b>\$ 51,223,591</b>	<b>\$ -</b>	<b>\$ 2,882,335</b>

## Notes to Financial Statements - Continued

Delta College

June 30, 2019

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

#### 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 Fund. The investment and distribution policies of The 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 The 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.

**Interest Rate Risk** – In order to limit interest rate risk, The 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 25% invested in international equities and ADR’s, and a maximum composite of 30% invested in alternatives. As of June 30, 2019 and 2018, The Fund did not hold any securities of any one issuer in excess of these limits.

**Custodial Credit Risk** – The Delta College Endowment Fund Investment and Distribution Policy does not address the issue of custody. The 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 Fund are in the form of ADR’s and are denominated in U.S. currency.

**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2019**

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

**Endowment Fund Investments – Continued**

At June 30, 2019 and 2018 the Endowment Fund had the following investments and maturities:

**June 30, 2019:**

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 BBB+	\$ 1,097,508	\$ 302,201	\$ 264,190	\$ 194,658	\$ 336,459
Corporate Convertible Bonds *	A to BB-	1,670,094	427,038	614,687	-	628,369
Corporate Convertible Bonds *	Unrated	350,190	-	250,007	100,183	-
Municipal Bonds	AAA to A-	1,922,783	96,812	240,031	-	1,585,940
Government & Agency Bonds	AAA to AA+	1,447,855	124,879	278,527	-	1,044,449
		6,488,430	\$ 950,930	\$ 1,647,442	\$ 294,841	\$ 3,595,217
Bond Funds	N/A	1,573,601				
Preferred Stock	N/A	380,885				
Equities	N/A	12,341,596				
International Equities	N/A	4,191,516				
Total Investments		<u>\$ 24,976,028</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, 2019

Note 2. Cash and Cash Equivalents and Investments – Continued

Endowment Fund Investments – Continued

June 30, 2018:

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 BBB+	\$ 1,019,148	\$ -	\$ 551,904	\$ 286,846	\$ 180,398
Corporate Convertible Bonds *	A to BB-	1,334,322	260,536	692,206	-	381,580
Corporate Convertible Bonds *	Unrated	226,734	43,407	162,008	21,319	-
Municipal Bonds	AAA to AA-	1,168,084	-	232,805	-	935,279
Government & Agency Bonds	AAA to AA+	1,697,642	429,537	460,619	29,744	777,742
		5,445,930	\$ 733,480	\$ 2,099,542	\$ 337,909	\$ 2,274,999
Bond Funds	N/A	1,487,712				
Preferred Stock	N/A	370,574				
Equities	N/A	11,130,383				
International Equities	N/A	4,171,757				
Total Investments		\$ 22,606,356				

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



**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

**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, 2019 and 2018 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, 2019:</b>				
Investments excluding endowment fund investments	\$ 45,257,198	\$ -	\$ 45,257,198	\$ -
Endowment Investments:				
Equities	16,533,112	16,533,112	-	-
Bond funds	8,062,031	-	8,062,031	-
Preferred stock	380,885	-	380,885	-
Total investments by fair value	\$ 70,233,226	\$ 16,533,112	\$ 53,700,114	\$ -
<b>June 30, 2018:</b>				
Investments excluding endowment fund investments	\$ 54,105,926	\$ -	\$ 54,105,926	\$ -
Endowment Investments:				
Equities	15,302,140	15,302,140	-	-
Bond funds	6,933,642	-	6,933,642	-
Preferred stock	370,574	-	370,574	-
Total investments by fair value	\$ 76,712,282	\$ 15,302,140	\$ 61,410,142	\$ -

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

**Note 3. Pledges Receivable**

As of June 30, 2019 and 2018, donors to the College (including the Delta College Foundation) have made unconditional promises to give (pledges) approximating \$5,983,000 and \$429,000, respectively. Such pledges are discounted to their present value, assuming their respective terms, at applicable discount rates with total discounts at June 30, 2019 and 2018, respectively, of approximately \$138,000 and \$22,000. Management has also established an allowance for uncollectible pledges approximating \$3,300 and \$2,400, respectively, as of June 30, 2019 and 2018. 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, 2019 and 2018, are scheduled as follows:

	<u>2019</u>	<u>2018</u>
Less than one year	\$ 2,107,820	\$ 143,473
One to five years	3,733,275	260,225
Greater than five years	885	842
Total	<u>\$ 5,841,980</u>	<u>\$ 404,540</u>

**Note 4. Capital Assets**

The following tables present the changes in the various capital asset class categories for the years ended June 30, 2019 and 2018:

<b>Year Ended June 30, 2019:</b>	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
<b>Depreciable Capital Assets:</b>					
Buildings	40 years	\$ 121,682,773	\$ 2,134,854	\$ 1,175,612	\$ 122,642,015
Land improvements	20-40 years	9,818,270	505,009	75,751	10,247,528
Infrastructure	20-25 years	12,280,399	471,774	66,071	12,686,102
Furniture and equipment	5-20 years	18,679,252	1,029,166	182,008	19,526,410
<b>Non-depreciable Capital Assets:</b>					
Construction in progress		3,390,439	13,968,581	3,111,637	14,247,383
Land		1,510,706	491,430	33,310	1,968,826
Fine art collection		139,832	-	-	139,832
Total Capital Assets		<u>167,501,671</u>	<u>18,600,814</u>	<u>4,644,389</u>	<u>181,458,096</u>
<b>Less Accumulated Depreciation:</b>					
Buildings		46,269,227	3,005,394	660,930	48,613,691
Land improvements		4,322,134	494,497	75,751	4,740,880
Infrastructure		6,339,268	460,344	61,119	6,738,493
Furniture and equipment		12,903,646	1,046,533	180,763	13,769,416
Total Accumulated Depreciation		<u>69,834,275</u>	<u>\$ 5,006,768</u>	<u>\$ 978,563</u>	<u>73,862,480</u>
Capital Assets, Net		<u>\$ 97,667,396</u>			<u>\$ 107,595,616</u>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

**Note 4. Capital Assets – Continued**

<b>Year Ended June 30, 2018:</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	\$ 121,248,171	\$ 541,352	\$ 106,750	\$ 121,682,773
Land improvements	20-40 years	9,798,333	20,986	1,049	9,818,270
Infrastructure	20-25 years	11,964,221	360,081	43,903	12,280,399
Furniture and equipment	5-20 years	18,265,840	800,414	387,002	18,679,252
<b>Non-depreciable Capital Assets:</b>					
Construction in progress		377,597	3,935,261	922,419	3,390,439
Land		1,351,560	159,146	-	1,510,706
Fine art collection		139,832	-	-	139,832
<b>Total Capital Assets</b>		<b>163,145,554</b>	<b>5,817,240</b>	<b>1,461,123</b>	<b>167,501,671</b>
<b>Less Accumulated Depreciation:</b>					
Buildings		43,381,256	2,981,485	93,514	46,269,227
Land improvements		3,853,823	469,255	944	4,322,134
Infrastructure		5,934,858	440,367	35,957	6,339,268
Furniture and equipment		12,174,299	1,082,010	352,663	12,903,646
<b>Total Accumulated Depreciation</b>		<b>65,344,236</b>	<b>\$ 4,973,117</b>	<b>\$ 483,078</b>	<b>69,834,275</b>
<b>Capital Assets, Net</b>		<b>\$ 97,801,318</b>			<b>\$ 97,667,396</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. For the years ended June 30, 2019 and 2018, respectively, state operating appropriation revenue totaled \$23.0 million and \$28.9 million. The \$23.0 million and \$28.9 million respective balances consist of the following: \$15.0 and \$14.9 million base appropriations, \$114,000 and \$83,000 performance funding, \$520,000 and \$316,000 MPERS contributions offsets, UAAL and early retirement incentive MPERS pass through of \$4.5 million and \$3.9 million, and PPT Loss reimbursements of \$2.7 million and \$9.5 million. Also included in state operating appropriation revenue for each of the respective years was approximately \$215,000 and \$267,000 of Renaissance Zone property tax reimbursement from the State.

Since state operating 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 operating appropriation receivables at June 30, 2019 and 2018, respectively, are \$3.6 million and \$3.5 million, and includes \$750,000 and \$685,000, respectively, to be passed through to MPERS for the UAAL Stabilization payment.

State capital appropriation revenue totaled \$4.6 million for the year ended June 30, 2019; there was no State capital appropriation revenue recorded for the year ended June 30, 2018. This is more fully described in Note 12. The entire \$4.6 million was also recorded as state appropriations receivable at June 30, 2019.

## Notes to Financial Statements - Continued

Delta College

June 30, 2019

### Note 6. Retirement Plans

#### MPSERS Defined Pension and Other Postemployment Benefit Plans

**Plan Description** – The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the MPSERS Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Benefits** – Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

**Benefits (continued)** – Public Act 300 of 2012 granted all active members of the MPSERS, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member’s healthcare benefit are effective as of the member’s transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

**Funding Policy** – Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 21-year period ending September 30, 2038.

Required contributions to the pension plan from the College were \$9.9 million and \$8.5 million for the years ending June 30, 2019 and 2018, respectively. Required contributions to the OPEB plan from the College were \$2.4 million and \$2.8 million for the years ending June 30, 2019 and 2018, respectively.

Following are the employee and employer contribution rates associated with the MPSERS system for the year ended September 30, 2018:

<b>Benefit Structure</b>	<b>Pension Contribution Rates</b>	
	<b>Member</b>	<b>Non-University Employer</b>
Basic	0.0 – 4.0%	17.89%
Member Investment Plan	3.0 – 7.0%	17.89%
Pension Plus	3.0 – 6.4%	16.61%
Pension Plus 2	6.2%	19.74%
Defined Contribution	0.0%	13.54%

Notes to Financial Statements - Continued

Delta College

June 30, 2019

Note 6. Retirement Plans – Continued

MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

Funding Policy (continued) –

Benefit Structure	OPEB Contribution Rates	
	Member	Non-University Employer
Premium Subsidy	3.0%	7.67%
Personal Healthcare Fund (PHF)	0.0%	7.42%

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

	Pension		OPEB	
	2018	2017	2018	2017
Total liability	\$79,863,694,444	\$72,407,218,688	\$13,932,170,264	\$13,920,945,991
Plan fiduciary net position	49,801,889,205	46,492,967,573	5,983,218,473	5,065,474,948
Net liability	\$30,061,805,239	\$25,914,251,115	\$ 7,948,951,791	\$8,855,471,043
Plan fiduciary net position as a percentage of total liability	62.36%	64.21%	42.95%	36.39%
Net liability as a percentage of covered employee payroll	352.81%	309.13%	93.29%	105.64%

**Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense** – At June 30, 2019 and 2018, respectively, the College reported a liability of \$108.8 million and \$93.5 million for its proportionate share of the net pension liability of MPSERS. At June 30, 2019 and 2018, respectively, the College reported a liability of \$28.8 million and \$32.1 million for its proportionate share of the net OPEB liability of MPSERS. The 2019 net pension and OPEB liability was measured as of September 30, 2018, and the total liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2017. The College’s proportion of the 2019 and 2018 net pension and OPEB liability was determined by dividing each employer’s statutorily required contributions to the System during the measurement period by the percent of contributions required from all applicable employers during the measurement period. At September 30, 2018, the College’s pension proportion was .36190%, an increase of .00099% from its proportion measured as of September 30, 2017, which was .36091%. At September 30, 2018, the College’s OPEB proportion was .36226%, an increase of .00012% from its proportion measured as of September 30, 2017, which was .36214%.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

***Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense (continued)*** – For the years ended June 30, 2019 and 2018, respectively, the College recognized MPSERS pension expense of \$13.4 million and \$9.5 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS pension from the following sources:

	<b>Year Ended June 30, 2019</b>		<b>Year Ended June 30, 2018</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 504,828	\$ 790,592	\$ 812,809	\$ 458,915
Changes of assumptions	25,196,757	-	10,246,572	-
Net difference between projected and actual earnings on pension plan investments	-	7,438,790	-	4,471,182
Changes in proportion and differences between College contributions and proportionate share of contributions	650,973	764,271	798,813	1,243,479
College contributions subsequent to the measurement date	8,323,989	-	8,671,396	-
Rate stabilization appropriations received after the measurement date	-	4,127,662	-	4,490,630
<b>Total</b>	<b>\$ 34,676,547</b>	<b>\$ 13,121,315</b>	<b>\$ 20,529,590</b>	<b>\$ 10,664,206</b>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

**Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Pension Expense (continued)** – For the years ended June 30, 2019 and 2018, respectively, the College recognized MPSERS OPEB expense of \$1.4 million and \$2.1 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS OPEB from the following sources:

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,359,687	\$ -	\$ 341,446
Changes of assumptions	3,049,518	-	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,106,702	-	742,738
Changes in proportion and differences between College contributions and proportionate share of contributions	10,158	7,175	1,617	-
College contributions subsequent to the measurement date	1,878,233	-	1,831,030	-
<b>Total</b>	<b>\$ 4,937,909</b>	<b>\$ 6,473,564</b>	<b>\$ 1,832,647</b>	<b>\$ 1,084,184</b>

The College reported deferred outflows of resources related to pension contributions subsequent to the measurement date of \$8.3 million and \$8.7 million, respectively, as of June 30, 2019 and 2018 and \$1.9 million and \$1.8 million of contributions subsequent to the measurement date related to OPEB as of June 30, 2019 and 2018, respectively. These will be recognized as a reduction of the net pension and OPEB 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 and OPEBs will be recognized in pension and OPEB expense as follows:

Year Ending June 30,	Pension	OPEB
2020	\$ 6,995,445	\$ (843,090)
2021	5,277,500	(843,090)
2022	3,594,210	(843,090)
2023	1,491,750	(617,415)
2024	-	(267,203)
<b>Total</b>	<b>\$ 17,358,905</b>	<b>\$ (3,413,888)</b>



**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

**Rate of Return, Discount Rate and Long-term Expected Rate of Return** – The discount rate used to measure the total pension liability was 7.05% for the Basic and MIP Plans, 7.0% for the Pension Plus Plan, and 6.0% for the Pension Plus 2 Plan for the September 30, 2018 valuation year and 7.5% for the Basic and MIP Plans and 7.0% for the Pension Plus Plan for the September 30, 2017 valuation year, and was based on the long term expected rate of return on pension investments. The discount rate used to measure the total OPEB liability was 7.15% for the September 30, 2018 valuation year, and 7.5% for the September 30, 2017 valuation year, and was based on long-term expected rate of return on OPEB plan 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 and OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan and OPEB investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

For the fiscal year ended September 30, 2018, the annual money-weighted rate of return on pension plan and OPEB investment, net of pension and OPEB plan investment expense, was 11.11% and 10.75%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension and OPEB plan’s target asset allocation as of September 30, 2018 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	28.0%	5.7%
% Alternative Investment Pools	18.0	9.2
International Equity	16.0	7.2
Fixed Income Pools	10.5	5.0
Real Estate & Infrastructure Pools	10.0	3.9
Absolute Return Pools	15.5	5.2
Short-Term Investment Pools	2.0	0.0
Total	100.0%	

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

**Sensitivity of the Net Pension and OPEB Liability to Changes in the Discount and Healthcare Cost Trend Rate** – The following presents the College’s proportionate share of the net pension liability, calculated using the discount rate of 7.05% for June 30, 2019 and 7.5% for June 30, 2018 for the Basic and MIP Plans, 7.0% for the Pension Plus Plan for both years, and 6.0% for the Pension Plus 2 Plan for June 30, 2019, 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 or 1.0% point higher than the current rates:

	Net Pension Liability at 1.0% Decrease (6.05% Basic and MIP, 6.00% Pension Plus and 5.00% Pension Plus 2)	Net Pension Liability at Current Discount Rate (7.05% Basic and MIP, 7.00% Pension Plus and 6.00% Pension Plus 2)	Net Pension Liability at 1.0% Increase (8.05% Basic and MIP, 8.00% Pension Plus and 7.00% Pension Plus 2)
Year Ended June 30, 2019	\$ 142,839,005	\$ 108,794,674	\$ 80,509,370
Year Ended June 30, 2018	\$ 121,833,931	\$ 93,526,507	\$ 69,693,459

The following presents the College’s proportionate share of the net OPEB liability, calculated using the discount rate of 7.15% and 7.5% for June 30, 2019 and 2018, respectively, and current healthcare cost trend rate, as well as what the College’s proportionate share of the net OPEB liability would be if it were calculated using a rate that is 1.0% point lower or 1.0% point higher than the current rates:

	Net OPEB Liability at 1.0% Decrease (6.15%)	Net OPEB Liability at Current Rate (7.15%)	Net OPEB Liability at 1.0% Increase (8.15%)
Discount Rate –			
Year Ended June 30, 2019	\$ 34,569,088	\$ 28,796,063	\$ 23,940,243
Year Ended June 30, 2018	37,562,720	32,069,557	27,407,582
Healthcare Cost Trend Rate -			
Year Ended June 30, 2019	\$ 23,684,444	\$ 28,796,063	\$ 34,660,133
Year Ended June 30, 2018	27,158,604	32,069,557	37,645,602

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

**Note 6. Retirement Plans – Continued**

**MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued**

**Actuarial Valuations and Assumptions** – An actuarial valuation to determine the total pension and OPEB 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 and OPEB liability is required to be rolled forward from the actual valuation date to the plan’s fiscal year end.

Actuarial valuations for the pension plan and OPEB 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 and OPEB liability in the September 30, 2017 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	7.05% for Basic and MIP Plans, 7.0% for Pension Plus Plan, 6.0% for Pension Plus 2 Plan, and 7.15% for OPEB
Wage inflation rate	2.75%
Projected rate of pay increases	2.75 to 11.55%, including wage inflation at 2.75%
Cost-of-living pension adjustments	3.00% annual non-compounded for MIP members
Healthcare cost trend rate	7.5% year 1 graded to 3.0% year 12
Mortality basis	Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2016. Active Members: P-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

## Notes to Financial Statements - Continued

Delta College

June 30, 2019

### Note 6. Retirement Plans – Continued

#### MPSERS Defined Pension and Other Postemployment Benefit Plans – Continued

##### *Actuarial Valuations and Assumptions (continued) –*

Other OPEB Assumptions:

Opt Out Assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2007 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liability as of September 30, 2018 is based on the results of an actuarial valuation date of September 30, 2017, 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 4.5304 years for the pension plan and 5.6018 years for the OPEB plan and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2018 MPSERS Comprehensive Annual Financial Report (CAFR), which is available online at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Payable to Pension and OPEB Plan** – As of June 30, 2019 and 2018, the College reported \$1,498,000 and \$1,054,000, respectively, for the outstanding amount of required contributions to MPSERS for the years 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, 2019 and 2018, compensation covered under the ORP approximated \$8.0 million and \$7.8 million, respectively, which resulted in contributions by the College of approximately \$804,000 and \$782,000 for the years ended June 30, 2019 and 2018, respectively.

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

### **Delta College**

**June 30, 2019**

#### **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, 2019 and 2018, respectively, the College issued bond principal to the company totaling \$523,000 and \$311,000 and repaid bond principal in the same amounts. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with Xalt Energy as of June 30, 2019 and 2018. As of June 30, 2019, total bonds issued to date under this agreement total \$2,690,000.

During the year ended June 30, 2013, the College entered into a MNJTP agreement with ECO-Bio Plastics Midland, Inc., with an initial maximum bond principal issue amount of \$200,000, and was amended later that year with an increased maximum bond issue of \$350,000. Under this agreement, during the years ended June 30, 2019 and 2018, respectively, the College issued bond principal to the company totaling \$18,000 and \$42,000 and repaid bond principal of \$19,000 and \$42,000 for the respective years. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with ECO-Bio Plastics as of June 30, 2019. For the year ended June 30, 2018, the College had MNJTP bonds payable and offsetting accounts receivable of \$1,000, which is due to be repaid in less than one year. As of June 30, 2019, bonds issued to date under this agreement total \$110,000.

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

The College leased one of its off campus centers under a short-term operating lease, with total lease expense approximating \$32,000 and \$31,000, for the years ended June 30, 2019 and 2018, respectively. The final term of this lease expired June 30, 2019, and the lease was not renewed since the College will begin holding classes at its newly constructed Downtown Saginaw Center beginning with the fall 2019 semester.

#### **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, 2019

### 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 original 7-year contract fee schedule called for monthly payments ranging from \$201,000 to \$206,000 through October 2023, with a total contractual commitment of \$17.2 million over the 7-year contract period. The contract provides for an annual payment adjustment based on the Consumer Price Index (CPI). In October 2017, the College made an addendum to the Ellucian contract for additional services related to the Ellucian Customer Relationship Management (eCRM) Advise and Recruit software applications. The service period for this addendum commenced on November 1, 2017 and ends October 31, 2020 and increased the contractual monthly payments to Ellucian by \$11,000. Due to CPI increases, the annual monthly payment to Ellucian under this contract increased to \$222,000 during fiscal year 2019, from \$218,000 during fiscal year 2018.

### Note 12. Capital Construction Projects

**Delta College Downtown Saginaw Center** – On June 29, 2016 the State of Michigan approved Public Act 268 of 2016 which included the planning authorization for our project. Schematic design plans were submitted 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 the Downtown Saginaw Center project. The Saginaw Center project has an estimated total cost of \$12,739,000, with the State Building Authority funding a total of \$6,369,300. The College broke ground for the Saginaw Center in March 2018. As of June 30, 2019, the College has incurred total project spending of approximately \$11.0 million, with \$10.4 million of this amount included in Construction in Progress. The College was required to spend its share of approximately \$6.4 million from Plant Fund reserves, before any State funding would be received. At June 30, 2019, the College recorded revenue and a receivable from the State for its share of the project expenditures of approximately \$4.6 million.

**Delta College Downtown Midland Center** – In October 2017, Delta College submitted documentation to the State of Michigan identifying needed improvements at its aging Midland Center as its top priority in facility revitalization. As the community learned of the need for an upgraded facility, many reached out to Delta College's president to get more details and offer financial support. A property site was selected in downtown Midland on the block bound by Ellsworth, Townsend, Buttles and Cronkright which is owned by Chemical Bank and The Dow Chemical Company. After learning of Delta's interest in this particular location both organizations generously agreed to donate the property to the Delta College Foundation. On August 14, 2018, the Delta College Board of Trustees unanimously approved this site for the new Midland Center facility.

## Notes to Financial Statements - Continued

Delta College

June 30, 2019

### Note 12. Capital Construction Projects – Continued

**Delta College Downtown Midland Center (continued)** – The Delta College Foundation received several generous pledges and cash gifts totaling \$9.2 million from area foundations to help fund the estimated \$13.0 million cost of construction for the 30,000 square foot building which will provide state-of-the-art technology. The remaining funding needs of approximately \$3.8 million for this project will come from accumulated reserves in the College’s Plant Fund. In April 2019, the College broke ground on this construction project, and it is anticipated that this new facility will hold its first classes in the 2021 winter semester. As of June 30, 2019, the College has incurred total project spending of \$656,000 primarily for engineering and architectural services; with \$618,000 included in Construction in Progress.

**Main Campus P-wing Renovation** – This project includes renovations to existing spaces that support Delta College’s Lifelong Wellness program, Athletics and the Fitness and Recreation Center’s functional needs. The current facilities were constructed in 1979 with a portion being renovated in 2003. The area being renovated is approximately 15,100 square feet and is located on two floors at the north end of our building. The existing spaces that are being renovated and repurposed as part of this project are currently underutilized. When renovated, the area will provide four new fitness studios including a functional fitness studio, a spinning studio, a group fitness studio and a fitness-on-demand studio. The renovations will also include a personal training and fitness testing space, storage and circulation space, and a reconfigured check-in and administration area. This project, which began in fall of 2018, is expected to be completed during winter 2020, with an anticipated total project cost of approximately \$2.4 million. As of June 30, 2019, the College had incurred total expenditures for the project of approximately \$1.1 million. This amount is included in Construction in Progress at June 30, 2019.

**West Campus Project** – This project is a component of the Delta College Landscape/Site Master Plan, last updated in 2017. This project consists of campus site upgrades including a new baseball field, a new parking lot, sidewalks, new recreational and athletic fields and trails, a building that will include a storage area, restrooms and concessions. Also included in this project is a functional observatory that will be fully ADA accessible. The goal of this project is to enhance our existing campus environment and provide places for academic programs, athletic participation, recreational community involvement, social interaction and celebration. The project began in summer 2018 and is anticipated to be complete by the end of calendar year 2020, with an anticipated total project cost of \$4.5 million. As of June 30, 2019, the College had incurred costs of \$1.2 million, which has been included in 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, 2019**

**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. 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. This annual fee distribution was implemented for the first time in the year ending June 30, 2017. For the years ending June 30, 2019 and 2018, respectively, the fee distributed to the Foundation amounted to \$213,000 and \$196,000.

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, 2019</b>	<b>June 30, 2018</b>
<b>Assets</b>		
Current assets	\$ 7,085,786	\$ 1,907,717
Long-term assets	3,734,160	261,067
Total Assets	10,819,946	2,168,784
<b>Liabilities</b>		
Current liabilities	43,609	38,630
<b>Net Position</b>		
Donor-restricted endowments	89,210	164,274
Restricted-expendable	9,959,359	1,307,501
Unrestricted	727,768	658,379
Total Net Position	\$ 10,776,337	\$ 2,130,154



**Notes to Financial Statements - Continued**  
**Delta College**  
**June 30, 2019**

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

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

	Year Ended June 30, 2019	Year Ended June 30, 2018
<b>Operating Revenue</b>	\$ -	\$ -
<b>Operating Expenses</b>		
Institutional administration	142,168	127,944
Fundraising	70,966	70,507
Total Operating Expenses	213,134	198,451
<b>Operating Loss</b>	(213,134)	(198,451)
<b>Nonoperating Revenue (Expenses)</b>		
Gifts	1,501,385	1,746,909
Special events	73,198	81,644
Investment income	368,989	301,278
Foundation grants and distributions to or for Delta College	(2,428,909)	(1,413,257)
Net Nonoperating Revenue (Expenses)	(485,337)	716,574
<b>Net Income (Loss) Before Other Revenue</b>	(698,471)	518,123
<b>Other Revenue</b>		
Capital gifts and grants	9,344,654	-
<b>Increase in Net Position</b>	8,646,183	518,123
<b>Net Position</b>		
Beginning of year	2,130,154	1,612,031
End of year	\$ 10,776,337	\$ 2,130,154

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2019**

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

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

	<b>Year Ended June 30, 2019</b>	<b>Year Ended June 30, 2018</b>
<b>Net Cash Used in Operating Activities</b>	\$ (207,255)	\$ (202,483)
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	(702,542)	610,652
<b>Net Cash Provided by Capital and Related Financing Activities</b>	3,752,919	25,000
<b>Net Cash Provided by (Used in) Investing Activities</b>	359,426	(204,345)
<b>Net Increase in Cash and Cash Equivalents</b>	3,202,548	228,824
<b>Cash and Cash Equivalents</b>		
Beginning of year	1,258,622	1,029,798
End of year	\$ 4,461,170	\$ 1,258,622

**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 years ended June 30, 2019 and 2018, Delta College property tax revenues were reduced by \$384,000 and \$414,000, respectively, 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 (MPSERS), and Notes to Required Supplementary Information**  
**Delta College**  
**June 30, 2019**

	2018	2017	September 30, 2016	2015	2014
<b><u>Schedule of Proportionate Share of Net Pension Liability</u></b>					
Delta College's proportion of the net pension liability:					
As a percentage	0.36190%	0.36091%	0.36396%	0.35920%	0.36636%
Amount	\$ 108,794,674	\$ 93,526,507	\$ 90,806,454	\$ 87,735,519	\$ 80,695,808
Delta College's covered payroll	\$ 30,935,967	\$ 30,340,755	\$ 30,432,804	\$ 30,587,339	\$ 30,260,280
Delta College's proportionate share of the net pension liability, as a percentage of the College's covered payroll	351.7%	308.3%	298.4%	286.8%	266.7%
MPSERS fiduciary net position, as a percentage of the total non-university net pension liability	62.36%	64.21%	63.27%	63.17%	66.20%

	2019	2018	June 30, 2017	2016	2015
<b><u>Schedule of Contributions for MPSERS</u></b>					
Delta College's statutorily required contributions	\$ 9,507,415	\$ 9,937,502	\$ 8,655,641	\$ 8,475,840	\$ 6,412,460
Delta College's contributions in relation to statutorily required contribution	<u>9,507,415</u>	<u>9,937,502</u>	<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 payroll	\$ 30,871,381	\$ 30,883,232	\$ 31,475,611	\$ 30,304,431	\$ 29,660,019
Delta College contributions as a percentage of covered payroll	30.8%	32.2%	27.5%	28.0%	21.6%

**Notes to Required Supplementary Information**

Changes of benefit terms:

There were no changes of benefit terms from September 30, 2014 through September 30, 2018.

Changes of assumptions:

The discount rate was reduced to 7.05% for the September 30, 2018 valuation from 7.50% at September 30, 2017. In addition, the September 30, 2017 discount rate was reduced from 8.00% which was the discount rate for the years ending September 30, 2016, 2015, and 2014.

**Required Supplementary Information**  
**Schedule of Proportionate Share of Net OPEB Liability and Contributions for Michigan Public School**  
**Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information**  
**Delta College**  
**June 30, 2019**

	<u>September 30,</u>	
	<u>2018</u>	<u>2017</u>
<b><u>Schedule of Proportionate Share of Net OPEB Liability</u></b>		
Delta College's proportion of the net OPEB liability:		
As a percentage	0.36226%	0.36214%
Amount	\$ 28,796,063	\$ 32,069,557
Delta College's covered payroll	\$ 30,935,967	\$ 30,340,755
Delta College's proportionate share of the net OPEB liability, as a percentage of the College's covered payroll	93.1%	105.7%
MPSERS fiduciary net position, as a percentage of the total non-university net OPEB liability	42.95%	36.39%

	<u>June 30,</u>	
	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Contributions for MPSERS</u></b>		
Delta College's statutorily required contributions	\$ 2,396,998	\$ 2,227,684
Delta College's contributions in relation to statutorily required contribution	<u>2,396,998</u>	<u>2,227,684</u>
Delta College's contribution deficiency (excess)	\$ -	\$ -
Delta College's covered payroll	\$ 30,871,381	\$ 30,883,232
Delta College contributions as a percentage of covered payroll	7.8%	7.2%

**Notes to Required Supplementary Information**

Changes of benefit terms: There were no changes of benefit terms from September 30, 2017 to September 30, 2018.

Changes of assumptions: The discount rate was reduced to 7.15% for the September 30, 2018 valuation from 7.50% at September 30, 2017.

**Supplemental Schedules of Other Financial Information**  
**Consolidating Balance Sheet**  
**Delta College**  
**June 30, 2019**

	Combined Total	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund	Debt Fund	Agency Fund	Foundation
<b>Assets</b>											
<b>Current Assets</b>											
Cash and cash equivalents	\$ 51,103,600	\$ 8,305,789	\$ 9,934,134	\$ 4,156,260	\$ 3,162,700	\$ 583,734	\$ 20,003,876	\$ -	\$ -	\$ 495,937	\$ 4,461,170
Short-term investments	15,041,481	2,981,619	1,490,461	1,020,778	499,775	-	8,536,349	-	-	-	512,499
Property taxes receivable	195,257	195,257	-	-	-	-	-	-	-	-	-
State appropriations receivable	8,190,858	3,582,326	-	-	-	-	4,608,532	-	-	-	-
Federal and state grants receivable	1,082,301	10,117	293,638	-	778,546	-	-	-	-	-	-
Accounts receivable	1,084,117	64,270	565,762	302	450,034	-	2,139	-	-	-	1,610
Pledges receivable	2,107,820	-	-	-	-	-	-	-	-	-	2,107,820
Inventories	854,918	167,614	-	687,304	-	-	-	-	-	-	-
Prepaid expenses and other assets	479,404	368,398	24,000	-	798	21,603	61,918	-	-	-	2,687
Due from (to) other funds	-	-	(45,241)	-	45,241	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>80,139,756</b>	<b>15,675,390</b>	<b>12,262,754</b>	<b>5,864,644</b>	<b>4,937,094</b>	<b>605,337</b>	<b>33,212,814</b>	<b>-</b>	<b>-</b>	<b>495,937</b>	<b>7,085,786</b>
<b>Long-Term Investments</b>	<b>29,020,904</b>	<b>990,307</b>	<b>-</b>	<b>1,059,811</b>	<b>-</b>	<b>24,976,025</b>	<b>1,994,761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Long-Term Pledges Receivable</b>	<b>3,734,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,734,160</b>
<b>Capital Assets</b>											
Land and improvements	12,216,354	-	-	-	-	-	12,216,354	-	-	-	-
Infrastructure	12,686,102	-	-	-	-	-	12,686,102	-	-	-	-
Buildings	122,642,015	-	-	-	-	-	122,642,015	-	-	-	-
Furniture and equipment	19,526,410	-	-	-	-	-	19,526,410	-	-	-	-
Fine art collection	139,832	-	-	-	-	-	139,832	-	-	-	-
Construction in progress	14,247,383	-	-	-	-	-	14,247,383	-	-	-	-
Allowance for depreciation	(73,862,480)	-	-	-	-	-	(73,862,480)	-	-	-	-
<b>Total Capital Assets</b>	<b>107,595,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,595,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>220,490,436</b>	<b>16,665,697</b>	<b>12,262,754</b>	<b>6,924,455</b>	<b>4,937,094</b>	<b>25,581,362</b>	<b>142,803,191</b>	<b>-</b>	<b>-</b>	<b>495,937</b>	<b>10,819,946</b>
<b>Deferred Outflows of Resources</b>	<b>39,614,456</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,614,456</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>											
<b>Current Liabilities</b>											
Accounts payable	3,513,175	662,160	141,769	(142,145)	186,962	-	2,162,482	-	-	495,937	6,010
Accrued payroll and other compensation	7,940,360	7,612,734	154,792	71,558	101,276	-	-	-	-	-	-
Unearned revenue	1,475,358	990,748	411,256	-	35,755	-	-	-	-	-	37,599
Current portion of MNJTP bonds payable	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>12,928,893</b>	<b>9,265,642</b>	<b>707,817</b>	<b>(70,587)</b>	<b>323,993</b>	<b>-</b>	<b>2,162,482</b>	<b>-</b>	<b>-</b>	<b>495,937</b>	<b>43,609</b>
<b>Non-Current Liabilities</b>											
Net pension and OPEB liability	137,590,737	-	-	-	-	-	-	137,590,737	-	-	-
<b>Total Liabilities</b>	<b>150,519,630</b>	<b>9,265,642</b>	<b>707,817</b>	<b>(70,587)</b>	<b>323,993</b>	<b>-</b>	<b>2,162,482</b>	<b>137,590,737</b>	<b>-</b>	<b>495,937</b>	<b>43,609</b>
<b>Deferred Inflows of Resources</b>	<b>19,594,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,594,879</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>											
Net investment in capital assets	107,595,616	-	-	-	-	-	107,595,616	-	-	-	-
Restricted for:											
Donor-restricted endowments	18,036,097	-	-	-	-	17,946,887	-	-	-	-	89,210
Expendable scholarships and awards	916,024	-	-	-	527,639	-	-	-	-	-	388,385
Instructional department uses	1,444,524	-	-	-	1,297,716	-	-	-	-	-	146,808
Public broadcasting activities	1,917,974	-	-	-	1,917,974	-	-	-	-	-	-
Other restricted uses	10,293,938	-	-	-	869,772	-	-	-	-	-	9,424,166
Unrestricted	(50,213,790)	7,400,055	11,554,937	6,995,042	-	7,634,475	33,045,093	(117,571,160)	-	-	727,768
<b>Total Net Position</b>	<b>\$ 89,990,383</b>	<b>\$ 7,400,055</b>	<b>\$ 11,554,937</b>	<b>\$ 6,995,042</b>	<b>\$ 4,613,101</b>	<b>\$ 25,581,362</b>	<b>\$ 140,640,709</b>	<b>\$ (117,571,160)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,776,337</b>

**Supplemental Schedules of Other Financial Information**  
**Consolidating Statement of Revenue, Expenses and Changes in Net Position**  
**Delta College**  
**Year Ended June 30, 2019**

	Combined Total	Elimination	General Fund	Designated Fund	Auxiliary Activities Fund	Expendable Restricted Fund	Endowment Fund	Plant Fund	MPSERS Pension/OPEB GASB 68 & 75 Fund	Foundation
<b>Operating Revenue</b>										
Tuition and fees, net of scholarship allowance of \$7,502,330	\$ 24,017,776	\$(7,502,330)	\$ 28,428,625	\$ 3,091,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	3,942,689	-	-	-	-	3,942,689	-	-	-	-
State grants and contracts	110,075	-	-	-	-	110,075	-	-	-	-
Local and nongovernmental grants and contracts	879,656	-	-	-	-	879,656	-	-	-	-
Michigan New Jobs Training Program	381,319	-	-	-	-	381,319	-	-	-	-
Public broadcasting gifts	1,724,834	-	-	-	-	1,724,834	-	-	-	-
Auxiliary activities, net of scholarship allowance of \$964,177	3,975,731	(964,177)	-	-	4,939,908	-	-	-	-	-
Current year expenditures for capital equipment and facility improvements	-	(15,489,177)	-	-	-	-	-	15,489,177	-	-
Miscellaneous	1,234,216	(164,487)	524,829	588,356	-	244,575	-	40,943	-	-
<b>Total Operating Revenue</b>	<b>36,266,296</b>	<b>(24,120,171)</b>	<b>28,953,454</b>	<b>3,679,837</b>	<b>4,939,908</b>	<b>7,283,148</b>	<b>-</b>	<b>15,530,120</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses</b>										
Instruction	40,056,976	(189,681)	34,268,065	789,998	-	3,486,344	-	83,219	1,619,031	-
Public services	3,056,662	-	1,203,399	9,743	-	1,651,264	-	110,000	82,256	-
Information technology	3,836,024	-	3,824,924	-	-	-	-	-	11,100	-
Instructional support	8,567,997	-	6,210,761	1,762,621	-	286,009	-	-	308,606	-
Student services	18,719,964	(8,471,735)	7,192,162	118,731	4,759,109	14,813,781	-	-	307,916	-
Institutional administration	12,717,736	(615,704)	10,893,083	1,064,358	-	-	-	835,822	398,009	142,168
Operation and maintenance of facilities	7,501,117	(14,775,668)	6,693,815	-	-	2,886	-	15,355,091	224,993	-
Depreciation expense	5,006,768	-	-	-	-	-	-	5,006,768	-	-
Fundraising expenses	6,226	(64,740)	-	-	-	-	-	-	-	70,966
Other expenses	-	(850,391)	-	-	-	-	850,391	-	-	-
<b>Total Operating Expenses</b>	<b>99,469,470</b>	<b>(24,967,919)</b>	<b>70,286,209</b>	<b>3,745,451</b>	<b>4,759,109</b>	<b>20,240,284</b>	<b>850,391</b>	<b>21,390,900</b>	<b>2,951,911</b>	<b>213,134</b>
<b>Operating Income (Loss)</b>	<b>(63,203,174)</b>	<b>847,748</b>	<b>(41,332,755)</b>	<b>(65,614)</b>	<b>180,799</b>	<b>(12,957,136)</b>	<b>(850,391)</b>	<b>(5,860,780)</b>	<b>(2,951,911)</b>	<b>(213,134)</b>
<b>Nonoperating Revenue (Expenses)</b>										
State appropriations	23,023,812	-	22,660,844	-	-	-	-	-	362,968	-
Property tax levy	22,613,280	-	22,613,280	-	-	-	-	-	-	-
Pell federal grant revenue	13,046,886	-	-	-	-	13,046,886	-	-	-	-
Gifts	965,639	(1,759,519)	162,301	594,092	-	327,635	112,122	27,623	-	1,501,385
Special events, net of expenses of \$61,957	73,198	-	-	-	-	-	-	-	-	73,198
Investment income, net of Endowment Fund investment expense of \$178,834	3,079,553	(822,884)	801,607	107,372	-	613,722	1,162,169	848,578	-	368,989
Loss on disposition of capital assets	(389,702)	164,487	-	-	-	-	-	(554,189)	-	-
Foundation grants and distributions to or for Delta College	(184,241)	2,244,668	-	-	-	-	-	-	-	(2,428,909)
<b>Net Nonoperating Revenue (Expenses)</b>	<b>62,228,425</b>	<b>(173,248)</b>	<b>46,238,032</b>	<b>701,464</b>	<b>-</b>	<b>13,988,243</b>	<b>1,274,291</b>	<b>322,012</b>	<b>362,968</b>	<b>(485,337)</b>
<b>Net Income (Loss) Before Other Revenue</b>	<b>(974,749)</b>	<b>674,500</b>	<b>4,905,277</b>	<b>635,850</b>	<b>180,799</b>	<b>1,031,107</b>	<b>423,900</b>	<b>(5,538,768)</b>	<b>(2,588,943)</b>	<b>(698,471)</b>
<b>Other Revenue</b>										
State capital appropriations	4,608,532	-	-	-	-	-	-	4,608,532	-	-
Capital gifts and grants	9,344,654	(674,500)	-	-	-	-	-	674,500	-	9,344,654
Additions to permanent endowments	515,891	-	-	-	-	-	515,891	-	-	-
<b>Total Other Revenue</b>	<b>14,469,077</b>	<b>(674,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>515,891</b>	<b>5,283,032</b>	<b>-</b>	<b>9,344,654</b>
<b>Increase (Decrease) in Net Position</b>	<b>13,494,328</b>	<b>-</b>	<b>4,905,277</b>	<b>635,850</b>	<b>180,799</b>	<b>1,031,107</b>	<b>939,791</b>	<b>(255,736)</b>	<b>(2,588,943)</b>	<b>8,646,183</b>
<b>Transfers In (Out)</b>	<b>-</b>	<b>-</b>	<b>(4,406,864)</b>	<b>849,617</b>	<b>(252,848)</b>	<b>(345,123)</b>	<b>496,985</b>	<b>3,658,233</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Net Position</b>	<b>13,494,328</b>	<b>-</b>	<b>498,413</b>	<b>1,485,467</b>	<b>(72,049)</b>	<b>685,984</b>	<b>1,436,776</b>	<b>3,402,497</b>	<b>(2,588,943)</b>	<b>8,646,183</b>
<b>Net Position - Beginning of Year</b>	<b>76,496,055</b>	<b>-</b>	<b>6,901,642</b>	<b>10,069,470</b>	<b>7,067,091</b>	<b>3,927,117</b>	<b>24,144,586</b>	<b>137,238,212</b>	<b>(114,982,217)</b>	<b>2,130,154</b>
<b>Net Position - End of Year</b>	<b>\$ 89,990,383</b>	<b>\$ -</b>	<b>\$ 7,400,055</b>	<b>\$ 11,554,937</b>	<b>\$ 6,995,042</b>	<b>\$ 4,613,101</b>	<b>\$ 25,581,362</b>	<b>\$ 140,640,709</b>	<b>\$ (117,571,160)</b>	<b>\$ 10,776,337</b>

**Supplemental Schedule of Other Financial Information**  
**Details of Certain General Fund Revenues**  
**Delta College**  
**Year Ended June 30, 2019**

**Tuition and Fees**

Tuition	\$	20,440,976
Registration Fees		839,467
Course and program fees:		
Excess contact hour fees		2,573,041
Technology fees		3,057,685
Telecourse fees		164,669
Online course fees		1,294,521
Lifelong wellness course fees		1,320
Other fees		56,946
		<hr/>
Total Tuition and Fees	\$	<u>28,428,625</u>

**Miscellaneous Revenue**

Collegiate ads	\$	3,275
Credit by exam		4,075
Live scan fees		23,475
Miscellaneous		293,690
Parking fines		631
Planetarium ticket sales		73,678
Rental of college facilities		66,066
Reserve parking		10,484
Testing		49,455
		<hr/>
<b>Total Miscellaneous Revenue</b>	\$	<u>524,829</u>

**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses**  
**Delta College**  
**Year Ended June 30, 2019**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Instruction</b>						
Social Sciences	\$ 3,161,401	\$ 1,642,101	\$ 23,064	\$ -	\$ 28,000	\$ 4,854,566
Humanities	2,065,948	1,044,821	33,703	-	18,263	3,162,735
English	2,525,635	1,370,774	20,064	-	23,000	3,939,473
Mathematics & Computer Science	2,056,574	1,118,596	30,521	-	18,000	3,223,691
Sciences	3,448,697	1,682,997	110,914	-	32,158	5,274,766
Business & Information Technology	2,463,639	1,249,108	23,114	-	22,826	3,758,687
Health & Wellness	4,075,745	2,269,173	207,429	-	37,796	6,590,143
Technical Trades & Manufacturing	1,939,544	1,009,596	240,226	-	20,770	3,210,136
Instructional Equipment	-	-	195,675	58,193	-	253,868
<b>Total Instruction</b>	<b>21,737,183</b>	<b>11,387,166</b>	<b>884,710</b>	<b>58,193</b>	<b>200,813</b>	<b>34,268,065</b>
<b>Public Services</b>						
Television	388,285	250,555	-	-	2,905	641,745
Public Radio	80,577	48,750	-	-	705	130,032
Planetarium and Learning Center	227,498	143,245	46,023	-	3,691	420,457
President's Speakers Series	-	-	11,165	-	-	11,165
<b>Total Public Services</b>	<b>696,360</b>	<b>442,550</b>	<b>57,188</b>	<b>-</b>	<b>7,301</b>	<b>1,203,399</b>
<b>Information Technology</b>						
Communications Technology	77,622	51,291	98,165	-	375	227,453
Instructional Support Information Technology	146,297	-	1,551,510	-	-	1,697,807
Student Services Support Information Technology	-	-	696,189	-	-	696,189
Administrative Support Information Technology	113,695	34,310	1,055,295	-	175	1,203,475
<b>Total Information Technology</b>	<b>337,614</b>	<b>85,601</b>	<b>3,401,159</b>	<b>-</b>	<b>550</b>	<b>3,824,924</b>
<b>Instructional Support</b>						
Office of Vice President of Instruction & Learning Services	203,382	70,115	2,663	-	19,772	295,932
Division Chairs/Associate Deans	917,738	558,321	57,619	-	9,490	1,543,168
Academic Deans	384,557	203,952	9,820	-	7,553	605,882
Faculty Secretarial & Instructional Support	111,884	59,791	255,166	-	275	427,116
Multimedia Laboratories	126,341	87,965	2,880	-	775	217,961
Library & Learning Resources Center	487,352	288,278	171,395	-	5,908	952,933
Teaching Learning and WRIT Centers	307,965	129,446	3,643	-	3,303	444,357
Academic Testing Center	119,069	68,673	219	-	203	188,164
Fitness & Aquatics Center Instructional Support	125,266	54,427	31,293	-	538	211,524
Teaching Enhancement Centers	15,177	14,975	32,420	-	10,602	73,174
Center for Organizational Success	57,568	45,373	22,889	-	2,868	128,698
Accreditation & Assessment	-	-	26,887	-	878	27,765
Community Development & Strategic Partnerships	241,908	171,788	5,950	-	5,835	425,481
Service Learning & Community Engagement	103,995	82,400	14,405	-	6,658	207,458
Honors Program	24,932	18,437	10,869	-	4,838	59,076
eLearning	115,919	83,218	198,913	-	4,022	402,072
<b>Total Instructional Support</b>	<b>3,343,053</b>	<b>1,937,159</b>	<b>847,031</b>	<b>-</b>	<b>83,518</b>	<b>6,210,761</b>



**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Student Services</b>						
Office of Vice President of Student & Education Services	\$ 242,274	\$ 137,648	\$ 26,960	\$ -	\$ 13,083	\$ 419,965
Dean of Students	126,030	44,183	107,265	-	1,401	278,879
Dean of Enrollment Services	122,212	37,476	340	-	3,133	163,161
Admissions	379,682	222,421	58,173	-	4,182	664,458
Records & Registration	389,076	228,105	25,728	-	7,417	650,326
Counseling & Advising	786,621	480,915	9,280	-	11,448	1,288,264
Financial Aid	547,361	366,857	13,553	-	6,405	934,176
Enrollment Management & Student Goodwill	100	48	90,556	-	42,241	132,945
Student Engagement, Leadership, & Organizations	115,297	61,359	56,871	-	4,736	238,263
Career & Employment Services	184,550	90,756	29,712	-	1,733	306,751
Marketing & Publications	350	169	503,542	-	1,710	505,771
Veteran Services	69,764	35,443	1,177	-	1,005	107,389
Collegiate Student Newspaper	49,889	4,879	17,068	-	2,026	73,862
Disability Resources	92,193	60,186	6,669	-	1,326	160,374
Commencement & Student Awards	-	-	20,167	-	-	20,167
Possible Dream Program	40,814	30,674	475	-	583	72,546
Student Testing & Assessment	16,134	14,829	33,557	-	138	64,658
Scholarships & Grants	-	-	284,441	-	-	284,441
Ricker Center	85,737	50,599	99,635	-	500	236,471
Midland Center	56,919	45,020	2,016	-	500	104,455
Athletic Programs	172,227	94,887	120,186	-	97,540	484,840
<b>Total Student Services</b>	<b>3,477,230</b>	<b>2,006,454</b>	<b>1,507,371</b>	<b>-</b>	<b>201,107</b>	<b>7,192,162</b>

**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Institutional Administration</b>						
Board of Trustees	\$ -	\$ -	\$ 16,957	\$ -	\$ 21,856	\$ 38,813
Development Office	286,288	192,149	28,090	-	2,152	508,679
Diversity & Inclusion Office	32,262	8,724	2,308	-	6,246	49,540
Equity Office	51,227	43,452	2,750	-	480	97,909
President's Office	417,202	292,321	12,758	-	24,203	746,484
Memberships	-	-	134,931	-	465	135,396
Miscellaneous	100	48	79,609	-	12,094	91,851
Strategic Planning	-	-	36,494	-	15,359	51,853
Legal	-	-	109,568	-	-	109,568
Audit	-	-	55,740	-	-	55,740
Bank Fees, Collection Expenses & Bad Debts	-	-	466,870	-	-	466,870
Insurance, Unemployment & Other	-	4,215,860	564,192	-	-	4,780,052
Business Services	288,832	151,479	13,785	-	1,548	455,644
Finance Office	779,702	481,312	40,051	-	5,951	1,307,016
Human Resources & Staff Recruitment	455,506	253,528	70,023	-	7,903	786,960
Senate	33,309	24,168	3,322	-	1,934	62,733
Post Office	56,343	45,353	11,456	-	275	113,427
Institutional Advancement	309,412	219,656	2,955	-	4,661	536,684
Institutional Research	290,084	165,770	4,151	-	2,075	462,080
Wellness & Professional Development	-	5,811	29,973	-	-	35,784
<b>Total Institutional Administration</b>	<b>3,000,267</b>	<b>6,099,631</b>	<b>1,685,983</b>	<b>-</b>	<b>107,202</b>	<b>10,893,083</b>
<b>Operation and Maintenance of Facilities</b>						
Public Safety	427,138	223,147	50,843	-	3,863	704,991
Facilities Management	747,650	406,460	5,777	-	9,636	1,169,523
Facility Operations	1,627,162	1,070,569	191,243	66,369	1,580	2,956,923
Utilities	-	-	1,242,704	-	-	1,242,704
Facility Maintenance & Improvements	-	-	315,516	-	-	315,516
Off-Campus Centers & President's House	-	-	304,158	-	-	304,158
<b>Total Operation and Maintenance of Facilities</b>	<b>2,801,950</b>	<b>1,700,176</b>	<b>2,110,241</b>	<b>66,369</b>	<b>15,079</b>	<b>6,693,815</b>
<b>Total General Fund Operating Expenses</b>	<b>\$ 35,393,657</b>	<b>\$ 23,658,737</b>	<b>\$ 10,493,683</b>	<b>\$ 124,562</b>	<b>\$ 615,570</b>	<b>\$ 70,286,209</b>

**Supplemental Schedules of Other Financial Information**  
**Details of Designated Fund**  
**Delta College**  
**Year Ended June 30, 2019**

	Revenues						Expenses						Transfers In (Out)	Net Increase (Decrease) In Net Assets	Net Position June 30, 2019
	Net Position July 1, 2018	Tuition and Fees	Miscellaneous Revenue	Gifts	Endowment and Investment Income	Total Revenue	Salaries	Fringe Benefits	Supplies and Services	Capital Expenditures	Professional Development and Travel	Total Expenses			
<b>Instruction</b>															
Corporate Services	\$ 1,173,670	\$ 580,508	\$ -	\$ -	\$ -	\$ 580,508	\$ 160,016	\$ 44,954	\$ 164,148	\$ -	\$ 500	\$ 369,618	\$ -	\$ 210,890	\$ 1,384,560
Criminal Justice Training Programs	-	457,087	-	-	-	457,087	186,009	92,392	102,580	-	3,539	384,520	-	72,567	72,567
Lifelong Learning Programs	-	45,639	-	-	-	45,639	26,131	9,138	591	-	-	35,860	1,691	11,470	11,470
<b>Total Instruction</b>	<b>1,173,670</b>	<b>1,083,234</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,083,234</b>	<b>372,156</b>	<b>146,484</b>	<b>267,319</b>	<b>-</b>	<b>4,039</b>	<b>789,998</b>	<b>1,691</b>	<b>294,927</b>	<b>1,468,597</b>
<b>Public Services</b>															
Global Awareness	19,436	-	-	-	1,522	1,522	-	-	-	-	-	-	-	1,522	20,958
Delta Productions	12,422	-	7,278	-	-	7,278	-	-	6,924	-	-	6,924	-	354	12,776
Dental Hygiene Powerbrush Program	366	-	2,475	-	-	2,475	-	-	2,733	-	-	2,733	-	(258)	108
Michigan MATYC Conference	2,453	-	-	-	-	-	-	-	-	-	-	-	-	-	2,453
Telelearning Network	9,216	-	-	-	-	-	-	-	-	-	-	-	-	-	9,216
Sailing Program	(69,924)	-	-	-	-	-	-	-	86	-	-	86	70,010	69,924	-
<b>Total Public Services</b>	<b>(26,031)</b>	<b>-</b>	<b>9,753</b>	<b>-</b>	<b>1,522</b>	<b>11,275</b>	<b>-</b>	<b>-</b>	<b>9,743</b>	<b>-</b>	<b>-</b>	<b>9,743</b>	<b>70,010</b>	<b>71,542</b>	<b>45,511</b>
<b>Instructional Support</b>															
Corporate Services Instructional Support	168,537	1,395,138	-	-	-	1,395,138	1,038,276	517,546	7,853	-	-	1,563,675	-	(168,537)	-
Criminal Justice Training Instructional Support	-	83,482	-	-	-	83,482	50,074	33,058	-	-	350	83,482	-	-	-
Lifelong Learning Programs Instructional Support	-	7,176	-	-	-	7,176	3,564	3,434	109	-	69	7,176	-	-	-
President's Scholarship Program	378,947	-	-	-	78,241	78,241	-	-	-	-	-	-	-	78,241	457,188
President's Innovation Projects	115,339	-	-	-	-	-	3,100	1,018	24,018	-	8,000	36,136	50,000	13,864	129,203
Prison Program	(3,376)	-	-	-	-	-	1,123	354	(646)	-	-	831	2,138	1,307	(2,069)
MEDC MAT2 Project	15,633	-	5,000	-	-	5,000	-	-	-	-	-	-	-	5,000	20,633
Faculty & Instructional Development	128,794	-	77,155	-	-	77,155	1,000	175	49,107	-	2,885	53,167	2,150	26,138	154,932
Developmental Education	4,156	-	-	-	-	-	-	-	-	-	-	-	-	-	4,156
Library Resource Replacement	8,207	-	5,064	-	-	5,064	-	-	6,412	-	-	6,412	-	(1,348)	6,859
Photography Lab Printing	1,882	-	473	-	-	473	-	-	15	-	-	15	-	458	2,340
Kenya Partnership	154	-	-	-	-	-	-	-	-	-	-	-	-	-	154
Art & Archive Projects	55,744	-	-	-	12,579	12,579	-	-	11,500	-	227	11,727	(1,691)	(839)	54,905
<b>Total Instructional Support</b>	<b>874,017</b>	<b>1,485,796</b>	<b>87,692</b>	<b>-</b>	<b>90,820</b>	<b>1,664,308</b>	<b>1,097,137</b>	<b>555,585</b>	<b>98,368</b>	<b>-</b>	<b>11,531</b>	<b>1,762,621</b>	<b>52,597</b>	<b>(45,716)</b>	<b>828,301</b>
<b>Student Services</b>															
Student Engagement & Service Learning Activities	9,103	-	5,676	-	-	5,676	-	-	5,483	-	977	6,460	-	(784)	8,319
Computer Rental Program	7,267	-	-	-	-	-	-	-	-	-	-	-	-	-	7,267
Math Calculator Rental Program	17,380	-	7,225	-	-	7,225	-	-	17,090	-	-	17,090	(2,500)	(12,365)	5,015
Math Placement Booster	4,699	-	-	-	-	-	-	-	-	-	-	-	-	-	4,699
Bit Calculator Rental Program	525	-	425	-	-	425	-	-	-	-	-	-	-	425	950
Student Skills Achievement Programs	5,330	-	4,090	-	-	4,090	-	-	3,452	-	-	3,452	2,500	3,138	8,468
President's Honors Scholarship	124,206	-	-	-	-	-	-	-	-	-	-	-	23,555	23,555	147,761
Pioneer Athletic Fundraisers	45,202	-	66,181	29,304	865	96,350	-	-	64,779	-	26,950	91,729	-	4,621	49,823
<b>Total Student Services</b>	<b>213,712</b>	<b>-</b>	<b>83,597</b>	<b>29,304</b>	<b>865</b>	<b>113,766</b>	<b>-</b>	<b>-</b>	<b>90,804</b>	<b>-</b>	<b>27,927</b>	<b>118,731</b>	<b>23,555</b>	<b>18,590</b>	<b>232,302</b>
<b>Institutional Administration</b>															
Corporate Services Administration	-	522,451	23,328	-	-	545,779	253,119	114,861	24,809	-	4,754	397,543	(148,236)	-	-
Whiting Projects	77,469	-	-	-	-	-	-	-	-	-	-	-	-	-	77,469
UNUM Projects	721,073	-	-	-	14,165	14,165	-	-	-	-	-	-	-	14,165	735,238
Flexible Spending & Healthcare Reform Administration	123,702	-	-	-	-	-	-	-	2,062	-	-	2,062	-	(2,062)	121,640
Administrative Reserve for Budget Sustainability	3,000,000	-	-	-	-	-	-	-	-	-	-	-	550,000	550,000	3,550,000
Administrative Reserve for Innovative Initiatives	-	-	-	-	-	-	-	-	7,500	-	-	7,500	300,000	292,500	292,500
Administrative Development & Technology Projects	93,662	-	42,024	-	-	42,024	-	-	86,193	-	-	86,193	-	(44,169)	49,493
Self Insurance	3,818,196	-	341,962	-	-	341,962	-	-	6,272	-	-	6,272	-	335,690	4,153,886
Gifts In Kind	-	-	-	564,788	-	564,788	-	-	76,188	488,600	-	564,788	-	-	-
<b>Total Institutional Administration</b>	<b>7,834,102</b>	<b>522,451</b>	<b>407,314</b>	<b>564,788</b>	<b>14,165</b>	<b>1,508,718</b>	<b>253,119</b>	<b>114,861</b>	<b>203,024</b>	<b>488,600</b>	<b>4,754</b>	<b>1,064,358</b>	<b>701,764</b>	<b>1,146,124</b>	<b>8,980,226</b>
<b>Total Designated Fund</b>	<b>\$ 10,069,470</b>	<b>\$ 3,091,481</b>	<b>\$ 588,356</b>	<b>\$ 594,092</b>	<b>\$ 107,372</b>	<b>\$ 4,381,301</b>	<b>\$ 1,722,412</b>	<b>\$ 816,930</b>	<b>\$ 669,258</b>	<b>\$ 488,600</b>	<b>\$ 48,251</b>	<b>\$ 3,745,451</b>	<b>\$ 849,617</b>	<b>\$ 1,485,467</b>	<b>\$ 11,554,937</b>

**Supplemental Schedules of Other Financial Information**  
**Details of Auxiliary Activities Fund**  
**Delta College**  
**Year Ended June 30, 2019**

	Net Position July 1, 2018	Operating Revenues	Expenses				Total Expenses	Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2019
			Salaries	Fringe Benefits	Supplies and Services	Capital Expenses				
<b>Auxiliary Activities</b>										
Bookstore	\$ 5,248,196	\$ 3,653,561	\$ 452,198	\$ 170,605	\$ 2,893,670	\$ -	\$ 3,516,473	\$ 137,088	\$ (250,715)	\$ 5,134,569
Food Services	479,987	837,614	374,596	149,549	388,848	-	912,993	(75,379)	(1,483)	403,125
Fitness & Recreation Center	619,306	346,165	215,550	68,276	32,487	-	316,313	29,852	(650)	648,508
Carlyon Farmhouse	5,325	-	-	-	-	-	-	-	-	5,325
Planetarium Gift Shop & Conference Services	(7,193)	18,855	-	-	9,123	-	9,123	9,732	-	2,539
Learning Resources Vending	16,973	-	-	-	-	-	-	-	-	16,973
<b>Total Auxiliary Activities</b>	<u>6,362,594</u>	<u>\$ 4,856,195</u>	<u>\$ 1,042,344</u>	<u>\$ 388,430</u>	<u>\$ 3,324,128</u>	<u>\$ -</u>	<u>4,754,902</u>	<u>101,293</u>	<u>(252,848)</u>	<u>6,211,039</u>
<b>Internal Service Operations</b>										
Internal Service Operations	704,497	726,707	<u>\$ 176,313</u>	<u>\$ 96,805</u>	<u>\$ 368,855</u>	<u>\$ 5,228</u>	647,201	79,506	-	784,003
Elimination of Rebilled Charges	-	(642,994)	-	-	-	-	(642,994)	-	-	-
<b>Net Internal Service Operations</b>	<u>704,497</u>	<u>83,713</u>	-	-	-	-	<u>4,207</u>	<u>79,506</u>	<u>-</u>	<u>784,003</u>
<b>Total</b>	<u>\$ 7,067,091</u>	<u>\$ 4,939,908</u>	-	-	-	-	<u>\$ 4,759,109</u>	<u>\$ 180,799</u>	<u>\$ (252,848)</u>	<u>\$ 6,995,042</u>

**Supplemental Schedules of Other Financial Information**  
**Details of Expendable Restricted Fund**  
**Delta College**

Year Ended June 30, 2019

	Revenues								Expenses							Net Increase (Decrease) In Net Assets	Net Position June 30, 2019		
	Net Position July 1, 2018	Federal Grants and Contracts	State Grants and Contracts	Local and Nongovernmental Grants and Contracts	Michigan New Jobs Training Programs	Miscellaneous Revenue	Endowment and Investment Gifts	Total Revenue	Salaries	Fringe Benefits	Supplies and Services	Capital Expenditures	Professional Development and Travel	Total Expenses	Transfers In (Out)				
<b>Instruction</b>																			
Corporate Services Grants	\$ 41,272	\$ 2,338,638	\$ 850	\$ 5,675	\$ -	\$ -	\$ 91,000	\$ -	\$ 2,436,163	\$ 1,095,580	\$ 601,714	\$ 726,950	\$ -	\$ 7,950	\$ 2,432,194	\$ -	\$ 3,969	\$ 45,241	
Michigan New Jobs Training Programs	-	-	-	-	381,319	-	-	-	381,319	9,594	3,299	346,564	-	21,862	381,319	-	-	-	
Motorcycle Safety Training Programs	150	-	89,886	-	-	27,600	-	-	117,486	64,253	23,856	29,377	-	-	117,486	-	-	150	
Ended Teaching Chair Program	88,223	-	-	-	-	-	-	27,638	27,638	-	-	10,882	-	-	10,882	-	16,756	104,979	
NSF TUES Grants	-	3,914	-	-	-	-	-	-	3,914	1,761	312	1,507	-	334	3,914	-	-	-	
League for Innovation Global Skills Grants	2,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,728	
Nursing Simulation Equipment Grant	-	-	3,124	-	-	-	-	-	3,124	-	-	3,124	-	-	3,124	-	-	-	
Towsley Foundation Girls Day Out	1,414	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,414	
Wickes Diesel Program Startup	417,676	-	-	-	-	-	-	-	-	-	-	6,799	20,701	-	27,500	18	(27,482)	390,194	
Wickes Foundation Instructional Program Projects	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18)	(18)	-	
Dow Foundation STEM Explorer Program	831,430	-	-	-	-	-	-	86,039	86,039	88,960	49,336	23,870	-	2,293	164,459	-	(78,420)	753,010	
Perkins Voc Ed Grant - Instructional Equipment	-	345,466	-	-	-	-	-	-	345,466	-	-	234,679	110,787	-	345,466	-	-	-	
<b>Total Instruction</b>	<b>1,382,911</b>	<b>2,688,018</b>	<b>93,860</b>	<b>5,675</b>	<b>381,319</b>	<b>27,600</b>	<b>91,000</b>	<b>113,677</b>	<b>3,401,149</b>	<b>1,260,148</b>	<b>678,517</b>	<b>1,383,752</b>	<b>131,488</b>	<b>32,439</b>	<b>3,486,344</b>	<b>-</b>	<b>(85,195)</b>	<b>1,297,716</b>	
<b>Public Service</b>																			
Possible Dream Program	142,385	-	-	-	-	-	-	81,087	81,087	11,319	1,205	64,399	-	-	76,923	(344)	3,820	146,205	
Humanities Learning Center	4,258	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,258	
Planetarium Be A Star	183,050	-	-	-	-	-	-	27,367	27,367	-	-	22,050	-	-	22,050	-	5,317	188,367	
Public Broadcasting - Television	1,128,385	-	-	760,214	-	216,975	1,573,885	17,944	2,569,018	203,051	93,916	1,011,968	30,000	12,285	1,351,220	(496,985)	720,813	1,849,198	
Public Broadcasting - Radio	65,223	-	-	-	-	-	200,484	4,140	204,624	60,400	23,866	116,389	-	416	201,071	-	3,553	68,776	
<b>Total Public Service</b>	<b>1,523,301</b>	<b>-</b>	<b>-</b>	<b>760,214</b>	<b>-</b>	<b>216,975</b>	<b>1,774,369</b>	<b>130,538</b>	<b>2,882,096</b>	<b>274,770</b>	<b>118,987</b>	<b>1,214,806</b>	<b>30,000</b>	<b>12,701</b>	<b>1,651,264</b>	<b>(497,329)</b>	<b>733,503</b>	<b>2,256,804</b>	
<b>Instructional Support</b>																			
OCC Election Engagement Grant	-	-	-	1,725	-	-	-	-	1,725	600	226	899	-	-	1,725	-	-	-	
Water Treatment Instruction Development	2,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,816	
GLBR Alliance Employee Talent Pipeline Grant	-	-	-	81,029	-	-	-	-	81,029	66,142	41,161	2,276	-	650	110,229	29,200	-	-	
Perkins Voc Ed Grant - Professional & Curriculum Dev	-	148,684	-	-	-	-	-	-	148,684	81,590	48,513	-	-	18,581	148,684	-	-	-	
Algebra Research Project Grant	-	-	-	5,795	-	-	-	-	5,795	3,616	1,207	-	-	972	5,795	-	-	-	
ATD Engaging Adjunct Faculty Grant	-	-	-	19,576	-	-	-	-	19,576	14,404	4,819	13	-	340	19,576	-	-	-	
<b>Total Instructional Support</b>	<b>2,816</b>	<b>148,684</b>	<b>-</b>	<b>108,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256,809</b>	<b>166,352</b>	<b>95,926</b>	<b>3,188</b>	<b>-</b>	<b>20,543</b>	<b>286,009</b>	<b>29,200</b>	<b>-</b>	<b>2,816</b>	
<b>Student Services</b>																			
AT&T Becoming a Pioneer Grant	-	-	-	103	-	-	-	-	103	-	-	103	-	-	103	-	-	-	
Perkins Voc Ed Grant - Special Needs	-	246,665	-	-	-	-	-	-	246,665	190,671	95,554	4,337	-	985	291,547	44,882	-	-	
MICUP STEP/CMU Partnership Grant	-	-	1,238	-	-	-	-	-	1,238	1,055	183	-	-	-	1,238	-	-	-	
MICUP/MTU Partnership Grant	-	-	5,322	-	-	-	-	-	5,322	2,203	383	160	-	2,576	5,322	-	-	-	
Michigan Nursing Board Scholarships Grant	-	-	8,450	-	-	-	-	-	8,450	-	-	8,450	-	-	8,450	-	-	-	
Pell Grants	-	13,046,886	-	-	-	-	-	-	13,046,886	-	-	13,046,886	-	-	13,046,886	-	-	-	
Supplemental Educational Opportunity Grant	-	390,910	-	-	-	-	-	-	390,910	-	-	390,910	-	-	390,910	-	-	-	
TRIO Educational Opportunity Grant	-	227,568	-	-	-	-	-	-	227,568	150,908	56,300	12,134	-	8,226	227,568	-	-	-	
Federal Workstudy Grant	-	221,990	-	-	-	-	-	-	221,990	295,263	-	-	-	-	295,263	73,273	-	-	
Job Locator and Development Grant	-	18,854	-	-	-	-	-	-	18,854	12,905	5,849	-	-	100	18,854	-	-	-	
Federal Workstudy Off-Campus	1	-	-	2,149	-	-	-	-	2,149	-	-	1	-	-	1	(2,149)	(1)	-	
VA Program Support	1,974	-	-	3,390	-	-	-	-	3,390	-	-	-	-	-	-	-	3,390	5,364	
Scholarships & Awards	1,011,681	-	-	-	-	-	187,100	369,507	556,607	6,600	540	520,499	-	-	527,639	7,000	35,968	1,047,649	
<b>Total Student Services</b>	<b>1,013,656</b>	<b>14,152,873</b>	<b>15,010</b>	<b>5,642</b>	<b>-</b>	<b>-</b>	<b>187,100</b>	<b>369,507</b>	<b>14,730,132</b>	<b>659,605</b>	<b>158,809</b>	<b>13,983,480</b>	<b>-</b>	<b>11,887</b>	<b>14,813,781</b>	<b>123,006</b>	<b>39,357</b>	<b>1,053,013</b>	
<b>Operation and Maintenance of Facilities</b>																			
Sustainability Grants	1,720	-	-	-	-	-	-	-	-	168	-	648	-	-	816	-	(816)	904	
Michigan Justice Training & Drug Enforcement Grants	2,713	-	1,205	-	-	-	-	-	1,205	-	-	2,070	-	-	2,070	-	(865)	1,848	
<b>Total Operation and Maintenance of Facilities</b>	<b>4,433</b>	<b>-</b>	<b>1,205</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,205</b>	<b>168</b>	<b>-</b>	<b>2,718</b>	<b>-</b>	<b>-</b>	<b>2,886</b>	<b>-</b>	<b>(1,681)</b>	<b>2,752</b>	
<b>Total Expendable Restricted Fund</b>	<b>\$ 3,927,117</b>	<b>\$ 16,989,575</b>	<b>\$ 110,075</b>	<b>\$ 879,656</b>	<b>\$ 381,319</b>	<b>\$ 244,575</b>	<b>\$ 2,052,469</b>	<b>\$ 613,722</b>	<b>\$ 21,271,391</b>	<b>\$ 2,361,043</b>	<b>\$ 1,052,239</b>	<b>\$ 16,587,944</b>	<b>\$ 161,488</b>	<b>\$ 77,570</b>	<b>\$ 20,240,284</b>	<b>\$ (345,123)</b>	<b>\$ 685,984</b>	<b>\$ 4,613,101</b>	

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund**  
**Delta College**  
**Year Ended June 30, 2019**

	Net Assets July 1, 2018	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2019
<b>Endowment Funds</b>						
Margaret Adams Scholarship	\$ 11,459	\$ -	\$ 713	\$ (432)	\$ (191)	\$ 11,549
Charleen T. Adcock Scholarship	58,140	-	3,616	(2,177)	(965)	58,614
Anderson Family Delta Sculpture Walk	110,285	-	6,860	(4,165)	(1,840)	111,140
Andrew F. & Mary H. Anderson Scholarship	47,807	4,000	3,175	(1,503)	(744)	52,735
Athletic Scholarship	383,851	-	23,874	(14,443)	(6,392)	386,890
M. Seth Babcock Scholarship	17,315	-	1,077	(652)	(288)	17,452
Mary Ann (McGregor) Badour Scholarship	41,493	-	2,581	(1,562)	(692)	41,820
James & Joy Baker Scholarship	42,005	-	2,613	(1,579)	(700)	42,339
Ormond Barstow/Ludo Frevel Award for Scholarly Achievement	32,238	-	2,005	(1,214)	(537)	32,492
Baxandall Scholarship	223,459	-	13,899	(7,800)	(3,569)	225,989
Bay City Central Class of '41 Scholarship	85,441	-	5,314	(2,943)	(1,355)	86,457
Elzie & Muriel Beaver Scholarship	148,188	-	9,216	(5,581)	(2,467)	149,356
Bergstein Award for Teaching Excellence	21,206	40,035	1,320	(422)	(259)	61,880
Leonard & Esther Bergstein Scholarship	81,162	10,805	5,419	(2,183)	(1,152)	94,051
Darrell R. Berry Scholarship	32,254	-	2,006	(1,214)	(537)	32,509
Alfred J. Bladecki Scholarship	10,920	-	679	(411)	(182)	11,006
Martin & Emma Block Scholarships	496,608	-	30,887	(18,699)	(8,272)	500,524
Peter & Barbra Boyse Speaker Series (Restricted)	35,011	1,800	2,178	(1,242)	(565)	37,182
Peter D. Boyse President's Scholar Program	2,079,561	-	129,339	(78,241)	(34,624)	2,096,035
Louise K. Brentin Scholarship	45,308	5,055	3,004	(1,083)	(609)	51,675
Business Division Scholarship	158,402	200	9,859	(5,942)	(2,632)	159,887
Carlyon Farmhouse Maintenance	231,754	-	14,414	(8,729)	(3,861)	233,578
Donald & Betty Carlyon Scholarship	179,055	12,162	11,678	(5,950)	(2,829)	194,116
Donald & Betty Carlyon Endowed Teaching Chair	219,379	-	13,644	(8,263)	(3,655)	221,105
DeeMona Chatman Scholarship	25,013	-	1,556	(941)	(416)	25,212
William R. Collings Award for Outstanding Service & Academic Achievement	40,204	-	2,500	(1,514)	(669)	40,521
Lynn Conway Athletic Scholarship	28,823	270	1,807	(1,053)	(473)	29,374
Gilbert A. Currie Estate Scholarship	329,839	-	20,515	(12,425)	(5,496)	332,433
Ilau & Phillip Dean Scholarship	51,012	7,500	3,451	(1,698)	(807)	59,458
Delta Delta's Scholarship	6,222	-	388	(234)	(105)	6,271
Delta College Employee-Sponsored Scholarship	122,408	-	7,614	(4,611)	(2,040)	123,371
Delta College Planetarium Fund	727,180	4,659	45,474	(26,606)	(11,942)	738,765
Robert DeVinney Endowed Teaching Chair	150,206	75	9,352	(5,649)	(2,500)	151,484
Dixon Family Scholarship	71,991	-	4,476	(2,710)	(1,198)	72,559
Herbert Doan Scholarship	31,498	9,891	3,356	(559)	(406)	43,780
B. Joe & Margery (Knepp) Dodson Scholarship	108,225	-	6,732	(2,208)	(1,336)	111,413
Frances Dolinski Scholarship	87,606	1,500	5,503	(2,770)	(1,329)	90,510
Henry Dolinski Scholarship	95,149	1,500	5,973	(3,054)	(1,455)	98,113
Dr. Louis W. Doll & Patricia Drury Scholarship	44,808	100	2,802	(1,663)	(742)	45,305
Tom Dostal Memorial Scholarship	31,641	375	1,980	(1,101)	(505)	32,390
Dow Chemical Company Michigan Operations Award for Physical Science	27,277	-	1,696	(1,027)	(454)	27,492
The Herbert H. & Grace A. Dow Foundation Science Education	2,323,722	-	144,524	(72,819)	(35,036)	2,360,391
Herbert H. & Barbara C. Dow Fund	45,960	-	2,859	(1,731)	(766)	46,322

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

	Net Assets July 1, 2018	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2019
<b>Endowment Funds - Continued</b>						
Jerry & Terry Drake Scholarship & Broadcasting Program Support	\$ 251,357	\$ -	\$ 15,634	\$ (9,465)	\$ (4,187)	\$ 253,339
Draper Family Scholarship	16,167	-	1,005	(609)	(269)	16,294
Gene R. Duckworth Scholarship	32,742	-	2,037	(1,229)	(545)	33,005
Fred E. Dulmage Award for Engineering & Technology	23,961	-	1,490	(902)	(400)	24,149
Eldon Enger & Fred Ross Scholarship	26,346	200	1,646	(973)	(434)	26,785
Ellucian Higher Education Endowed Teaching Chair	153,128	-	9,523	(5,767)	(2,551)	154,333
Ellucian Higher Education Possible Dream Program	93,677	-	5,827	(3,430)	(1,537)	94,537
English Division Guest Lecturer	26,586	-	1,654	(1,000)	(443)	26,797
James E. & Leanne Lutz Erickson Scholarship	26,339	-	1,638	(929)	(423)	26,625
Faculty Executive Committee Award	5,427	-	337	(204)	(90)	5,470
Fettig Family Scholarship	33,413	-	2,078	(996)	(491)	34,004
Arthur J. & Bette L. Fisher Scholarship	307,117	-	19,101	(11,561)	(5,115)	309,542
Isabella M. Flynn Scholarship	310,106	-	19,287	(11,667)	(5,163)	312,563
Peter & Suzanne Frantz Award for Art	27,794	-	1,728	(1,046)	(463)	28,013
Dr. John & Joanne Fuller Scholarship	36,349	500	2,260	(1,197)	(562)	37,350
Gakstatter Family Scholarship	46,242	-	2,877	(1,375)	(680)	47,064
David R. & Vivian S. Gamez Scholarship	80,784	-	5,025	(3,035)	(1,344)	81,430
Gerace Construction Scholarship	145,334	-	9,039	(5,472)	(2,421)	146,480
Gerity Broadcasting Company Scholarship	114,813	-	7,141	(4,325)	(1,913)	115,716
Gerstacker Faculty Recognition Award	36,043	-	2,242	(1,357)	(601)	36,327
Global Education Program	40,394	-	2,512	(1,522)	(672)	40,712
Robert M. Gohlke Scholarship	34,612	-	2,154	(1,299)	(577)	34,890
Dr. Jean Goodnow Scholarship	32,787	1,450	2,188	(1,154)	(531)	34,740
Gougeon Brothers, Inc. Award for Applied Industrial/Technical	26,586	-	1,655	(1,000)	(444)	26,797
Bernard C. & Lois Ulrich Graham Scholarship	-	20,000	2,824	-	(75)	22,749
Patricia L. & Robert W. Grant Jr. Scholarship & Humanities Program	287,743	-	17,896	(10,698)	(4,759)	290,182
Great Lakes Bay Manufacturers' Association Scholarship	43,977	-	2,735	(1,655)	(732)	44,325
Russell B. & Grace H. Green Scholarship	47,031	-	2,925	(1,771)	(784)	47,401
Priscilla Bogi Guritza Memorial Scholarship	26,771	-	1,665	(1,008)	(446)	26,982
Clarence & June Hackbarth Scholarship	-	23,271	-	-	-	23,271
Beki Gray Hadley Scholarship	47,179	-	2,935	(1,772)	(785)	47,557
David & Jackie Hall Scholarship	23,907	-	1,487	(896)	(397)	24,101
Hammond Family Scholarship	23,704	-	1,474	(894)	(396)	23,888
Sarah Hansen Scholarship	13,430	-	835	(488)	(219)	13,558
William J Hargreaves Scholarship	24,389	-	1,518	(485)	(299)	25,123
Joan B. Harry Scholarship	28,272	-	1,758	(1,066)	(471)	28,493
Harry Hawkins Scholarship	19,233	-	1,196	(724)	(320)	19,385
Robert & Joyce Hetzler Family Award for Outstanding Service & Leadership	26,958	-	1,676	(1,015)	(449)	27,170
Hilde & Walter Heyman Scholarship	21,531	-	1,339	(811)	(359)	21,700
Ada E. Hobbs Scholarship	13,610	-	847	(513)	(228)	13,716
Don Holzhei Memorial Scholarship	27,632	-	1,718	(1,031)	(458)	27,861
Home Builders Association of Bay, Midland & Saginaw Counties	22,806	-	1,418	(859)	(380)	22,985
Honors Student Scholarship	90,396	-	5,623	(3,405)	(1,507)	91,107

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

	Net Assets July 1, 2018	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2019
<b>Endowment Funds - Continued</b>						
Kimberly R Houston Scholarship	\$ 22,018	\$ 68	\$ 1,372	\$ (220)	\$ (215)	\$ 23,023
Richard Paul Hunter Scholarship	-	50,000	1,854	-	(92)	51,762
James R. & Anita H. Jenkins Family Scholarship	135,657	-	8,438	(5,013)	(2,236)	136,846
Phyllis E. Jones Memorial Scholarship	22,940	-	1,425	(864)	(381)	23,120
S. Preston & Dr. Betty B. Jones International Scholarship	121,063	3,000	7,641	(3,935)	(1,867)	125,902
Dan E. Karn Memorial Scholarship	4,619	-	286	(174)	(76)	4,655
Kaufmann Family Scholarship	21,691	310	1,361	(817)	(362)	22,183
Robert F. Keicher Memorial Scholarship	25,891	75	1,621	(967)	(429)	26,191
Dale & Alma Keyser Scholarship	35,388	500	2,271	(1,282)	(579)	36,298
Walter J. & Sophia M. Kilar Scholarship	26,231	-	1,632	(988)	(437)	26,438
International Order of King's Daughters & Sons Scholarship	30,199	-	1,878	(1,138)	(502)	30,437
Oscar W. Kloha Scholarship	43,719	-	2,719	(1,647)	(729)	44,062
Robert I. & Marjorie H. Knepp Scholarship	239,642	-	14,904	(9,014)	(3,990)	241,542
W.R. & Edith Knepp Scholarship	247,085	50	15,370	(9,307)	(4,117)	249,081
W.R. Knepp, Jr. Scholarship	187,011	-	11,632	(7,045)	(3,117)	188,481
John L. & Margaret H. Krawczyk Scholarship	-	20,000	741	-	(36)	20,705
Daniel P. Kubiak Scholarship	22,463	-	1,397	(846)	(374)	22,640
Gary Laatsch Scholarship	43,260	-	2,690	(1,619)	(718)	43,613
Jack LaBreck Scholarship	6,731	-	419	(254)	(112)	6,784
Ilene M. Lane Nursing Scholarship	63,577	-	3,954	(2,386)	(1,056)	64,089
Dr. Thomas H. Lane & Janis E. Landry-Lane Scholarship	90,616	-	5,635	(3,403)	(1,507)	91,341
Edward & Kathryn (Dunn) Langenburg Award for Education	28,732	4,787	1,963	(1,062)	(481)	33,939
Thomas & Rose Mary Laur Scholarship	96,150	-	5,980	(3,290)	(1,519)	97,321
Marjorie M. Leeson Scholarship	-	43,380	3,729	-	(119)	46,990
Leo & Evelyn Levy Scholarship	25,895	100	1,614	(970)	(431)	26,208
Denise Lovay-Gravlin Memorial Scholarship	26,932	1,420	1,743	(926)	(429)	28,740
Edward & Kathleen Lunt Scholarship	171,088	-	10,641	(6,040)	(2,750)	172,939
Karen MacArthur Endowed Teaching Chair	139,790	-	8,695	(5,205)	(2,314)	140,966
Thomas & Brenda Mahar Scholarship	28,002	-	1,741	(1,054)	(467)	28,222
William & Susan Marklewitz for Health Professions	169,516	-	10,543	(6,571)	(2,870)	170,618
Ruth Mast Fox Scholarship	-	20,418	1,031	-	(110)	21,339
Margaret McAlear Scholarship	43,519	500	2,725	(1,611)	(719)	44,414
James R. McIntyre Award for Health Sciences	27,502	-	1,710	(1,035)	(458)	27,719
Murlene "Mac" McKinnon Public Broadcasting	-	33,000	1,223	-	(60)	34,163
Marlene Mehlhose Scholarship	20,319	22	1,265	(604)	(298)	20,704
Aceie & Thelma Micho Scholarship	128,055	14,452	8,626	(3,721)	(1,917)	145,495
Rhea Miller Scholarship	50,705	-	3,153	(1,909)	(843)	51,106
Richard & Gloria Miller Scholarship	39,813	1,000	2,513	(1,298)	(613)	41,415
Frances Goll Mills Award for Nursing	30,714	-	1,911	(1,155)	(512)	30,958
Dorothy & Robert Monica Scholarship	106,742	10,321	7,020	(3,136)	(1,574)	119,373
Monitor Sugar Scholarship	21,691	-	1,349	(817)	(361)	21,862
Paul Moore Social Science Award	24,607	392	1,549	(901)	(403)	25,244
Morley Family Foundation Scholarship	-	23,141	857	-	(42)	23,956



**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

	Net Assets July 1, 2018	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2019
<b>Endowment Funds - Continued</b>						
Morley Foundation Award for Business Management	\$ 28,153	\$ -	\$ 1,751	\$ (1,060)	\$ (469)	\$ 28,375
Virginia Morrison Scholarship	44,579	-	2,773	(1,466)	(690)	45,196
Wendell & Ethel Mullison Scholarship	27,345	-	1,700	(1,030)	(456)	27,559
W. Brock Neely Scholarship	51,644	2,000	3,495	(1,739)	(817)	54,583
William H. "Buddy" Oates Scholarship	33,210	-	2,066	(1,251)	(554)	33,471
Oscar P. & Louise H. Osthelder Scholarship	143,555	5,000	9,635	(4,922)	(2,290)	150,978
Jesse J. Oswald Scholarship	35,074	200	2,209	(1,285)	(575)	35,623
Marguerite Scull Parker Scholarship	29,442	-	1,831	(1,049)	(475)	29,749
Otto C. Pressprich Fund	114,813	-	7,141	(4,325)	(1,913)	115,716
Cecelia Randall Scholarship	23,733	-	1,476	(894)	(395)	23,920
Alfonso Rasch-Isla Scholarship	25,653	-	1,596	(968)	(428)	25,853
Newell Remington Scholarship & TLC Support	50,137	175	3,143	(1,762)	(804)	50,889
Skip Renker Award for Creative Writing	22,059	-	1,372	(830)	(368)	22,233
Renee Rookard Scholarship	79,604	-	4,952	(2,998)	(1,327)	80,231
Harold & Norine Rupp Scholarship	21,308	-	1,323	(802)	(354)	21,475
Saginaw County Child Development Centers Program Scholarship	18,180	-	1,131	(685)	(303)	18,323
Cliff & Grace Saladine Scholarship	28,674	-	1,784	(1,080)	(478)	28,900
Dawn Schmidt Award for Mathematics	28,744	75	1,798	(1,077)	(477)	29,063
Peggy A. Scott Scholarship	45,697	2,500	3,140	(1,519)	(720)	49,098
Charlotte Seiler Memorial Scholarship	-	49,959	2,521	-	(268)	52,212
Ralph I. & Archie M. Selby Family Scholarship	22,926	740	1,479	(862)	(383)	23,900
Gene F. Shrum & Dee Dee (Shrum) Wacksman Scholarship	20,697	-	1,287	(777)	(344)	20,863
Van Dewitt & Ruth Simmons Scholarship	179,496	-	11,164	(6,761)	(2,990)	180,909
John M. Smith & William Wolgast Family Softball Scholarship	22,977	-	1,428	(865)	(381)	23,159
Paul Sowatsky Scholarship & Award	30,914	-	1,923	(1,164)	(515)	31,158
Spittka Family Scholarship	44,268	-	2,754	(1,460)	(686)	44,876
James Stark Scholarship	3,915	-	243	(147)	(65)	3,946
Eileen & Hugh Starks Scholarship	34,490	-	2,145	(1,299)	(575)	34,761
Dr. James F. & Elizabeth Stoddard Scholarship	95,263	16,000	8,185	(2,095)	(1,275)	116,078
Greg Stryker Scholarship	20,243	26	1,260	(402)	(248)	20,879
Sturm Family Broadcast Programming Fund	187,926	-	11,688	(7,079)	(3,132)	189,403
Julius & Irene Sutto Award for Life Sciences	26,887	-	1,672	(1,012)	(447)	27,100
Paul & Margaret Thompson Scholarship	36,131	-	2,247	(1,360)	(602)	36,416
Willie E. Thompson Scholarship	33,564	-	2,087	(1,249)	(555)	33,847
Margaret Timm Award for English	33,458	-	2,081	(1,122)	(522)	33,895
Wesley Timm Award for Social Science	34,466	-	2,144	(1,282)	(571)	34,757
Tina S. Van Dam Scholarship	-	23,011	854	-	(43)	23,822
Jeanne M. VanOchten & Wayne W. Adams Scholarship	21,745	-	1,353	(847)	(370)	21,881
Jim & Janis Van Tiflin Award	26,139	-	1,626	(983)	(435)	26,347
Lynn & Sandy Weimer Scholarship	22,795	519	1,437	(876)	(385)	23,490
Ken & "Miss Mona" White Scholarship	102,133	7,755	7,420	(3,062)	(1,535)	112,711
Lola Bishop Whitney Award for Foreign Language	121,994	-	7,587	(4,595)	(2,032)	122,954
David & Carol Williams Scholarship	32,953	5,000	2,756	(1,140)	(543)	39,026

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2019**

	Net Assets July 1, 2018	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2019
<b>Endowment Funds - Continued</b>						
Alice & Jack Wirt Scholarship	\$ 224,591	\$ -	\$ 13,968	\$ (8,460)	\$ (3,741)	\$ 226,358
Stephen M. & Dena J. Wirt	51,207	-	3,185	(1,522)	(752)	52,118
Teresa Plackowski-Witucki Scholarship	23,195	-	1,443	(872)	(386)	23,380
Wolverine Bank Scholarship	40,391	-	2,513	(1,521)	(673)	40,710
Robert R. "Dr. Bob" Zimmermann Scholarship	113,768	12,562	7,782	(3,373)	(1,686)	129,053
Robert R. "Dr. Bob" Zimmermann Faculty Professional Development	101,143	18,085	6,490	(2,754)	(1,430)	121,534
Anton, Sr., Alma & Anton, Jr. Zucker Scholarship	85,830	-	5,339	(3,233)	(1,430)	86,506
Melvin & Hilda Zuehlke Scholarship and Special Needs Assistance Fund	149,482	-	9,297	(5,630)	(2,491)	150,658
<b>Total Endowment Funds</b>	<u>17,223,922</u>	<u>515,891</u>	<u>1,098,370</u>	<u>(612,178)</u>	<u>(279,118)</u>	<u>17,946,887</u>
<b>Funds Functioning as Endowments</b>						
Etcyl H. & Ruth Blair CGA	22,670	-	486	-	(117)	23,039
Peter & Barbra Boyse Speaker Series	274,578	-	17,077	(10,337)	(4,572)	276,746
Coca-Cola Scholarship	70,004	-	4,353	(2,636)	(1,166)	70,555
Gilbert A. Currie Estate Fund	403,314	-	25,084	(15,196)	(6,720)	406,482
Delta College Public Radio Fund	74,793	-	4,653	(3,062)	(1,309)	75,075
Delta College Foundation Fund	1,140,705	28,535	74,123	(40,110)	(18,582)	1,184,671
Delta College Foundation Student Scholarships	304,245	8,615	19,571	(10,128)	(4,754)	317,549
Delta College Endowed Teaching Chair Challenge Grant Fund	-	-	-	-	-	-
Delta College Public TV Fund	903,136	524,492	81,253	(25,141)	(15,497)	1,468,243
Alden B. Dow Fund	54,717	-	3,402	(2,061)	(910)	55,148
Laughner Award	19,241	-	1,197	(725)	(320)	19,393
Possible Dream Program	2,294,710	76,000	142,719	(77,657)	(36,035)	2,399,737
Sailing School Program	31,174	(28,535)	(1,239)	(1,174)	(226)	-
UNUM Projects	376,046	-	23,387	(14,165)	(6,264)	379,005
Macauley & Helen Whiting Fund	951,331	-	59,168	(35,821)	(15,846)	958,832
<b>Total Funds Functioning as Endowments</b>	<u>6,920,664</u>	<u>609,107</u>	<u>455,234</u>	<u>(238,213)</u>	<u>(112,318)</u>	<u>7,634,475</u>
<b>TOTAL</b>	<u>\$ 24,144,586</u>	<u>\$ 1,124,998</u>	<u>\$ 1,553,604</u>	<u>\$ (850,391)</u>	<u>\$ (391,436)</u>	<u>\$ 25,581,362</u>