

**DELTA COLLEGE
BOARD OF TRUSTEES
DINNER MEETING
November 13, 2012
Delta College Main Campus Room N 7**

- Board Present:** K. Ellison, R. Emrich, K. Lawrence-Webster, J. MacKenzie, E. Selby, R. Stafford
- Board Absent:** M. Fitzhugh, K. Houston-Philpot, E. Wacksman
- Others Present:** B. Baker, E. "Q" Beckman, T. Brown, A. Cramer, E. Crane, C. Curtis, L. Dull, S. Enriquez, A. Givens, J. Goodnow, L. Govitz, P. Graves, G. Hoffman, S. Little, G. Luczak, D. Lutz, J. Miller, T. Moon, M. Moore, C. Morley, F. Peters, V. Przygocki, L. Ramseyer, M. Rowley, D. Salinas, A. Sinclair, S. Whitney, K. Wilson, M. Wiltse
- Press Present:** O. Shawl (Delta Collegiate)

Board Chair R. Emrich called the meeting to order at 6:01 p.m.

Dr. Goodnow presented her goals for 2012-2013 to Board members. She explained the way in which the goals connect with the Strategic Priorities of the College in Student Success, Community Focus, Sustainability, and People Focus. Goals include strengthening partnerships with K-12, increasing college resources, enhancing legislative relationships, enhancing diversity, strengthening community partnerships outside the education community such as with the Chambers of Commerce, and increasing opportunities for student success along with strengthening the Institutional Research Office.

Traci Moon of the Audit firm Andrews Hooper Pavlik PLC was introduced by D. Lutz. Ms. Moon presented the results of the firm's audit for the fiscal year ended June 30, 2012. She gave credit for leadership by the Board and Administration and stated that the audit found no exceptions, deficiencies or material weaknesses. The audits included the financial statements of Delta College, the Foundation, Broadcasting, and compliance testwork for grant programs including student financial assistance, Health Information Technology Professionals, Temporary Assistant for Needy Families and employment services and WIA.

The financial statements were found to be fairly presented according to generally accepted accounting principles and to include all necessary disclosures. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices, and no material transaction not properly recorded.

Ms. Moon went over the future audit and accounting standards issued by the Governmental Accounting Standards Board (GASB). In particular she discussed Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, applicable June 30, 2015 year-end. This would require Delta College to record on their books a portion of the pension liability. There has also been discussion and concerns as to whether or not Delta would be admitting to covering the cost if MPSERS were to fail and we did record the liability on our books. D. Lutz noted that it is not a law but a standard that we would have to follow in order to receive a clean audit requiring us to record a portion of the unfunded pension liability. Many of the college and all of K-12's would be considered insolvent. At this point there are a lot of unknowns in determining the actual liability. The plan will be implemented in 2014 and the college would follow in 2015.

Ms. Moon provided comparison graphs showing general fund revenue sources and expenditures for the fiscal years ending in 2010, 2011 and 2012 and provided comparisons to Michigan community colleges of similar size. Delta College collects slightly less tuition and expends a substantially greater proportion of its funds on instruction, compared to those colleges. The audit firm had previously provided detailed information in four booklets which were provided to Trustees prior to this meeting, titled Audited Financial Statements and other Financial Information (for the college as a whole), Management Information and Audited Financial Statements (for the Foundation), and Audited Financial Statements and Other Financial Information (for WUCX-FM Radio, and for WDCQ-TV and WDCP-TV).

Debra Lutz commented on the excellent work of her staff and everyone throughout the college in achieving these good audit results.

There being no further business, the dinner meeting was adjourned at 6:48 p.m.

Talisa Brown, Board Secretary (Pro Tem)