



**Delta College**

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**Audited Financial Statements  
and Other Financial Information**

**June 30, 2018**

**Delta College**

**Audited Financial Statements and Other Financial Information**

**June 30, 2018**

**Audited Financial Statements**

Management’s Discussion and Analysis ..... 1-13  
Report of Independent Auditors ..... 14-15  
Balance Sheets ..... 16  
Statements of Revenue, Expenses and Changes in Net Position ..... 17  
Statements of Cash Flows ..... 18-19  
Notes to Financial Statements ..... 20-47

**Required Supplementary Information**

Schedule of Proportionate Share of Net Pension Liability, Contributions for Michigan Public School Employees’ Retirement System (MPSERS),  
and Notes to Required Supplementary Information ..... 48  
Schedule of Proportionate Share of Net OPEB Liability, Contributions for Michigan Public School Employees’ Retirement System (MPSERS),  
and Notes to Required Supplementary Information ..... 49

**Supplemental Schedules of Other Financial Information**

Consolidating Balance Sheet ..... 50  
Consolidating Statement of Revenue, Expenses and Changes in Net Position ..... 51  
Details of Certain General Fund Revenues ..... 52  
Details of General Fund Operating Expenses ..... 53-55  
Details of Designated Fund ..... 56  
Details of Auxiliary Activities Fund ..... 57  
Details of Expendable Restricted Fund ..... 58  
Details of Endowment Fund ..... 59-63

**Management's Discussion and Analysis**  
**Delta College**  
**Year Ended June 30, 2018**

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, 2018, 2017 and 2016. 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 standard 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 (MPSERS). 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 year ended June 30, 2018, the College reported a net MPSERS OPEB liability of \$32.1 million. In addition, the College recognized MPSERS OPEB expense of \$2.1 million, and reported deferred outflows of resources of \$1.9 million and deferred inflows of resources of \$1.1 million. As of June 30, 2018, the impact of this standard resulted in a reduction in unrestricted net position for the College of \$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 MPSERS. The 2018 pension activity related to this statement resulted in an increase in the net pension liability of \$2.7 million, increases in deferred outflows and deferred inflows of resources, respectively, of \$8.1 million and \$6.7 million, and an increase in pension expense of \$900,000. As of June 30, 2018 and 2017, respectively, the impact of these standards resulted in a reduction in unrestricted net position for the College of \$83.7 million and \$82.4 million.

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

**Delta College**

**Year Ended June 30, 2018**

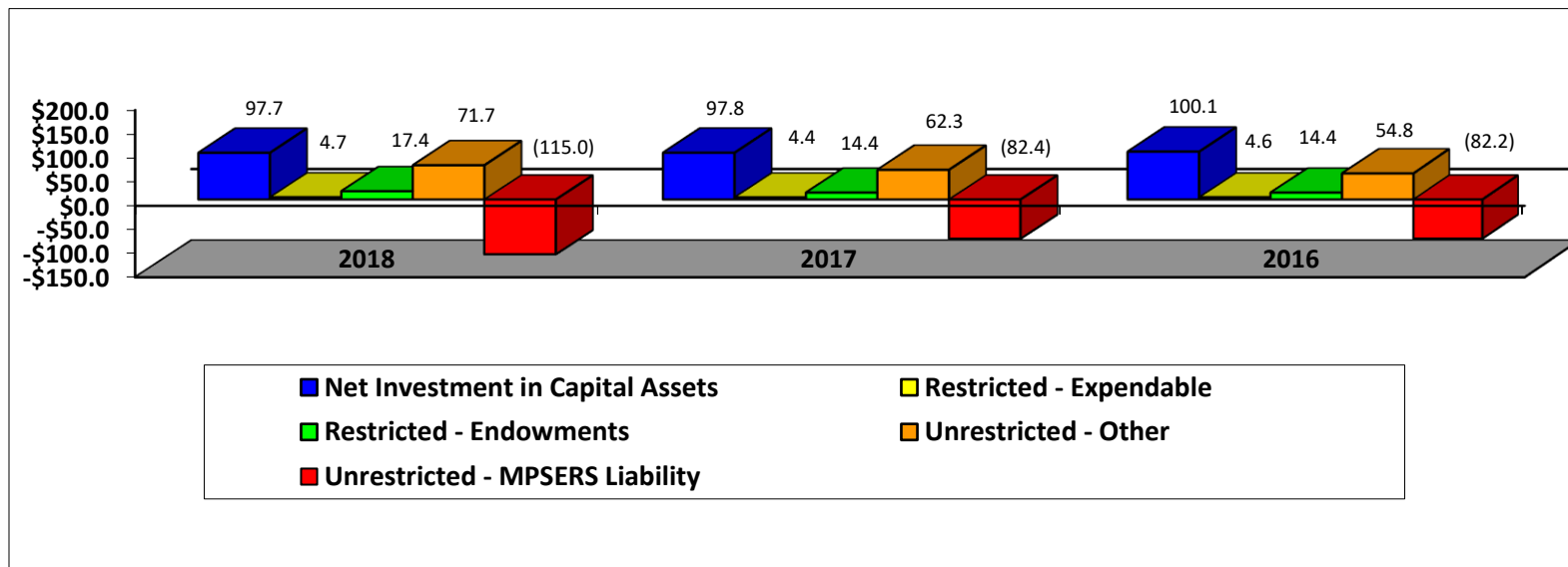
**Financial Highlights - Continued**

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, 2018 and 2017, respectively, with net position increasing by \$12.6 million and \$5.0 million. This equates to approximately a 7.0% annual increase in net position in 2018 and a 2.9% annual increase in 2017.

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 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. Enrollment decreased again this year, by approximately 7,100 credit hours, or 4.0%, in comparison to 2017; however, when offset by an increase in tuition and fee rates, total tuition and fee revenue declined only \$200,000, or .8%, from the prior year. Pell grant revenue increased \$1.1 million over the prior year.

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

The following chart provides a graphical breakdown of net position by category for the fiscal years ending June 30, 2018, 2017 and 2016, in millions:



**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2018**

**Summary of Selected Financial Data**

Following is a summary of the major components of the financial position of the College as of June 30, 2018, 2017 and 2016, in millions:

	<b>2018</b>	<b>2017</b>	<b>2018-2017 Change</b>	<b>2016</b>	<b>2017-2016 Change</b>
Current Assets	\$ 76.4	\$ 61.6	\$ 14.8	\$ 59.3	\$ 2.3
Long-Term Assets:					
Capital Assets, Net of Depreciation	97.7	97.8	(.1)	100.1	(2.3)
Other	25.7	26.6	(.9)	22.8	3.8
Total Assets	199.8	186.0	13.8	182.2	3.8
Deferred Outflows of Resources	22.4	12.4	10.0	9.6	2.8
Current Liabilities	8.3	7.1	1.2	8.3	(1.2)
Non-Current Liabilities	125.6	90.8	34.8	87.7	3.1
Total Liabilities	133.9	97.9	36.0	96.0	1.9
Deferred Inflows of Resources	11.8	4.0	7.8	4.1	(.1)
Net Position:					
Net Investment in Capital Assets	97.7	97.8	(.1)	100.1	(2.3)
Restricted – Expendable	4.7	4.4	.3	4.6	(.2)
Restricted – Endowments	17.4	14.4	3.0	14.4	-
Unrestricted	(43.3)	(20.1)	(23.2)	(27.4)	7.3
Total Net Position	\$ 76.5	\$ 96.5	\$ (20.0)	\$ 91.7	\$ 4.8

**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 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.

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

**Delta College**

**Year Ended June 30, 2018**

**Summary of Selected Financial Data - Continued**

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

The following summarizes the major components of the College's operating results for the years ended June 30, 2018, 2017 and 2016, in millions:

	2018	2017	2018-2017 Change	2016	2017-2016 Change
Operating Revenue:					
Tuition and Fees	\$ 24.4	\$ 24.6	\$ (.2)	\$ 23.8	\$ .8
Grants and Contracts	5.3	5.0	.3	6.0	(1.0)
Public Broadcasting Gifts	.8	.7	.1	.6	.1
Auxiliary Services	4.5	4.9	(.4)	5.0	(.1)
Other	1.1	.9	.2	1.0	(.1)
Total Operating Revenue	36.1	36.1	-	36.4	(.3)
Operating Expenses:					
Instruction	41.0	40.2	.8	40.3	(.1)
Public Services	2.7	2.6	.1	2.5	.1
Instructional Support	8.0	8.2	(.2)	8.1	.1
Student Services	20.4	20.2	.2	21.2	(1.0)
Institutional Administration	8.5	8.5	-	8.3	.2
Operation and Maintenance of Facilities	7.6	7.2	.4	6.5	.7
Depreciation	5.0	4.9	.1	4.8	.1
Total Operating Expenses	93.2	91.8	1.4	91.7	.1
Operating Loss	(57.1)	(55.7)	(1.4)	(55.3)	(.4)
Nonoperating Revenue					
State Appropriations	28.9	21.5	7.4	16.0	5.5
Property Taxes	22.0	21.9	.1	23.0	(1.1)
Pell Federal Grant Revenue	14.2	13.1	1.1	14.8	(1.7)
Other	4.2	3.6	.6	.2	3.4
Net Nonoperating Revenue	69.3	60.1	9.2	54.0	6.1

*(continued on next page)*

**Management's Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2018**

**Summary of Selected Financial Data - Continued**

*(continued from previous page)*

	<b>2018</b>	<b>2017</b>	<b>2018-2017 Change</b>	<b>2016</b>	<b>2017-2016 Change</b>
Other Revenue					
Additions to Permanent Endowments	\$ .3	\$ .4	\$ (.1)	\$ 1.6	\$ (1.2)
Total Other Revenue	.3	.4	(.1)	1.6	(1.2)
Increase in Net Position	12.5	4.8	7.7	.3	4.5
Net Position – Beginning of Year					
Beginning of Year	96.5	91.7	4.8	91.4	.3
Adjust for Change in Accounting Principle	(32.5)	-	(32.5)	-	-
Net Position – Beginning of Year, as Restated	64.0	91.7	(27.7)	91.4	.3
Net Position – End of Year	\$ 76.5	\$ 96.5	\$ (20.0)	\$ 91.7	\$ 4.8

**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, 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 \$200,000 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 \$24.4 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.
- 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%.

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

**Delta College**

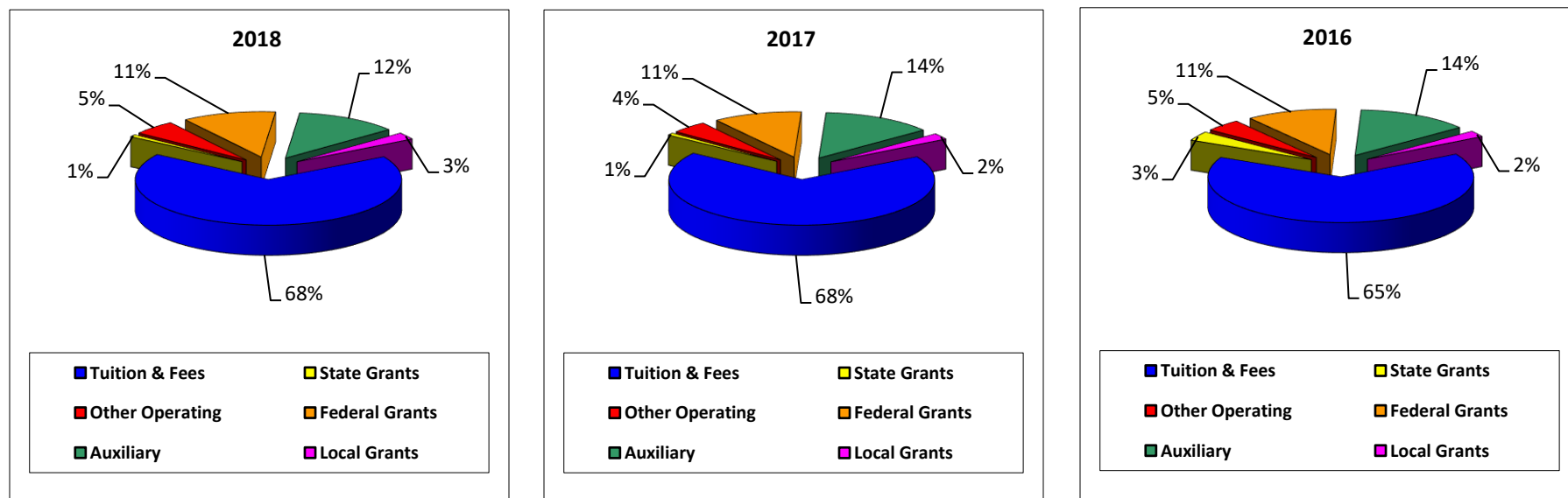
**Year Ended June 30, 2018**

**Operating Revenue – Continued**

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

- The 2017 academic in-district tuition rate increased by \$3.00 per credit hour, an increase of 3.1%. Enrollment totaled 179,200 credit hours, which was a decrease of 4.3% from 2016. The net impact of these changes resulted in \$800,000 increase in tuition and fee revenues generated by academic programs, net of scholarship allowance. Additionally, as noted below, related Pell grant (non-operating) revenues and corresponding operating expenses also decreased by \$1.7 million.
- Of the \$24.6 million in tuition and fees, which was net of \$6.4 million in offsetting scholarship allowances, and the \$5.0 million in grants and contracts operating revenue, Corporate Services provided administration, education and training of \$3.0 million and \$2.5 million, respectively. Corporate Services tuition and fee revenue increased by \$214,000 from the prior year, which was offset by a \$288,000 decrease in grants and contracts revenue.
- The Auxiliary services revenue consists primarily of sales in the Bookstore of \$4.6 million, which had offsetting scholarship allowances approximating \$1.1 million, Food Services of \$958,000, and Fitness & Recreation Center of \$340,000. Bookstore sales dropped by \$162,000, or 3.4%, Food Services sales declined by 7.1%, and Fitness & Recreation Center revenue decreased by .6% during the year.

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2018, 2017 and 2016:





## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2018

#### Operating Expenses

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

**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 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 \$5.0 million in 2018.
- 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 2018, the College's overall benefit expense for MPSERS was \$11.9 million, an increase of \$300,000. Of this total, \$8.0 million was for contributions to MPSERS, and \$3.9 million was due to the annual Unfunded Actuarial Accrued Liability (UAAL) Rate Stabilization Payment that was appropriated by the legislature. The UAAL Rate Stabilization Payment was paid to the College for pass-through to MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$3.9 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 \$300,000 increase in the UAAL expense and offsetting revenue in the year ended June 30, 2018 was due to an extra one time early retirement incentive payment. Refer to Note 6 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.

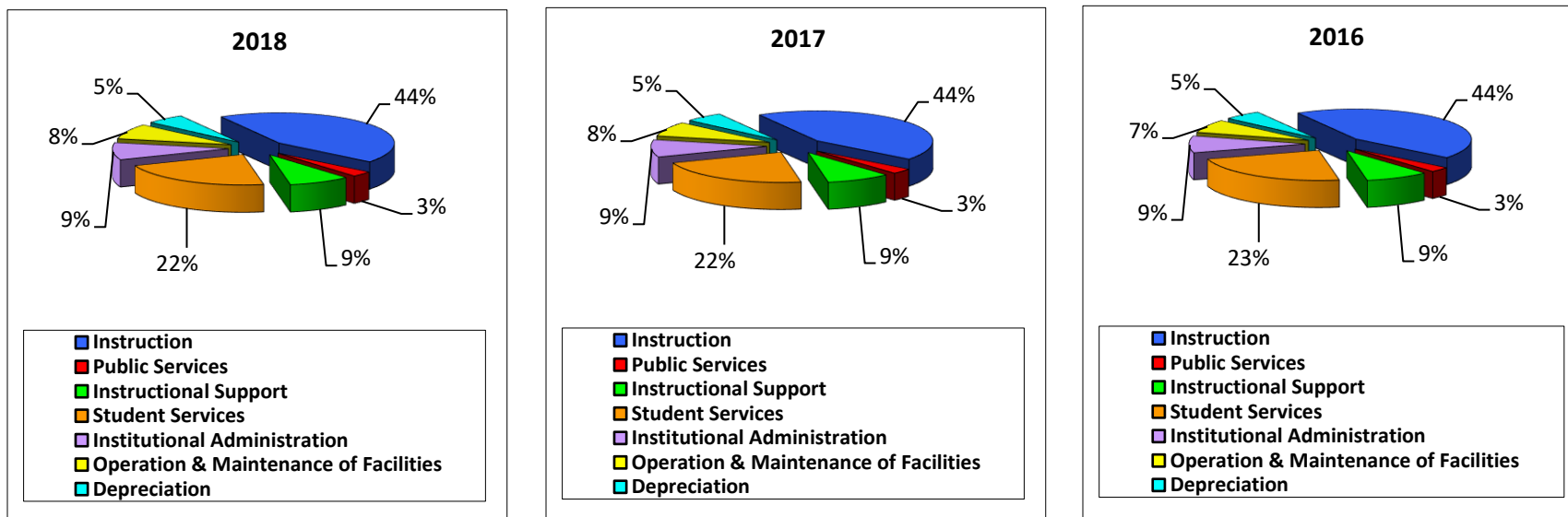
**June 30, 2017:** Operating expense changes are highlighted by the following factors for the year ended June 30, 2017:

- Base salary increases approximated 1.50%, and the employee contribution toward medical insurance remained at 20.0%. Under the self-funded employee medical coverage contract with BCBS of Michigan, the College pays for actual claims incurred, up to a maximum \$125,000 per claim, a stop-loss insurance premium for claims in excess of \$125,000, and a monthly administrative fee. The College health insurance costs were \$4.8 million in 2017.
- Public Act 300 of 2012 enacted by the State of Michigan legislature made significant reforms to the MPSERS that are designed to reduce overall benefit costs, but the cost reduction impact of the changes will not be experienced by employers for many years. During 2017, the College's overall benefit expense for MPSERS was \$11.6 million, an increase of \$200,000. Of this total, \$8.0 million was for contributions to MPSERS, and \$3.6 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 the MPSERS for purposes of offsetting the UAAL cap that was put into place via Public Act 300 of 2012. The \$3.6 million UAAL benefit expense was directly offset by the same amount of increase in state aid non-operating revenue, as noted below. Refer to Note 6 for more information regarding the College's benefit plans.
- Overall operating expenses remained relatively unchanged when compared to 2016. There was a \$1.7 million reduction in Pell grants expensed under the student services functional category, which was offset by overall increases in other functional categories, largely in the area of operation and maintenance, depreciation, and Institutional administration totaling \$1.0 million.

**Management’s Discussion and Analysis - Continued**  
**Delta College**  
**Year Ended June 30, 2018**

**Operating Expenses - Continued**

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2018, 2017 and 2016:



**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, 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.

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

**Delta College**

**Year Ended June 30, 2018**

**Nonoperating Revenue (Expenses) - Continued**

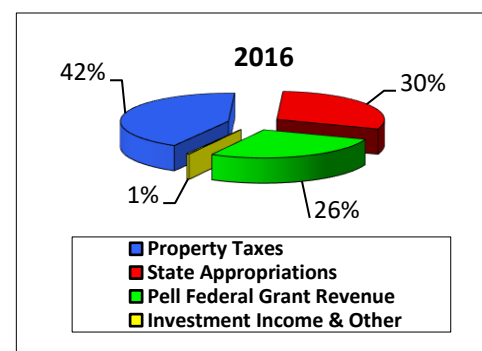
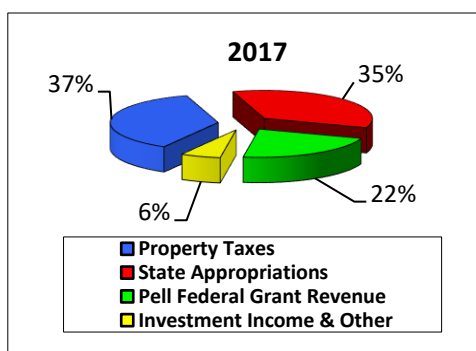
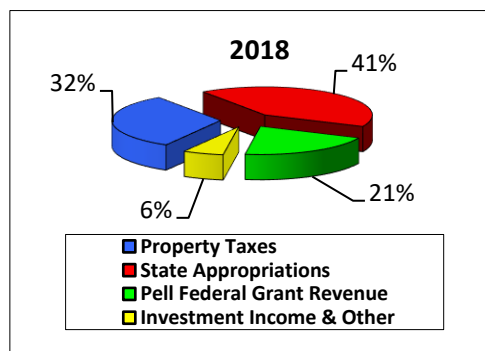
**June 30, 2018 – Continued:**

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

- Base state appropriations, including a \$90,000 MPERS contribution offset, totaled \$15.0 million, an increase of \$200,000 over 2016 base state appropriations of \$14.8 million. Renaissance zone property tax reimbursement appropriations of approximately \$300,000 were also recognized during 2017.
- An additional \$3.9 million was received specifically for pass-through to the Michigan Public School Employees’ Retirement System for purpose of the UAAL Rate Stabilization payment. The 2017 UAAL payment was \$200,000 higher than what was received in 2016. \$2.8 million of the UAAL Rate Stabilization Payment was recorded as a deferred inflow of resources and will be recognized as revenue in the next fiscal year. As discussed above, the remaining UAAL is included in the State Appropriation line item, as well as \$2.5 million UAAL received in 2016 and deferred until being recognized in fiscal year 2017.
- The College also received a PPT Loss Reimbursement in an amount of \$2.6 million which is included in the State Appropriations line item.
- Final taxable value of property within the district remained almost unchanged from 2016, and the College recognized property tax revenue of \$22.0 million in 2017 at a levy rate of 2.0427 mills.
- The College recognized net investment income of \$3.0 million. This consisted of a combined net gain on investments and investment fee expenses in the Endowment Fund totaling \$2.4 million, and general investment earnings of \$600,000, the majority of which was due to increases in short-term interest rates related to the College’s general investments.
- Pell grants awarded to students were \$13.1 million, a decrease of \$1.7 million, or 11.5%, from 2016.

The following is a graphic illustration of nonoperating revenue by source for the years ended June 30, 2018, 2017 and 2016:



## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2018

#### 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, 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 \$350,000.

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

- Additions to permanent endowments for the year were \$383,000, a decrease of \$1.2 million from 2016. The large decrease is due to the Foundation providing \$1.0 million to establish an endowment for the STEM Explorer project in 2016.

#### 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, 2018, 2017 and 2016, in millions:

	2018	2017	2018-2017 Change	2016	2017-2016 Change
Cash Provided by (Used in):					
Operating Activities	\$ (50.8)	\$ (52.3)	\$ 1.5	\$ (49.5)	\$ (2.8)
Noncapital Financing Activities	66.7	58.1	8.6	56.7	1.4
Capital and Related Financing Activities	(4.9)	(2.8)	(2.1)	(4.1)	1.3
Investing Activities	17.0	(10.3)	27.3	(12.5)	2.2
Net Increase (Decrease) in Cash	28.0	(7.3)	35.3	(9.4)	2.1
Cash and Cash Equivalents – Beginning of Year	13.5	20.8	(7.3)	30.2	(9.4)
Cash and Cash Equivalents – End of Year	\$ 41.5	\$ 13.5	\$ 28.0	\$ 20.8	\$ (7.3)

**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 increases in short-term investment interest rates, as investment maturities occurred throughout the year, the College reinvested the proceeds in shorter term commercial paper 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, 2018

#### Statement of Cash Flows – Continued

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

#### Capital Assets

At June 30, 2018, the College had \$167.5 million invested in capital assets, which net of accumulated depreciation of \$69.8 million, resulted in a book value of \$97.7 million. Capital assets decreased by \$100,000 in 2018, which included net additions of \$4.4 million less annual depreciation charges of \$4.5 million. Details of these assets, shown net of accumulated depreciation, as of June 30, 2018, 2017 and 2016 are as follows, in millions:

	2018	2017	2018-2017 Change	2016	2017-2016 Change
Land and Improvements	\$ 7.0	\$ 7.3	\$ (.3)	\$ 7.8	\$ (.5)
Infrastructure	6.0	6.0	-	6.4	(.4)
Buildings	75.4	77.9	(2.5)	79.2	(1.3)
Furniture and Equipment	5.9	6.2	(.3)	6.2	-
Construction in Progress	3.4	0.4	3.0	0.5	(.1)
Totals	\$ 97.7	\$ 97.8	\$ (.1)	\$ 100.1	\$ (2.3)

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 2018 and 2017:

- The College upgraded handrails, the conference room and the solarium. This project was completed and capitalized in fiscal year 2017, with total capital project costs of \$1.2 million.
- The College completed installation of an emergency power system in wings L, M and Z during fiscal year 2017, with total capital projects of approximately \$400,000.
- The College began upgrading the pedestrian lighting around the sidewalks of the college and parking lots in fiscal year 2017. Construction in progress as of June 30, 2017 was \$198,000. The College had additional spending on this project of approximately \$50,000 during the year ending June 30, 2018, and it was capitalized at a total cost of \$248,000.
- The College began construction on its new Saginaw Center in spring of 2018. Project costs to date as of June 30, 2018 total \$2.0 million, with \$1.8 million of this amount recorded as construction in progress. This project has a total budget \$12.7 million, with approximately \$6.4 million to be funded by the State Building Authority. Refer to Note 12 for additional information regarding the Saginaw Center construction project.
- The College started the west campus site improvements project in spring 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, an observatory hill, a multi-use athletic facility, recreational trail system and Delta walk/plaza. It is anticipated that this project will be completed in fall of 2019.

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

### **Delta College**

**Year Ended June 30, 2018**

#### **Capital Assets – Continued**

- During fiscal year 2018, approximately \$230,000 was spent on the College's energy metering project. It is anticipated that the College will spend an additional \$400,000 to complete this project.
- 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 \$885,000 as of June 30, 2018. An additional \$500,000 is anticipated to be spent to complete this project during fiscal year 2019.

#### **Debt**

During the year ended June 30, 2012, the College became involved in the Michigan New Jobs Training Program (MNJTP), which was authorized by state legislature in 2008. Under this program, the College may enter into agreements with employers to provide worker education and job training that is funded by state income tax withholdings on the new employees hired by the employers. The agreements provide for the employer to prepay the College the costs for the training and education, and the College then issues non-interest bearing revenue bonds payable to the employer equal to the prepayments. The employer remits state income tax withholdings for these new employees directly to the College. The College then remits these state income tax withholdings back to the employer on a quarterly basis to reimburse the employer for the costs of the training, thus reducing the College's MNJTP bonds payable. As of June 30, 2018, the College has outstanding MNJTP bonds payable of \$1,000. Refer to Note 7 for more detailed information about the MNJTP program.

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

The economic position of the College is closely tied to that of the State of Michigan. The State appropriated \$15.0 million in base funding for 2018-19, which is a zero increase from 2017-2018. The College has received performance incentive funding for 2018-2019 of \$113,600, which is an increase of \$30,600 from 2017-2018.

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 maintain the current enrollment, with the goal of attaining or exceeding our credit hour projections.

However, on top of the 79,000 decline in generated credit hours experienced by the College since 2009-2010, another drop of 6,500 credit hours has been projected for the 2018-2019 year. Delta's Board of Trustees, Budget Cabinet and administration have a long history of focusing on tuition affordability, and accordingly, planned an in-district tuition rate increase of \$5.00, or 4.6% for 2018-2019. Other fees, such as the technology fee, on-line course fee, and the excess contact hour fees were also increased, offsetting the loss of revenue due to a decline in anticipated credit hours.

## Management's Discussion and Analysis - Continued

### Delta College

Year Ended June 30, 2018

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

The College's property tax base increased 1.9% for 2018-2019 and projected property tax revenue has been budgeted at \$22.5 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 first PPT Loss reimbursement in fall of 2016. The College received payment in the amount of approximately \$2.6 million. We had anticipated and budgeted revenue of \$1.2 million. The excess over the initial amount anticipated is due to excess tax collections that the Local Community Stabilization Authority (LCSA) is required to distribute to the taxing units. In the fall of 2017, the College received its second annual reimbursement in the amount of \$9.5 million, while the anticipated and budgeted reimbursement was \$1.3 million. The LCSA recently released the computation for the 2017 payment. A review of the 2017 payment computation indicates that Delta's actual Qualified Loss at 100% was \$3.2 million, and the remaining \$6.3 million is the 2017 Qualified Loss over 100%. There has been much uncertainty of actually how much to budget for in future years due to the complexity of the calculations by Treasury. For 2018-2019, the budget reflects an anticipated reimbursement of \$1.6 million. The legislature has been analyzing the methodology of how future qualified losses over 100% will be allocated. Because we have not been made aware of what we could expect in terms of reimbursement the College is budgeting the PPT Loss reimbursement very conservatively.

In addition to national concerns of rising medical costs, the state-mandated contributions to fund both the pension and medical 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%, 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, 2018 and 2017, and the related notes to the financial statements, as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta College as of June 30, 2018 and 2017, 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.



### *Emphasis of Matter*

As discussed in Note 1 and Note 6 to the financial statements, the College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement requires the College to report its net postemployment obligation and associated deferred outflows of resources, deferred inflows of resources, and postemployment expense. The College has restated its July 1, 2017 net position accordingly. Our opinion is not modified with respect to this matter.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 13 and the Required Supplementary Information on pages 48 (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 49 (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 23, 2018 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 23, 2018

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

	June 30,	
	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 41,489,316	\$ 13,521,417
Short-term investments (Note 2)	27,764,009	40,930,171
Property taxes receivable	219,987	201,655
State appropriations receivable (Note 5)	3,458,790	3,408,594
Federal and state grants receivable	1,362,670	1,426,972
Accounts receivable, net of allowance of \$3,591,731 in 2018 and \$3,648,760 in 2017	729,237	613,461
Pledges receivable (Note 3)	143,473	282,448
Inventories	820,278	974,068
Prepaid expenses and other assets	393,189	299,363
<b>Total Current Assets</b>	<b>76,380,949</b>	<b>61,658,149</b>
<b>Long-Term Investments</b> (Note 2)	25,489,951	26,258,766
<b>Long-Term Pledges Receivable</b> (Note 3)	261,067	338,448
<b>Capital Assets</b> (Note 4)	<b>97,667,396</b>	<b>97,801,318</b>
<b>Total Assets</b>	<b>199,799,363</b>	<b>186,056,681</b>
<b>Deferred Outflows of Resources</b> (Note 6)	<b>22,362,237</b>	<b>12,383,334</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	3,341,696	1,953,302
Accrued payroll and other compensation	3,835,122	3,817,541
Unearned revenue	1,143,273	1,361,958
Current portion of MNJTP bonds payable (Note 7)	1,000	1,000
<b>Total Current Liabilities</b>	<b>8,321,091</b>	<b>7,133,801</b>
<b>Non-Current Liabilities</b>		
Net pension and OPEB liability (Note 6)	125,596,064	90,806,454
<b>Total Liabilities</b>	<b>133,917,155</b>	<b>97,940,255</b>
<b>Deferred Inflows of Resources</b> (Note 6)	<b>11,748,390</b>	<b>4,042,622</b>
<b>Net Position</b>		
Net investment in capital assets	97,667,396	97,801,318
Restricted for:		
Donor-restricted endowments	17,388,196	14,412,397
Expendable scholarships and awards	1,172,387	1,129,961
Instructional department uses	1,702,631	1,864,509
Public broadcasting activities	1,063,311	1,063,311
Other restricted uses	800,310	332,547
Unrestricted (Note 1)	(43,298,176)	(20,146,905)
<b>Total Net Position</b>	<b>\$ 76,496,055</b>	<b>\$ 96,457,138</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>2018</b>	<b>2017</b>
<b>Operating Revenue</b>		
Tuition and fees, net of scholarship allowance of \$7,448,667 in 2018 and \$6,404,632 in 2017	\$ 24,415,205	\$ 24,582,161
Federal grants and contracts	4,071,320	3,887,150
State grants and contracts	331,135	281,336
Local and nongovernmental grants and contracts	907,524	825,266
Public broadcasting gifts	779,242	669,113
Auxiliary activities, net of scholarship allowance of \$1,117,326 in 2018 and \$1,077,413 in 2017	4,485,530	4,896,979
Miscellaneous	1,088,988	925,108
<b>Total Operating Revenue</b>	<b>36,078,944</b>	<b>36,067,113</b>
<b>Operating Expenses</b>		
Instruction	40,959,117	40,199,972
Public services	2,707,484	2,596,724
Instructional support	8,045,141	8,213,957
Student services	20,429,819	20,169,619
Institutional administration	8,525,613	8,518,317
Operation and maintenance of facilities	7,558,066	7,159,260
Depreciation expense	4,973,117	4,930,260
Fundraising expenses	12,115	23,205
<b>Total Operating Expenses</b>	<b>93,210,472</b>	<b>91,811,314</b>
<b>Operating Loss</b>	<b>(57,131,528)</b>	<b>(55,744,201)</b>
<b>Nonoperating Revenue (Expenses)</b>		
State appropriations	28,928,686	21,449,755
Property tax levy	21,942,601	21,900,030
Pell federal grant revenue	14,172,408	13,148,046
Gifts	1,256,763	140,317
Special events, net of expenses of \$62,616 in 2018 and \$59,867 in 2017	81,644	68,288
Investment income, net of investment expense of \$175,357 in 2018 and \$158,127 in 2017	3,106,355	3,002,918
Loss on disposition of capital assets	(32,949)	(186,450)
Foundation grants and distributions to or for Delta College	(117,611)	613,209
<b>Net Nonoperating Revenue (Expenses)</b>	<b>69,337,897</b>	<b>60,136,113</b>
<b>Net Income Before Other Revenue</b>	<b>12,206,369</b>	<b>4,391,912</b>
<b>Other Revenue</b>		
Capital gifts and grants	-	5,863
Additions to permanent endowments	350,627	383,893
<b>Total Other Revenue</b>	<b>350,627</b>	<b>389,756</b>
<b>Increase in Net Position</b>	<b>12,556,996</b>	<b>4,781,668</b>
<b>Net Position - Beginning of Year</b>		
Beginning of year	96,457,138	91,675,470
Adjustment for change in accounting principle (Note 1)	(32,518,079)	-
<b>Net Position - Beginning of Year As Restated</b>	<b>63,939,059</b>	<b>91,675,470</b>
<b>Net Position - End of Year</b>	<b>\$ 76,496,055</b>	<b>\$ 96,457,138</b>

The accompanying notes are an integral part of these statements.

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

	Year Ended June 30,	
	2018	2017
<b>Cash Flows from Operating Activities</b>		
Tuition and fees	\$ 24,151,974	\$ 24,821,160
Grants and contracts	5,408,131	5,065,358
Public broadcasting gifts	779,242	669,113
Payments to suppliers	(46,311,692)	(47,494,459)
Payments to employees	(40,549,782)	(41,163,059)
Auxiliary enterprise charges	4,485,514	4,896,979
Other	1,234,298	933,306
Net Cash Used In Operating Activities	(50,802,315)	(52,271,602)
<b>Cash Flows from Noncapital Financing Activities</b>		
State appropriations	28,878,490	21,381,563
Local property taxes	21,924,269	22,002,780
Pell federal grant revenue	14,070,815	13,138,213
Gifts and contributions for other than capital purposes	1,818,877	718,223
Foundation special events receipts	85,644	74,788
Foundation grants and distributions to or for Delta College	(117,611)	613,209
Agency fund transactions	13,760	187,612
Net Cash Provided by Noncapital Financing Activities	66,674,244	58,116,388
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from capital gifts, grants and appropriations	25,000	56,375
Purchase of capital assets	(4,894,821)	(2,843,946)
Proceeds from disposition of capital assets	22,677	23,632
Proceeds from issuance of MNJTP bonds	351,650	479,000
Principal paid on MNJTP bonds	(373,700)	(456,950)
Net Cash Used in Capital and Related Financing Activities	(4,869,194)	(2,741,889)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales and maturities of investments	103,796,029	72,932,695
Investment income	798,460	378,546
Purchase of investments	(87,629,325)	(83,658,299)
Net Cash Provided by (Used in) Investing Activities	16,965,164	(10,347,058)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	27,967,899	(7,244,161)
<b>Cash and Cash Equivalents - Beginning of Year</b>	13,521,417	20,765,578
<b>Cash and Cash Equivalents - End of Year</b>	\$ 41,489,316	\$ 13,521,417

The accompanying notes are an integral part of these statements.

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

	Year Ended June 30,	
	2018	2017
<b>Reconciliation of Operating Loss to</b>		
<b>Net Cash Used in Operating Activities:</b>		
Operating loss	\$ (57,131,528)	\$ (55,744,201)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	4,973,117	4,930,260
Allowance for uncollectible accounts	(57,029)	(86,178)
(Increase) decrease in assets:		
Federal and state grants receivable	165,895	(27,606)
Accounts receivable	(110,949)	65,876
Inventories	153,790	(37,506)
Prepaid expenses and other assets	(40,805)	(149,627)
Increase in deferred outflows of resources	(9,978,903)	(2,733,376)
Increase (decrease) in liabilities:		
Accounts payable	1,449,928	(196,127)
Accrued payroll and other compensation	17,581	(1,515,886)
Unearned revenue	(220,711)	280,532
Net pension and OPEB liability	2,271,531	3,070,935
Increase (decrease) in deferred inflows of resources	7,705,768	(128,698)
<b>Net Cash Used In Operating Activities</b>	<b>\$ (50,802,315)</b>	<b>\$ (52,271,602)</b>

The accompanying notes are an integral part of these statements.

## **Notes to Financial Statements**

### **Delta College**

**June 30, 2018**

#### **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, 2018**

### **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 bonds and equities. The fair value of equities and international equities (collectively referred to as equities) are derived from quoted prices for identical assets in active markets classifying them as a level 1 valuation. The fair value of corporate bonds, corporate convertible bonds, municipal bonds, government and agency notes, international bonds and bond funds (collectively referred to as bond funds) and preferred stock are obtained from similar investments obtained in the market, classifying them as a level 2 valuation.

There have been no changes in valuation techniques used that have a significant impact on the results for the year ending June 30, 2018 or 2017. Refer to Note 2 for fair value classification balances for these various types of investments held by the College as of June 30, 2018 and 2017.

#### **Gifts and Pledges**

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

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

**Delta College**

**June 30, 2018**

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

#### **Inventories**

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

#### **Internal Service Activities**

Revenue and expenses related to internal service activities approximating \$682,000 and \$691,000 for 2018 and 2017, 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, 2018 and 2017, unearned tuition and fee revenue for the summer semester, which begins in late June or early July and ends in August, was approximately \$560,000 and \$629,000, respectively. Additionally, advance payments approximating \$251,000 for the fall 2018 semester were received before June 30, 2018 and recorded as unearned revenue. As of June 30, 2017, advance payments approximating \$260,000 for the fall 2017 semester were received before year end and recorded as unearned revenue.

#### **Reclassification**

Certain 2017 amounts have been reclassified to conform to the 2018 presentation.



**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

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

**Unrestricted Net Position**

As of June 30, 2018 and 2017, the College has designated the use of unrestricted net position as follows:

	<b>2018</b>	<b>2017</b>
Designated for Corporate Services activities	\$ 1,342,207	\$ 1,168,730
Designated for future capital outlay	39,570,816	34,390,007
Designated for funds functioning as endowments	6,920,664	7,997,043
Other designated fund activities	8,727,263	3,964,437
MPSERS pension & OPEB liability	(114,982,217)	(82,465,742)
Unrestricted and unallocated	15,123,091	14,798,620
Total Unrestricted Net Position	<u>\$ (43,298,176)</u>	<u>\$ (20,146,905)</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, 2018 and 2017 under the following classifications:

	<b>2018</b>	<b>2017</b>
Cash and cash equivalents	\$ 41,489,316	\$ 13,521,417
Short-term investments	27,764,009	40,930,172
Long-term investments	25,489,951	26,258,766
Total	<u>\$ 94,743,276</u>	<u>\$ 80,710,355</u>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

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

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

	<b>2018</b>	<b>2017</b>
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 27,006,963	\$ 11,993,415
Investments in securities and similar instruments	67,681,406	68,662,033
Petty cash and cash on hand	54,907	54,907
Total	<u>\$ 94,743,276</u>	<u>\$ 80,710,355</u>

**Bank Deposits**

The above deposits at June 30, 2018 and 2017 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$27,545,232 and \$12,198,422, respectively. Of these bank deposits at June 30, 2018 and 2017, approximately \$2,500,000 and \$2,180,000, 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, 2018

### 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, 2018**

**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, 2018 and 2017 including certificates of deposit and commercial paper classified as cash equivalents, and excluding the Endowment Fund investments:

**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>

**June 30, 2017:**

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

## Notes to Financial Statements - Continued

Delta College

June 30, 2018

### 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, 2018 and 2017, 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, 2018**

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

**Endowment Fund Investments – Continued**

At June 30, 2018 and 2017 the Endowment Fund had the following investments and maturities:

Investment Type	S&P Quality Ratings	Fair Value	By Maturity			
			Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Corporate Bonds	AAA to 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		<u>\$ 22,606,356</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, 2018

Note 2. Cash and Cash Equivalents and Investments – Continued

Endowment Fund Investments – Continued

Investment Type	S&P Quality Ratings	Fair Value	By Maturity			
			Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Corporate Bonds	AAA to BBB-	\$ 1,007,826	\$ 33,994	\$ 473,160	\$ 385,148	\$ 115,524
Corporate Convertible Bonds *	A to BB-	1,148,721	210,143	479,559	70,785	388,234
Corporate Convertible Bonds *	Unrated	222,308	42,320	179,988	-	-
International Bonds	BBB+	48,974	-	48,974	-	-
Government & Agency Bonds	AAA to AA+	1,699,484	138,088	404,600	164,949	991,847
		<u>4,127,313</u>	<u>\$ 424,545</u>	<u>\$ 1,586,281</u>	<u>\$ 620,882</u>	<u>\$ 1,495,605</u>
Bond Funds	N/A	2,365,510				
Preferred Stock	N/A	225,367				
Equities	N/A	12,394,758				
International Equities	N/A	<u>2,693,653</u>				
Total Investments		<u>\$ 21,806,601</u>				

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

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

**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, 2018 and 2017 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, 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	\$ -
<b>June 30, 2017:</b>				
Investments excluding endowment fund investments	\$ 50,377,497	\$ -	\$ 50,377,497	\$ -
Endowment Investments:				
Equities	15,088,411	15,088,411	-	-
Bond funds	6,492,823	-	6,492,823	-
Preferred stock	225,367	-	225,367	-
Total investments by fair value	\$ 72,184,098	\$ 15,088,411	\$ 57,095,687	\$ -



**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

**Note 3. Pledges Receivable**

As of June 30, 2018 and 2017, donors to the College (including the Delta College Foundation) have made unconditional promises to give (pledges) approximating \$429,000 and \$643,000, respectively. Such pledges are discounted to their present value, assuming their respective terms, at applicable discount rates with total discounts at June 30, 2018 and 2017, respectively, of approximately \$22,000 and \$17,000. Management has also established an allowance for uncollectible pledges approximating \$2,400 and \$5,000, respectively, as of June 30, 2018 and 2017. 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, 2018 and 2017, are scheduled as follows:

	<u>2018</u>	<u>2017</u>
Less than one year	\$ 143,473	\$ 282,448
One to five years	260,225	337,569
Greater than five years	842	879
Total	<u>\$ 404,540</u>	<u>\$ 620,896</u>

**Note 4. Capital Assets**

The following tables present the changes in the various capital asset class categories for the years ended June 30, 2018 and 2017:

<b>Year Ended June 30, 2018:</b>	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
<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
Total Capital Assets		<u>163,145,554</u>	<u>5,817,240</u>	<u>1,461,123</u>	<u>167,501,671</u>
<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
Total Accumulated Depreciation		<u>65,344,236</u>	<u>\$ 4,973,117</u>	<u>\$ 483,078</u>	<u>69,834,275</u>
Capital Assets, Net		<u>\$ 97,801,318</u>			<u>\$ 97,667,396</u>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

**Note 4. Capital Assets – Continued**

Year Ended June 30, 2017:	Estimated Useful Life	Beginning Balance	Additions/ Depreciation	Deletions	Ending Balance
Depreciable Capital Assets:					
Buildings	40 years	\$ 119,887,840	\$ 1,801,172	\$ 440,841	\$ 121,248,171
Land improvements	20-40 years	9,798,333	-	-	9,798,333
Infrastructure	20-25 years	11,951,456	25,530	12,765	11,964,221
Furniture and equipment	5-20 years	17,693,750	1,031,798	459,708	18,265,840
Non-depreciable Capital Assets:					
Construction in progress		443,231	1,761,068	1,826,702	377,597
Land		1,351,560	-	-	1,351,560
Fine art collection		88,752	51,080	-	139,832
<b>Total Capital Assets</b>		<b>161,214,922</b>	<b>4,670,648</b>	<b>2,740,016</b>	<b>163,145,554</b>
Less Accumulated Depreciation:					
Buildings		40,670,682	2,978,966	268,392	43,381,256
Land improvements		3,385,573	468,250	-	3,853,823
Infrastructure		5,522,399	425,224	12,765	5,934,858
Furniture and equipment		11,538,554	1,057,820	422,075	12,174,299
<b>Total Accumulated Depreciation</b>		<b>61,117,208</b>	<b>\$ 4,930,260</b>	<b>\$ 703,232</b>	<b>65,344,236</b>
<b>Capital Assets, Net</b>		<b>\$ 100,097,714</b>			<b>\$ 97,801,318</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, 2018 and 2017, respectively, state appropriation revenue totaled \$28.9 million and \$21.5 million. The \$28.9 million and \$21.5 million respective balances consist of the following: \$14.9 million base appropriations for both years, \$80,000 and zero performance funding, \$300,000 and \$90,000 MPSERS contributions offsets, UAAL and early retirement incentive MPSERS pass through \$3.9 million and \$3.6 million, and PPT Loss reimbursements of \$9.5 million and \$2.6 million. Also included in state appropriation revenue for each of the two years was approximately \$300,000 of Renaissance Zone property tax reimbursement from the State.

Since state appropriations are distributed over an 11-month period, October through August, the College records a receivable at June 30 each year for the subsequent payments received in July and August. The accrued state appropriation receivables at June 30, 2018 and 2017, respectively, are \$3.5 million and \$3.4 million, and includes \$685,000 and \$698,000, respectively, to be passed through to MPSERS for the UAAL Stabilization payment.

## Notes to Financial Statements - Continued

Delta College

June 30, 2018

### 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, 2018

### 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, 2016 valuation will be amortized over a 20-year period for the 2017 fiscal year.

Required contributions to the pension plan from the College were \$8.5 million and \$8.2 million for the years ending June 30, 2018 and 2017, respectively. Required contributions to the OPEB plan from the College were \$2.8 million for the year ending June 30, 2018.

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

Benefit Structure	Pension Contribution Rates	
	Member	Non-University Employer
Basic	0.0 – 4.0%	19.03%
Member Investment Plan	3.0 – 7.0%	19.03%
Pension Plus	3.0 – 6.4%	18.40%
Defined Contribution	0.0%	15.27%

Notes to Financial Statements - Continued

Delta College

June 30, 2018

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%	5.91%
Personal Healthcare Fund (PHF)	0.0%	5.69%

**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	
	2017	2016	2017	2016
Total liability	\$72,407,218,688	\$67,917,445,078	\$13,920,945,991	\$14,071,279,615
Plan fiduciary net position	46,492,967,573	42,968,263,308	5,065,474,948	4,730,719,539
Net liability	\$25,914,251,115	\$24,949,181,770	\$8,855,471,043	\$9,340,560,076
Plan fiduciary net position as a percentage of total liability	64.21%	63.27%	36.39%	33.62%
Net liability as a percentage of covered employee payroll	309.13%	295.81%	105.64%	Not Available

**Proportionate Share of Net Pension and OPEB Liability, Deferrals, and Expense** – At June 30, 2018 and 2017, respectively, the College reported a liability of \$93.5 million and \$90.8 million for its proportionate share of the net pension liability of MPSERS. At June 30, 2018, the College reported a liability of \$32.1 million for its proportionate share of the net OPEB liability of MPSERS. The 2018 net pension and OPEB liability was measured as of September 30, 2017, and the total liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2016, which was the measurement date for the 2017 net pension and OPEB liability. The College’s proportion of the 2018 and 2017 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, 2017, the College’s pension proportion was .36091%, a decrease of .00305% from its proportion measured as of September 30, 2016, which was .36396%. At September 30, 2017, the College’s OPEB proportion was .36214%, an increase of .019840% from its proportion measured as of September 30, 2016, which was .34230%.

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

**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 year ended June 30, 2018 and 2017, respectively, the College recognized MPSERS pension expense of \$9.5 million and \$8.6 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, 2018</b>		<b>Year Ended June 30, 2017</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 10,246,572	\$ -	\$ 1,419,688	\$ -
Differences between expected and actual experience	812,809	458,915	1,131,688	215,214
Net difference between projected and actual earnings on pension plan assets	-	4,471,182	1,509,203	-
Changes in proportion and differences between College contributions and proportionate share of contributions	798,813	1,243,479	1,134,636	1,029,144
College contributions subsequent to the measurement date	8,671,396	-	7,188,119	-
Rate stabilization appropriations received after the measurement date	-	4,490,630	-	2,798,264
<b>Total</b>	<b>\$ 20,529,590</b>	<b>\$ 10,664,206</b>	<b>\$ 12,383,334</b>	<b>\$ 4,042,622</b>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

**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 year ended June 30, 2018, the College recognized MPSERS OPEB expense of \$2.1 million, and reported deferred outflows of resources and deferred inflows of resources related to the MPSERS OPEB from the following sources:

	<b>Year Ended June 30, 2018</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 341,446
Net difference between projected and actual earnings on pension plan assets	-	742,738
Changes in proportion and differences between College contributions and proportionate share of contributions	1,617	-
College contributions subsequent to the measurement date	1,831,030	-
<b>Total</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 \$8.7 million and \$7.2 million, respectively, as of June 30, 2018 and 2017 and \$1.8 million of contributions subsequent to the measurement date related to OPEB as of June 30, 2018. 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:

<b>Year Ending June 30,</b>	<b>Pension</b>	<b>OPEB</b>
2019	\$ 1,459,722	\$ (261,634)
2020	3,109,860	(261,634)
2021	1,396,935	(261,634)
2022	(281,899)	(261,634)
2023	-	(36,031)
<b>Total</b>	<b>\$ 5,684,618</b>	<b>\$ (1,082,567)</b>

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

**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 7.5% for the Basic and MIP Plans and 7.0% for the Pension Plus Plan for the September 30, 2017 valuation year and 8.0% for the Basic and MIP Plans and 7.0% for the Pension Plus Plan for the September 30, 2016 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 7.5% 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, 2017, the annual money-weighted rate of return on pension plan and OPEB investment, net of pension and OPEB plan investment expense, was 13.24% and 11.82%, 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 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, 2017 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	28.0%	5.6%
% Alternative Investment Pools	18.0	8.7
International Equity	16.0	7.2
Fixed Income Pools	10.5	(0.1)
Real Estate & Infrastructure Pools	10.0	4.2
Absolute Return Pools	15.5	5.0
Short-Term Investment Pools	2.0	(0.9)
Total	100.0%	



**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

**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 7.5% for June 30, 2018 and 8.0% for June 30, 2017 for the Basic and MIP Plans and 7.0% for the Pension Plus Plan for both years, 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 (6.5% for June 30, 2018 and 7.0% for June 30, 2017 for the Basic and MIP Plans and 6.0% for the Pension Plus Plan) or 1.0% point higher (8.5% for June 30, 2018 and for the Basic and MIP Plans and 8.0% for the Pension Plus Plan) than the current rates:

	Net Pension Liability at 1.0% Decrease (6.5% for Basic and MIP Plans, and 6.0% for Pension Plus Plan)	Net Pension Liability at Current Discount Rate (7.5% for Basic and MIP Plans, and 7.0% for Pension Plus Plan)	Net Pension Liability at 1.0% Increase (8.5% for Basic and MIP Plans, and 8.0% for Pension Plus Plan)
Year Ended June 30, 2018	\$ 121,833,931	\$ 93,526,507	\$ 69,693,459
Year Ended June 30, 2017	\$ 116,935,856	\$ 90,806,454	\$ 68,776,856

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

The following presents the College’s proportionate share of the net OPEB liability, calculated using the discount rate and current healthcare cost rate of 7.5%, 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 (6.5%) or 1.0% point higher (8.5%) than the current rates:

	Net OPEB Liability at 1.0% Decrease (6.5%)	Net OPEB Liability at Current Rate (7.5%)	Net OPEB Liability at 1.0% Increase (8.5%)
Discount Rate - Year Ended June 30, 2018	\$ 37,562,720	\$ 32,069,557	\$ 27,407,582
Healthcare Cost Trend Rate - Year Ended June 30, 2018	\$ 27,158,604	\$ 32,069,557	\$ 37,645,602

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

**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, 2016 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	7.5% for Basic and MIP Plans and 7.0% for Pension Plus Plan, 7.5% for OPEB, net of investment and administrative expenses
Wage inflation rate	3.50%
Projected rate of pay increases	3.50 to 12.30%, including wage inflation at 3.50%
Cost-of-living pension adjustments	3.00% annual non-compounded for MIP members
Healthcare cost trend rate	7.5% year 1 graded to 3.5% year 12
Mortality basis	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB. This assumption was first used for the September 30, 2014 valuation for the MPSERS system. For retirees, 100% of the table rates were used. For active members, 80% of the table rates were used for males and 70% of the table rates were used for females.

## Notes to Financial Statements - Continued

Delta College

June 30, 2018

### 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 2012 have been adopted by the MPSERS system for use in the annual pension and OPEB valuations beginning with the September 30, 2014 valuation. The total pension and OPEB liability as of September 30, 2017 is based on the results of an actuarial valuation date of September 30, 2016, 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 4.5188 years and the recognition period for assets is 5 years. Full actuarial assumptions are available in the 2017 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, 2018 and 2017, the College reported \$1,054,000 for both years for outstanding amount of required contributions to MPSERS for the year then ended, which included the UAAL pass-through payments due to MPSERS.

#### **ORP Defined Contribution Plan**

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

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

During the years ended June 30, 2018 and 2017, compensation covered under the ORP approximated \$7.8 million for both years, which resulted in contributions by the College of approximately \$782,000 for both years.

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

### **Delta College**

**June 30, 2018**

#### **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, 2018 and 2017, respectively, the College issued bond principal to the company totaling \$311,000 and \$440,000 and repaid bond principal of \$311,000 and \$479,000. There were no outstanding MNJTP bonds payable and offsetting accounts receivable with Xalt Energy as of June 30, 2018 and 2017. As of June 30, 2018, total bonds issued to date under this agreement total \$2,167,000.

During the year ended June 30, 2013, the College entered into a MNJTP agreement with ECO-Bio Plastics Midland, Inc., with the maximum bond principal issue amount of \$200,000. For the year ended June 30, 2018, the College issued bond principle to the company totaling \$42,000, and repaid bond principal in the same amount. During the year ended June 30, 2017, the College issued no bond principal and made no repayments. For each of the years ended June 30, 2018 and 2017, 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, 2018, bonds issued to date under this agreement total \$92,000.

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

The College leases one of its off campus centers under a short-term operating lease, with total lease expense approximating \$31,000, for each of the years ended June 30, 2018 and 2017. At June 30, 2018, the College has noncancellable future lease payments of approximately \$32,000 scheduled to be paid during the year ending June 30, 2019.

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

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

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

**Delta College**

**June 30, 2018**

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

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

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

The College has outsourced the management and operational support of its information technology services. At its September 2016 meeting, the College's Board of Trustees approved and accepted a contract renewal with Ellucian, with the new contract period beginning November 1, 2016 and ending October 31, 2023. The 7-year contract includes the expansion of services relating to technology support in the Health Professions Building, training support for standard software used College-wide and support of all classroom technology and audio visual support for special events. The 7-year contract fee schedule calls for monthly payments ranging from \$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 also provides for an annual payment adjustment based on the Consumer Price Index. In October 2017, the College made an addendum to its 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 increases the contractual monthly payment by \$11,000.

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

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 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 is required to spend its share of approximately \$6,369,700 from Plant Fund reserves, before any State funding will be received. The College broke ground for the Saginaw Center in March 2018. As of June 30, 2018 the College has incurred project spending of approximately \$2.0 million, with \$1.8 million of this amount 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, 2018**

**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, 2018 and 2017, respectively, the fee distributed to the Foundation amounted to \$196,000 and \$180,000.

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, 2018</b>	<b>June 30, 2017</b>
<b>Assets</b>		
Current assets	\$ 1,907,717	\$ 1,312,246
Long-term assets	261,067	338,448
<b>Total Assets</b>	<b>2,168,784</b>	<b>1,650,694</b>
<b>Liabilities</b>		
Current liabilities	38,630	38,663
<b>Net Position</b>		
Donor-restricted endowments	164,274	107,775
Restricted-expendable	1,307,501	959,190
Unrestricted	658,379	545,066
<b>Total Net Position</b>	<b>\$ 2,130,154</b>	<b>\$ 1,612,031</b>

Notes to Financial Statements - Continued

Delta College

June 30, 2018

Note 14. Delta College Foundation – Continued

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

	Year Ended June 30, 2018	Year Ended June 30, 2017
<b>Operating Revenue</b>	\$ -	\$ -
<b>Operating Expenses</b>		
Institutional administration	127,944	34,818
Fundraising	70,507	23,205
Total Operating Expenses	198,451	58,023
<b>Operating Loss</b>	(198,451)	(58,023)
<b>Nonoperating Revenue (Expenses)</b>		
Gifts	1,746,909	1,197,440
Special events	81,644	68,288
Investment income	301,278	274,762
Foundation grants and distributions to or for Delta College	(1,413,257)	(1,453,784)
Net Nonoperating Revenue (Expenses)	716,574	86,706
<b>Net Income Before Other Revenue</b>	518,123	28,683
<b>Other Revenue</b>		
Capital gifts and grants	-	5,863
<b>Increase in Net Position</b>	518,123	34,546
<b>Net Position</b>		
Beginning of year	1,612,031	1,577,485
End of year	\$ 2,130,154	\$ 1,612,031

**Notes to Financial Statements - Continued**

**Delta College**

**June 30, 2018**

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

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

	<b>Year Ended June 30, 2018</b>	<b>Year Ended June 30, 2017</b>
<b>Net Cash Used in Operating Activities</b>	\$ (202,483)	\$ (54,572)
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	610,652	(2,641)
<b>Net Cash Provided by Capital and Related Financing Activities</b>	25,000	51,375
<b>Net Cash Provided by (Used in) Investing Activities</b>	(204,345)	274,762
<b>Net Increase in Cash and Cash Equivalents</b>	228,824	268,924
<b>Cash and Cash Equivalents</b>		
Beginning of year	1,029,798	760,874
End of year	\$ 1,258,622	\$ 1,029,798

**Note 15. Tax Abatements**

Delta College receives reduced property tax revenue because of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by Bay, Midland and Saginaw Counties. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. For the year ended June 30, 2018 and 2017, Delta College property tax revenues were reduced by \$414,000 and \$296,000, respectively, under these programs. There are no abatements made by the College.

**Note 16. Subsequent Events**

**Delta College 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.

The Delta College Foundation has received several generous commitments to help fund the \$13.0 million cost of construction for the 30,000 square foot building which will provide state-of-the-art technology. Currently, the Delta College Foundation has received firm pledges totaling \$9.0 million, with additional contributions still being sought.



## Notes to Financial Statements - Continued

Delta College

June 30, 2018

### Note 16. Subsequent Events – Continued

**Delta College Midland Center – Continued:** The Delta College Facilities department has concluded the bid process for an architect and construction manager for the project and those bids have been awarded. Ground breaking is expected to take place in the summer of 2019, and it is anticipated that this new facility will hold its first classes in the 2020 fall semester.

**MPSERS Part-time Student Employee Reporting Issue:** On July 2, 2018, Governor Snyder signed into law Public Act (PA) 328 of 2018. This act required community colleges, which included Delta College, to submit a report including wages, hours worked and credit hours for each term contained within the fiscal year for all student employees for the past four fiscal years (July 1, 2014, through June 30, 2018), to the Office of Retirement Services (ORS) no later than August 31, 2018.

The Office of Retirement Services is claiming that Community Colleges have not consistently enrolled part-time student employees as members of MPSERS, and the law requires those errors to be corrected. The intent of the study was to help the legislature determine the scope of the issue. The law does not explicitly define part-time students, and ORS was asked to provide clarification. Consistent with the prevailing definition across community colleges of 12 credits constituting a full-time student, ORS has now clarified that they define part-time students as those enrolled in 11 or fewer credit hours at the start of a semester or term.

Further, it was clarified that the Michigan State Constitution prohibits any actions that would result in an “impairment of accrued financial benefits”, therefore, part-time students are entitled to retirement credit even though their services have not been reported by their employer to the retirement system. Action cannot be taken to impose the removal of benefits from these part-time students going backward.

The results of the PA 328 study were released to community colleges on September 28, 2018. The report contains calculations of preliminary contributions due as well as late fees and interest as required under MCL 38.1342 based on the data provided by the community colleges for the study period. The late fees and interest are calculated to make the retirement system whole for the time that the contributions were not invested in the market. The report issued estimates that Delta College’s preliminary liability to the ORS, including late fees and interest, to be approximately \$500,000.

As of the date of this report, there is draft legislation and negotiations taking place for a resolution to the reporting issue. The current draft legislation limits the reporting period to 4 years, which is consistent with the study described above. ORS has indicated that even without the passage of proposed legislation, they are obligated to assess the contributions, late fees and interest to the colleges as identified in the PA 328 study. If the proposed legislation does not get passed into law, the ORS believes that they are responsible to extend the study and assessment look back period beyond the four years to 2001. Michigan community colleges are hopeful that legislation will be finalized very soon.

**Required Supplementary Information**  
**Schedule of Proportionate Share of Net Pension Liability, Contributions for Michigan Public School**  
**Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information**  
**Delta College**  
**June 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Schedule of Proportionate Share of Net Pension Liability</u></b>				
Delta College's proportion of the collective MPSERS net pension liability:				
As a percentage	0.36091%	0.36396%	0.35920%	0.36636%
Amount	\$ 93,526,507	\$ 90,806,454	\$ 87,735,519	\$ 80,695,808
Delta College's covered employee payroll	\$ 30,340,755	\$ 30,432,804	\$ 30,587,339	\$ 30,260,280
Delta College's proportionate share of the collective pension liability, as a percentage of the College's covered employee payroll	308.4%	298.4%	286.8%	266.7%
MPSERS fiduciary net position, as a percentage of the total pension liability	64.21%	63.27%	63.17%	66.20%
<b><u>Schedule of Contributions for MPSERS</u></b>				
Delta College's statutorily required contributions	\$ 9,937,502	\$ 8,655,641	\$ 8,475,840	\$ 6,412,460
Delta College's contributions in relation to the actuarially determined contractually required contribution	<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 employee payroll	\$ 30,883,232	\$ 31,475,611	\$ 30,304,431	\$ 29,660,019
Delta College contributions as a percentage of covered employee payroll	32.2%	27.5%	28.0%	21.6%

**Notes to Required Supplementary Information**

Changes of benefit terms: There were no changes of benefit terms in 2018.

Changes of assumptions: There were no changes of benefit assumptions in 2018.

**Required Supplementary Information**  
**Schedule of Proportionate Share of Net OPEB Liability, Contributions for Michigan Public School**  
**Employees' Retirement System (MPSERS), and Notes to Required Supplementary Information**  
**Delta College**  
**June 30, 2018**

	<u>2018</u>
<b><u>Schedule of Proportionate Share of Net OPEB Liability</u></b>	
Delta College's proportion of the collective MPSERS net OPEB liability:	
As a percentage	0.36214%
Amount	\$ 32,069,557
 Delta College's covered employee payroll	 \$ 30,340,755
 Delta College's proportionate share of the collective OPEB liability, as a percentage of the College's covered employee payroll	  105.7%
 MPSERS fiduciary net position, as a percentage of the total OPEB liability	  36.39%

**Schedule of Contributions for MPSERS**

Delta College's statutorily required contributions	\$ 2,227,684
 Delta College's contributions in relation to the actuarially determined contractually required contribution	 <u>2,227,684</u>
 Delta College's contribution deficiency (excess)	 \$ -
 Delta College's covered employee payroll	 \$ 30,883,232
 Delta College contributions as a percentage of covered employee payroll	  7.2%

**Notes to Required Supplementary Information**

Changes of benefit terms:	There were no changes of benefit terms in 2018.
Changes of assumptions:	There were no changes of benefit assumptions in 2018.

**Supplemental Schedules of Other Financial Information**  
**Consolidating Balance Sheet**  
**Delta College**  
**June 30, 2018**

	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	\$ 41,489,316	\$ 3,984,157	\$ 7,054,841	\$ 2,264,017	\$ 2,805,122	\$ 1,501,283	\$ 22,324,323	\$ -	\$ -	\$ 296,951	\$ 1,258,622
Short-term investments	27,764,009	2,994,750	2,499,204	4,306,640	498,930	-	16,959,980	-	-	-	504,505
Property taxes receivable	219,987	219,987	-	-	-	-	-	-	-	-	-
State appropriations receivable	3,458,790	3,458,790	-	-	-	-	-	-	-	-	-
Federal and state grants receivable	1,362,670	143,436	350,939	-	868,295	-	-	-	-	-	-
Accounts receivable	729,237	(7,765)	734,944	16	-	-	-	-	1,000	-	1,042
Pledges receivable	143,473	-	-	-	-	-	-	-	-	-	143,473
Inventories	820,278	170,982	-	649,296	-	-	-	-	-	-	-
Prepaid expenses and other assets	393,189	294,645	24,499	914	2,687	38,350	32,019	-	-	-	75
Due from (to) other funds	-	-	(41,273)	-	41,273	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>76,380,949</b>	<b>11,258,982</b>	<b>10,623,154</b>	<b>7,220,883</b>	<b>4,216,307</b>	<b>1,539,633</b>	<b>39,316,322</b>	<b>-</b>	<b>1,000</b>	<b>296,951</b>	<b>1,907,717</b>
<b>Long-Term Investments</b>	<b>25,489,951</b>	<b>945,308</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,606,354</b>	<b>1,938,289</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Long-Term Pledges Receivable</b>	<b>261,067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261,067</b>
<b>Capital Assets</b>											
Land and improvements	11,328,976	-	-	-	-	-	11,328,976	-	-	-	-
Infrastructure	12,280,399	-	-	-	-	-	12,280,399	-	-	-	-
Buildings	121,682,773	-	-	-	-	-	121,682,773	-	-	-	-
Furniture and equipment	18,679,252	-	-	-	-	-	18,679,252	-	-	-	-
Fine art collection	139,832	-	-	-	-	-	139,832	-	-	-	-
Construction in progress	3,390,439	-	-	-	-	-	3,390,439	-	-	-	-
Allowance for depreciation	(69,834,275)	-	-	-	-	-	(69,834,275)	-	-	-	-
<b>Total Capital Assets</b>	<b>97,667,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,667,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>199,799,363</b>	<b>12,204,290</b>	<b>10,623,154</b>	<b>7,220,883</b>	<b>4,216,307</b>	<b>24,145,987</b>	<b>138,922,007</b>	<b>-</b>	<b>1,000</b>	<b>296,951</b>	<b>2,168,784</b>
<b>Deferred Outflows of Resources</b>	<b>22,362,237</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,362,237</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>											
<b>Current Liabilities</b>											
Accounts payable	3,341,696	1,008,186	142,984	52,276	157,374	-	1,683,795	-	-	296,951	130
Accrued payroll and other compensation	3,835,122	3,483,016	158,241	101,516	92,349	-	-	-	-	-	-
Unearned revenue	1,143,273	811,446	252,459	-	39,467	1,401	-	-	-	-	38,500
Current portion of MNJTP bonds payable	1,000	-	-	-	-	-	-	-	1,000	-	-
<b>Total Current Liabilities</b>	<b>8,321,091</b>	<b>5,302,648</b>	<b>553,684</b>	<b>153,792</b>	<b>289,190</b>	<b>1,401</b>	<b>1,683,795</b>	<b>-</b>	<b>1,000</b>	<b>296,951</b>	<b>38,630</b>
<b>Non-Current Liabilities</b>											
Net pension and OPEB liability	125,596,064	-	-	-	-	-	-	125,596,064	-	-	-
<b>Total Liabilities</b>	<b>133,917,155</b>	<b>5,302,648</b>	<b>553,684</b>	<b>153,792</b>	<b>289,190</b>	<b>1,401</b>	<b>1,683,795</b>	<b>125,596,064</b>	<b>1,000</b>	<b>296,951</b>	<b>38,630</b>
<b>Deferred Inflows of Resources</b>	<b>11,748,390</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,748,390</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>											
Net investment in capital assets	97,667,396	-	-	-	-	-	97,667,396	-	-	-	-
Restricted for:											
Donor-restricted endowments	17,388,196	-	-	-	-	17,223,922	-	-	-	-	164,274
Expendable scholarships and awards	1,172,387	-	-	-	846,340	-	-	-	-	-	326,047
Instructional department uses	1,702,631	-	-	-	1,414,102	-	-	-	-	-	288,529
Public broadcasting activities	1,063,311	-	-	-	1,063,311	-	-	-	-	-	-
Other restricted uses	800,310	-	-	-	107,385	-	-	-	-	-	692,925
Unrestricted	(43,298,176)	6,901,642	10,069,470	7,067,091	495,979	6,920,664	39,570,816	(114,982,217)	-	-	658,379
<b>Total Net Position</b>	<b>\$ 76,496,055</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>\$ -</b>	<b>\$ -</b>	<b>\$ 2,130,154</b>

**Supplemental Schedules of Other Financial Information**  
**Consolidating Statement of Revenue, Expenses and Changes in Net Position**  
**Delta College**  
**Year Ended June 30, 2018**

	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 \$7,448,667 in 2018 and \$6,404,632 in 2017	\$ 24,415,205	\$ (7,448,667)	\$ 28,012,692	\$ 3,851,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants and contracts	4,071,320	-	-	-	-	4,071,320	-	-	-	-
State grants and contracts	331,135	-	-	-	-	331,135	-	-	-	-
Local and nongovernmental grants and contracts	907,524	-	-	-	-	907,524	-	-	-	-
Public broadcasting gifts	779,242	-	-	-	-	779,242	-	-	-	-
Auxiliary activities, net of scholarship allowance of \$1,117,326 in 2018 and \$1,077,413 in 2017	4,485,530	(1,117,326)	-	-	5,602,856	-	-	-	-	-
Current year expenditures for capital equipment and facility improvements	-	(4,894,821)	-	-	-	-	-	4,894,821	-	-
Miscellaneous	1,088,988	(22,677)	392,312	408,465	-	222,185	-	88,703	-	-
<b>Total Operating Revenue</b>	<b>36,078,944</b>	<b>(13,483,491)</b>	<b>28,405,004</b>	<b>4,259,645</b>	<b>5,602,856</b>	<b>6,311,406</b>	<b>-</b>	<b>4,983,524</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses</b>										
Instruction	40,959,117	(290,542)	34,875,697	3,136,719	-	3,612,823	-	18,913	(394,493)	-
Public services	2,707,484	(43,429)	1,177,119	5,138	-	1,587,114	-	-	(18,458)	-
Instructional support	8,045,141	(676)	7,724,161	47,294	-	332,873	-	-	(58,511)	-
Student services	20,429,819	(8,654,442)	7,815,174	110,991	5,377,629	15,813,716	-	35,039	(68,288)	-
Institutional administration	8,525,613	(190,499)	7,772,661	769,550	-	-	-	109,116	(63,159)	127,944
Operation and maintenance of facilities	7,558,066	(4,368,814)	6,463,175	-	-	2,589	-	5,510,891	(49,775)	-
Depreciation expense	4,973,117	-	-	-	-	-	-	4,973,117	-	-
Fundraising expenses	12,115	(58,392)	-	-	-	-	-	-	-	70,507
Other expenses	-	(784,871)	-	-	-	-	784,871	-	-	-
<b>Total Operating Expenses</b>	<b>93,210,472</b>	<b>(14,391,665)</b>	<b>65,827,987</b>	<b>4,069,692</b>	<b>5,377,629</b>	<b>21,349,115</b>	<b>784,871</b>	<b>10,647,076</b>	<b>(652,684)</b>	<b>198,451</b>
<b>Operating Income (Loss)</b>	<b>(57,131,528)</b>	<b>908,174</b>	<b>(37,422,983)</b>	<b>189,953</b>	<b>225,227</b>	<b>(15,037,709)</b>	<b>(784,871)</b>	<b>(5,663,552)</b>	<b>652,684</b>	<b>(198,451)</b>
<b>Nonoperating Revenue (Expenses)</b>										
State appropriations	28,928,686	-	29,579,766	-	-	-	-	-	(651,080)	-
Property tax levy	21,942,601	-	21,942,601	-	-	-	-	-	-	-
Pell federal grant revenue	14,172,408	-	-	-	-	14,172,408	-	-	-	-
Gifts	1,256,763	(1,463,732)	145,980	214,297	-	403,113	177,373	32,823	-	1,746,909
Special events, net of expenses of \$62,616 in 2018 and \$59,867 in 2017	81,644	-	-	-	-	-	-	-	-	81,644
Investment income (loss), net of Endowment Fund investment expense of \$175,357 in 2018 and \$158,127 in 2017	3,106,355	(762,765)	451,127	103,184	-	558,318	2,037,292	417,921	-	301,278
Loss on disposition of capital assets	(32,949)	22,677	-	-	-	-	-	(55,626)	-	-
Foundation grants and distributions to or for Delta College	(117,611)	1,295,646	-	-	-	-	-	-	-	(1,413,257)
<b>Net Nonoperating Revenue (Expenses)</b>	<b>69,337,897</b>	<b>(908,174)</b>	<b>52,119,474</b>	<b>317,481</b>	<b>-</b>	<b>15,133,839</b>	<b>2,214,665</b>	<b>395,118</b>	<b>(651,080)</b>	<b>716,574</b>
<b>Net Income (Loss) Before Other Revenue</b>	<b>12,206,369</b>	<b>-</b>	<b>14,696,491</b>	<b>507,434</b>	<b>225,227</b>	<b>96,130</b>	<b>1,429,794</b>	<b>(5,268,434)</b>	<b>1,604</b>	<b>518,123</b>
<b>Other Revenue</b>										
Additions to permanent endowments	350,627	-	-	-	-	-	350,627	-	-	-
<b>Total Other Revenue</b>	<b>350,627</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350,627</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Net Position</b>	<b>12,556,996</b>	<b>-</b>	<b>14,696,491</b>	<b>507,434</b>	<b>225,227</b>	<b>96,130</b>	<b>1,780,421</b>	<b>(5,268,434)</b>	<b>1,604</b>	<b>518,123</b>
<b>Transfers In (Out)</b>	<b>-</b>	<b>-</b>	<b>(14,638,781)</b>	<b>4,428,869</b>	<b>(252,176)</b>	<b>84,267</b>	<b>62,500</b>	<b>10,315,321</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Net Position</b>	<b>12,556,996</b>	<b>-</b>	<b>57,710</b>	<b>4,936,303</b>	<b>(26,949)</b>	<b>180,397</b>	<b>1,842,921</b>	<b>5,046,887</b>	<b>1,604</b>	<b>518,123</b>
<b>Net Position - Beginning of Year</b>										
Beginning of year	96,457,138	-	6,843,932	5,133,167	7,094,040	3,746,720	22,301,665	132,191,325	(82,465,742)	1,612,031
Adjustment for change in accounting principle (Note 1)	(32,518,079)	-	-	-	-	-	-	-	(32,518,079)	-
<b>Net Position - Beginning of Year, As Restated</b>	<b>63,939,059</b>	<b>-</b>	<b>6,843,932</b>	<b>5,133,167</b>	<b>7,094,040</b>	<b>3,746,720</b>	<b>22,301,665</b>	<b>132,191,325</b>	<b>(114,983,821)</b>	<b>1,612,031</b>
<b>Net Position - End 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>

**Supplemental Schedules of Other Financial Information**  
**Details of Certain General Fund Revenues**  
**Delta College**  
**Year Ended June 30, 2018**

**Tuition and Fees**

Tuition	\$	20,771,453
Registration fees		867,473
Course and program fees:		
Excess contact hour fees		2,008,569
Technology fees		2,941,234
Health program fees		178,167
Online course fees		1,190,124
Auto course fees		<u>55,672</u>
<b>Total Tuition and Fees</b>	\$	<u><u>28,012,692</u></u>

**Miscellaneous Revenue**

Collegiate ads	\$	5,400
Credit by exam		6,680
Live scan fees		24,375
Miscellaneous		174,018
Parking fines		942
Planetarium ticket sales		68,309
Rental of college facilities		59,019
Reserve parking		10,961
Testing		<u>42,608</u>
<b>Total Miscellaneous Revenue</b>	\$	<u><u>392,312</u></u>

**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses**  
**Delta College**  
**Year Ended June 30, 2018**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Instruction</b>						
Social Sciences	\$ 3,129,531	\$ 1,650,492	\$ 25,928	\$ -	\$ 29,784	\$ 4,835,735
Humanities	2,120,813	1,109,178	41,592	-	19,000	3,290,583
English	2,700,559	1,456,080	23,247	-	26,373	4,206,259
Mathematics & Computer Science	1,955,947	1,086,609	32,897	-	18,000	3,093,453
Sciences	3,384,967	1,652,104	109,608	-	31,950	5,178,629
Business & Information Technology	2,529,022	1,308,995	25,160	-	23,000	3,886,177
Health & Wellness	4,062,026	2,247,445	254,982	-	39,834	6,604,287
Technical Trades & Manufacturing	1,939,529	1,017,061	225,588	-	29,058	3,211,236
Instructional Equipment	-	-	563,343	5,995	-	569,338
<b>Total Instruction</b>	<b>21,822,394</b>	<b>11,527,964</b>	<b>1,302,345</b>	<b>5,995</b>	<b>216,999</b>	<b>34,875,697</b>
<b>Public Services</b>						
Television	377,092	245,817	-	-	2,905	625,814
Public Radio	78,271	48,922	-	-	705	127,898
Planetarium and Learning Center	219,293	137,855	47,680	-	3,959	408,787
President's Speakers Series	-	-	14,176	-	444	14,620
<b>Total Public Services</b>	<b>674,656</b>	<b>432,594</b>	<b>61,856</b>	<b>-</b>	<b>8,013</b>	<b>1,177,119</b>
<b>Instructional Support</b>						
Office of Vice President of Instruction & Learning Services	194,441	67,199	4,785	-	9,888	276,313
Division Chairs	913,996	587,341	53,593	-	8,967	1,563,897
Academic Deans	362,685	194,241	9,060	-	4,521	570,507
Faculty Secretarial & Instructional Support	113,468	62,641	108,170	-	275	284,554
Instructional Support Information Technology	-	-	1,471,028	-	-	1,471,028
Computer & Multimedia Laboratories	276,660	75,922	168,293	-	950	521,825
Library & Learning Resources Center	498,336	250,210	157,090	-	7,568	913,204
Teaching Learning and WRIT Centers	358,028	152,341	2,043	-	3,429	515,841
Academic Testing Center	125,083	82,188	64	-	413	207,748
Fitness & Aquatics Center Instructional Support	126,040	52,760	38,224	676	592	218,292
Developmental Education	-	-	42	-	-	42
Teaching Enhancement Centers	15,152	18,584	34,035	-	8,287	76,058
Center for Organizational Success	53,561	42,003	28,130	-	1,148	124,842
Accreditation & Assessment	-	-	31,665	-	3,648	35,313
Community Development & Strategic Partnerships	177,512	129,328	4,464	-	3,705	315,009
Service Learning & Community Engagement	106,809	82,807	29,642	-	3,332	222,590
Honors Program	8,942	7,713	12,809	-	616	30,080
eLearning	119,529	80,835	175,333	-	1,321	377,018
<b>Total Instructional Support</b>	<b>3,450,242</b>	<b>1,886,113</b>	<b>2,328,470</b>	<b>676</b>	<b>58,660</b>	<b>7,724,161</b>

**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses - Continued**  
**Delta College**  
**Year Ended June 30, 2018**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Student Services</b>						
Office of Vice President of Student & Education Services	\$ 233,511	\$ 134,214	\$ 24,351	\$ -	\$ 13,373	\$ 405,449
Dean of Students	102,124	32,002	101,911	-	1,990	238,027
Dean of Enrollment Services	150,162	44,597	3,296	-	2,735	200,790
Admissions	395,779	240,999	66,592	-	5,823	709,193
Records & Registration	367,904	218,109	35,482	-	8,801	630,296
Counseling & Advising	777,303	455,843	9,204	-	9,254	1,251,604
Financial Aid	545,952	363,712	16,017	-	8,875	934,556
Enrollment Management & Student Goodwill	450	219	72,869	-	18,320	91,858
Student Engagement, Leadership, & Organizations	126,807	65,369	55,223	-	6,596	253,995
Career & Employment Services	182,092	87,767	31,356	-	1,475	302,690
Marketing & Publications	-	-	450,881	-	-	450,881
Veteran Services	63,942	33,485	9,035	-	694	107,156
Student Services Support Information Technology	-	-	647,452	-	-	647,452
Collegiate Student Newspaper	44,720	4,966	12,199	-	-	61,885
Disability Resources	89,496	55,900	33,681	-	2,453	181,530
Commencement & Student Awards	-	-	19,001	-	-	19,001
Possible Dream Program	51,256	37,774	558	-	500	90,088
Student Testing & Assessment	19,367	18,443	37,137	-	206	75,153
Scholarships & Grants	-	-	299,839	-	-	299,839
Ricker Center	83,537	53,862	105,217	-	500	243,116
Midland Center	56,664	46,263	1,753	-	500	105,180
Athletic Programs	185,607	100,507	104,053	-	125,268	515,435
<b>Total Student Services</b>	<b>3,476,673</b>	<b>1,994,031</b>	<b>2,137,107</b>	<b>-</b>	<b>207,363</b>	<b>7,815,174</b>



**Supplemental Schedules of Other Financial Information**  
**Details of General Fund Operating Expenses - Continued**  
**Delta College**  
**Year Ended June 30, 2018**

	Salaries	Fringe Benefits	Supplies & Services	Capital Expenditures	Professional Development & Travel	Total
<b>Institutional Administration</b>						
Board of Trustees	\$ -	\$ -	\$ 18,810	\$ -	\$ 10,681	\$ 29,491
Development Office	293,428	191,629	32,663	-	2,950	520,670
Equity Office	39,476	25,195	4,398	-	1,202	70,271
President's Office	393,426	271,709	14,406	-	10,965	690,506
Memberships	-	-	129,604	-	1,588	131,192
Miscellaneous	1,000	173	67,328	-	4,458	72,959
Strategic Planning	-	-	14,531	-	8,061	22,592
Legal	-	-	84,743	-	-	84,743
Audit	-	-	54,168	-	-	54,168
Bank Fees, Collection Expenses & Bad Debts	-	-	365,833	-	-	365,833
Insurance, Unemployment & Other	-	193,898	416,136	-	-	610,034
Communications Technology	96,835	64,899	80,684	-	500	242,918
Business Services	224,928	144,615	17,925	-	1,789	389,257
Finance Office	776,708	479,516	41,556	-	8,457	1,306,237
Administrative Support Information Technology	42,395	24,704	1,070,478	-	175	1,137,752
Human Resources & Staff Recruitment	442,296	263,779	73,135	-	8,403	787,613
Senate	32,759	23,287	2,921	-	138	59,105
Post Office	57,114	44,587	3,504	-	275	105,480
Institutional Advancement	345,389	237,980	3,405	-	5,294	592,068
Institutional Research	294,237	164,051	3,797	-	2,048	464,133
Wellness & Professional Development	-	9,640	25,999	-	-	35,639
<b>Total Institutional Administration</b>	<b>3,039,991</b>	<b>2,139,662</b>	<b>2,526,024</b>	<b>-</b>	<b>66,984</b>	<b>7,772,661</b>
<b>Operation and Maintenance of Facilities</b>						
Public Safety	415,213	213,071	26,810	-	5,639	660,733
Facilities Management	660,666	365,875	12,364	-	5,506	1,044,411
Facility Operations	1,538,172	1,018,785	187,239	133,500	2,064	2,879,760
Utilities	-	-	1,287,741	-	-	1,287,741
Facility Maintenance & Improvements	-	-	292,678	-	-	292,678
Off-Campus Centers & President's House	-	-	297,852	-	-	297,852
<b>Total Operation and Maintenance of Facilities</b>	<b>2,614,051</b>	<b>1,597,731</b>	<b>2,104,684</b>	<b>133,500</b>	<b>13,209</b>	<b>6,463,175</b>
<b>Total General Fund Operating Expenses</b>	<b>\$ 35,078,007</b>	<b>\$ 19,578,095</b>	<b>\$ 10,460,486</b>	<b>\$ 140,171</b>	<b>\$ 571,228</b>	<b>\$ 65,827,987</b>

**Supplemental Schedules of Other Financial Information**  
**Details of Designated Fund**  
**Delta College**  
**Year Ended June 30, 2018**

	Revenues						Expenses							Net Increase (Decrease) In Net Assets	Net Position June 30, 2018
	Net Position July 1, 2017	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	Transfers In (Out)		
<b>Instruction</b>															
Corporate Services	\$ 1,136,233	\$ 2,634,077	\$ -	\$ -	\$ -	\$ 2,634,077	\$ 1,333,083	\$ 571,471	\$ 523,549	\$ -	\$ -	\$ 2,428,103	\$ -	\$ 205,974	\$ 1,342,207
Criminal Justice Training Programs	(309,131)	452,509	-	-	-	452,509	225,615	120,521	87,161	-	4,661	437,958	294,580	309,131	-
Lifelong Learning & Youth Camps	(596,978)	187,533	-	-	-	187,533	160,850	85,928	22,799	-	1,081	270,658	680,103	596,978	-
<b>Total Instruction</b>	<b>230,124</b>	<b>3,274,119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,274,119</b>	<b>1,719,548</b>	<b>777,920</b>	<b>633,509</b>	<b>-</b>	<b>5,742</b>	<b>3,136,719</b>	<b>974,683</b>	<b>1,112,083</b>	<b>1,342,207</b>
<b>Public Services</b>															
Global Awareness	17,977	-	-	-	1,459	1,459	-	-	-	-	-	-	-	1,459	19,436
Delta Productions	10,583	-	3,562	-	-	3,562	-	-	1,723	-	-	1,723	-	1,839	12,422
Dental Hygiene Powerbrush Program	475	-	3,190	-	-	3,190	-	-	3,299	-	-	3,299	-	(109)	366
Michigan MATYC Conference	2,453	-	-	-	-	-	-	-	-	-	-	-	-	-	2,453
Telelearning Network	9,216	-	-	-	-	-	-	-	-	-	-	-	-	-	9,216
Sailing Program	(70,934)	-	-	-	1,126	1,126	-	-	116	-	-	116	-	1,010	(69,924)
<b>Total Public Services</b>	<b>(30,230)</b>	<b>-</b>	<b>6,752</b>	<b>-</b>	<b>2,585</b>	<b>9,337</b>	<b>-</b>	<b>-</b>	<b>5,138</b>	<b>-</b>	<b>-</b>	<b>5,138</b>	<b>-</b>	<b>4,199</b>	<b>(26,031)</b>
<b>Instructional Support</b>															
President's Scholarship Program	303,962	-	-	-	74,985	74,985	-	-	-	-	-	-	-	74,985	378,947
President's Innovation Projects	67,771	-	1,650	-	-	1,650	100	9	3,973	-	-	4,082	50,000	47,568	115,339
Prison Program	(7,858)	-	-	-	-	-	5,345	1,594	(3,619)	-	175	3,495	7,977	4,482	(3,376)
MEDC MAT2 Project	-	-	15,849	-	-	15,849	163	53	-	-	-	216	-	15,633	15,633
Faculty & Instructional Development	113,674	-	37,579	-	-	37,579	-	-	7,758	-	14,701	22,459	-	15,120	128,794
Developmental Education	4,156	-	-	-	-	-	-	-	-	-	-	-	-	-	4,156
Library Resource Replacement	15,929	-	3,428	-	-	3,428	-	-	11,150	-	-	11,150	-	(7,722)	8,207
Photography Lab Printing	2,923	-	839	-	-	839	-	-	1,880	-	-	1,880	-	(1,041)	1,882
Kenya Partnership	154	-	-	-	-	-	-	-	-	-	-	-	-	-	154
Art & Archive Projects	47,729	-	-	-	12,027	12,027	-	-	4,012	-	-	4,012	-	8,015	55,744
<b>Total Instructional Support</b>	<b>548,440</b>	<b>-</b>	<b>59,345</b>	<b>-</b>	<b>87,012</b>	<b>146,357</b>	<b>5,608</b>	<b>1,656</b>	<b>25,154</b>	<b>-</b>	<b>14,876</b>	<b>47,294</b>	<b>57,977</b>	<b>157,040</b>	<b>705,480</b>
<b>Student Services</b>															
Student Engagement & Service Learning Activities	8,945	-	4,136	-	-	4,136	-	-	4,071	-	-	4,071	93	158	9,103
Computer Rental Program	7,267	-	-	-	-	-	-	-	-	-	-	-	-	-	7,267
Math Calculator Rental Program	12,175	-	6,985	-	-	6,985	-	-	1,780	-	-	1,780	-	5,205	17,380
Math Placement Booster	4,699	-	-	-	-	-	-	-	-	-	-	-	-	-	4,699
Bit Calculator Rental Program	400	-	125	-	-	125	-	-	-	-	-	-	-	125	525
Student Skills Achievement Programs	6,100	-	5,225	-	-	5,225	-	-	5,995	-	-	5,995	-	(770)	5,330
President's Honors Scholarship	93,247	-	-	-	-	-	-	-	416	-	-	416	31,375	30,959	124,206
Pioneer Athletic Fundraisers	38,851	-	75,253	29,527	-	104,780	-	-	71,730	-	26,999	98,729	300	6,351	45,202
<b>Total Student Services</b>	<b>171,684</b>	<b>-</b>	<b>91,724</b>	<b>29,527</b>	<b>-</b>	<b>121,251</b>	<b>-</b>	<b>-</b>	<b>83,992</b>	<b>-</b>	<b>26,999</b>	<b>110,991</b>	<b>31,768</b>	<b>42,028</b>	<b>213,712</b>
<b>Institutional Administration</b>															
Corporate Services Administration	-	577,061	557	-	-	577,618	263,845	121,537	41,343	-	2,657	429,382	(148,236)	-	-
Whiting Projects	77,469	-	-	-	-	-	-	-	-	-	-	-	-	-	77,469
UNUM Projects	707,486	-	-	-	13,587	13,587	-	-	-	-	-	-	-	13,587	721,073
Flexible Spending & Healthcare Reform Administration	125,329	-	(1,081)	-	-	(1,081)	-	-	16,944	-	-	16,944	16,398	(1,627)	123,702
Administrative Reserve for Budget Sustainability	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000	3,000,000
Administrative Development & Technology Projects	159,848	-	40,995	-	-	40,995	-	-	107,181	-	-	107,181	-	(66,186)	93,662
Administrative Reserve for Tax Appeals	76,721	-	-	-	-	-	-	-	-	-	-	-	(76,721)	(76,721)	-
Self Insurance	3,066,296	-	210,173	-	-	210,173	-	-	31,273	-	-	31,273	573,000	751,900	3,818,196
Gifts In Kind	-	-	-	184,770	-	184,770	-	-	81,859	102,911	-	184,770	-	-	-
<b>Total Institutional Administration</b>	<b>4,213,149</b>	<b>577,061</b>	<b>250,644</b>	<b>184,770</b>	<b>13,587</b>	<b>1,026,062</b>	<b>263,845</b>	<b>121,537</b>	<b>278,600</b>	<b>102,911</b>	<b>2,657</b>	<b>769,550</b>	<b>3,364,441</b>	<b>3,620,953</b>	<b>7,834,102</b>
<b>Total Designated Fund</b>	<b>\$ 5,133,167</b>	<b>\$ 3,851,180</b>	<b>\$ 408,465</b>	<b>\$ 214,297</b>	<b>\$ 103,184</b>	<b>\$ 4,577,126</b>	<b>\$ 1,989,001</b>	<b>\$ 901,113</b>	<b>\$ 1,026,393</b>	<b>\$ 102,911</b>	<b>\$ 50,274</b>	<b>\$ 4,069,692</b>	<b>\$ 4,428,869</b>	<b>\$ 4,936,303</b>	<b>\$ 10,069,470</b>

**Supplemental Schedules of Other Financial Information**  
**Details of Auxiliary Activities Fund**  
**Delta College**  
**Year Ended June 30, 2018**

	Net Position July 1, 2017	Operating Revenues	Expenses				Total Expenses	Operating Income (Loss)	Transfers In (Out)	Net Position June 30, 2018
			Salaries	Fringe Benefits	Supplies and Services	Capital Expenses				
<b>Auxiliary Activities</b>										
Bookstore	\$ 5,285,879	\$ 4,202,000	\$ 449,848	\$ 169,875	\$ 3,368,627	\$ -	\$ 3,988,350	\$ 213,650	\$ (251,333)	\$ 5,248,196
Food Services	498,451	967,331	381,792	151,600	451,560	-	984,952	(17,621)	(843)	479,987
Fitness & Recreation Center	634,167	339,165	218,225	72,901	35,605	27,295	354,026	(14,861)	-	619,306
Carlyon Farmhouse	5,325	-	-	-	-	-	-	-	-	5,325
Planetarium Gift Shop & Conference Services	(7,715)	18,980	-	-	18,458	-	18,458	522	-	(7,193)
Learning Resources Vending	16,973	-	-	-	-	-	-	-	-	16,973
<b>Total Auxiliary Activities</b>	<u>6,433,080</u>	<u>\$ 5,527,476</u>	<u>\$ 1,049,865</u>	<u>\$ 394,376</u>	<u>\$ 3,874,250</u>	<u>\$ 27,295</u>	<u>5,345,786</u>	<u>181,690</u>	<u>(252,176)</u>	<u>6,362,594</u>
<b>Internal Service Operations</b>										
Internal Service Operations	660,960	756,973	<u>\$ 174,725</u>	<u>\$ 97,667</u>	<u>\$ 379,890</u>	<u>\$ 61,154</u>	713,436	43,537	-	704,497
Elimination of Rebilled Charges	-	(681,593)	-	-	-	-	(681,593)	-	-	-
<b>Net Internal Service Operations</b>	<u>660,960</u>	<u>75,380</u>	-	-	-	-	<u>31,843</u>	<u>43,537</u>	<u>-</u>	<u>704,497</u>
<b>Total</b>	<u>\$ 7,094,040</u>	<u>\$ 5,602,856</u>	-	-	-	-	<u>\$ 5,377,629</u>	<u>\$ 225,227</u>	<u>\$ (252,176)</u>	<u>\$ 7,067,091</u>

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

**Year Ended June 30, 2018**

	Revenues								Expenses							Net Increase (Decrease) In Net Assets	Net Position June 30, 2018
	Net Position July 1, 2017	Federal Grants and Contracts	State Grants and Contracts	Local and Nongovernmental Grants and Contracts	Miscellaneous Revenue	Gifts	Endowment and Investment Income	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	\$ 68,383	\$ 2,530,999	\$ -	\$ 3,000	\$ -	\$ 66,000	\$ -	\$ 2,599,999	\$ 1,036,004	\$ 602,301	\$ 984,748	\$ -	\$ 4,057	\$ 2,627,110	\$ -	\$ (27,111)	\$ 41,272
Motorcycle Safety Training Programs	150	38,875	71,466	-	31,600	-	141,941	68,689	24,298	10,079	-	38,875	-	141,941	-	-	150
Endowed Teaching Chair Program	83,439	-	-	-	-	-	26,244	26,244	-	-	11,512	-	9,948	21,460	-	4,784	88,223
NSF TUES Grants	-	24,078	-	-	-	-	24,078	1,886	408	21,784	-	-	-	24,078	-	-	-
League for Innovation Global Skills Grants	2,809	-	-	-	-	-	-	-	-	81	-	-	-	81	-	(81)	2,728
MEDC CCSTEP Grant	-	-	242,322	-	-	-	242,322	30,313	9,743	66,889	140,354	7,050	254,349	12,026	(1)	(1)	
Towsley Foundation Girls Day Out	-	-	-	-	-	8,000	8,000	-	-	6,586	-	-	6,586	-	1,414	1,414	
Wickes Diesel Program Startup	338,224	-	-	-	-	142,008	142,008	-	-	62,556	-	-	62,556	-	79,452	417,676	
Wickes Foundation Instructional Program Projects	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18	
Dow Foundation STEM Explorer Program	929,624	-	-	-	-	-	73,168	73,168	86,648	47,885	34,671	-	2,323	171,527	165	(98,194)	831,430
Gerstacker STEM Talent Project	165	-	-	-	-	-	-	-	-	-	-	-	-	-	(165)	(165)	
Perkins Voc Ed Grant - Instructional Equipment	-	303,135	-	-	-	-	303,135	-	-	197,817	105,318	-	303,135	-	-	-	
<b>Total Instruction</b>	<b>1,422,812</b>	<b>2,897,087</b>	<b>313,788</b>	<b>3,000</b>	<b>31,600</b>	<b>216,008</b>	<b>99,412</b>	<b>3,560,895</b>	<b>1,223,540</b>	<b>684,635</b>	<b>1,396,723</b>	<b>284,547</b>	<b>23,378</b>	<b>3,612,823</b>	<b>12,026</b>	<b>(39,902)</b>	<b>1,382,910</b>
<b>Public Service</b>																	
Possible Dream Program	136,294	-	-	-	-	-	74,142	74,142	6,444	131	60,831	-	-	67,406	(645)	6,091	142,385
Humanities Learning Center	4,830	-	-	-	-	-	-	-	-	-	572	-	-	572	-	(572)	4,258
MCSC Global Youth Service Day Grant	-	100	-	-	-	-	100	100	-	-	100	-	-	100	-	-	-
MCSC Martin Luther King Jr. Day Grant	-	438	-	-	-	-	438	438	-	-	438	-	-	438	-	-	-
Planetarium Be A Star	189,889	-	-	-	-	-	25,171	25,171	-	-	32,010	-	-	32,010	-	(6,839)	183,050
MI-ACE Understanding Title IX Grant	359	-	-	-	-	-	-	-	-	-	359	-	-	359	-	(359)	-
Public Broadcasting - Television	951,693	-	-	743,643	188,611	602,137	11,805	1,546,196	192,104	92,913	964,233	43,429	13,042	1,305,721	(63,783)	176,692	1,128,385
Public Broadcasting - Radio	65,426	-	-	-	-	177,106	3,199	180,305	64,142	22,902	93,309	-	155	180,508	-	(203)	65,223
<b>Total Public Service</b>	<b>1,348,491</b>	<b>538</b>	<b>-</b>	<b>743,643</b>	<b>188,611</b>	<b>779,243</b>	<b>114,317</b>	<b>1,826,352</b>	<b>262,690</b>	<b>115,946</b>	<b>1,151,852</b>	<b>43,429</b>	<b>13,197</b>	<b>1,587,114</b>	<b>(64,428)</b>	<b>174,810</b>	<b>1,523,301</b>
<b>Instructional Support</b>																	
Water Treatment Instruction Development	2,913	-	-	-	-	-	-	-	-	-	97	-	-	97	-	(97)	2,816
GLBR Alliance Employee Talent Pipeline Grant	-	-	-	68,924	-	-	-	68,924	62,416	33,615	1,693	-	400	98,124	29,200	-	-
Perkins Voc Ed Grant - Professional & Curriculum Dev	-	146,653	-	-	-	-	-	146,653	80,795	54,879	-	-	10,979	146,653	-	-	
Algebra Research Project Grant	-	-	-	11,791	-	-	-	11,791	6,346	2,067	2,098	-	1,280	11,791	-	-	
ATD Engaging Adjunct Faculty Grant	-	-	-	76,208	-	-	-	76,208	42,353	13,954	120	-	19,781	76,208	-	-	
<b>Total Instructional Support</b>	<b>2,913</b>	<b>146,653</b>	<b>-</b>	<b>156,923</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303,576</b>	<b>191,910</b>	<b>104,515</b>	<b>4,008</b>	<b>-</b>	<b>32,440</b>	<b>332,873</b>	<b>29,200</b>	<b>(97)</b>	<b>2,816</b>
<b>Student Services</b>																	
Perkins Voc Ed Grant - Special Needs	-	215,839	-	-	-	-	-	215,839	169,749	83,497	6,500	-	975	260,721	44,882	-	-
MICUP STEP/CMU Partnership Grant	-	-	477	-	-	-	-	477	338	59	80	-	-	477	-	-	
MICUP/MTU Partnership Grant	-	-	7,000	-	-	-	-	7,000	2,265	395	996	-	3,344	7,000	-	-	
Pell Grants	-	14,172,408	-	-	-	-	-	14,172,408	-	-	14,172,408	-	-	14,172,408	-	-	
MSP-CSAGP-Its on Us Grant	-	-	8,712	-	-	-	-	8,712	-	-	8,712	-	-	8,712	-	-	
Supplemental Educational Opportunity Grant	-	362,125	-	-	-	-	-	362,125	-	-	362,125	-	-	362,125	-	-	
TRIO Educational Opportunity Grant	-	244,486	-	-	-	-	-	244,486	146,079	55,822	35,882	-	6,703	244,486	-	-	
Federal Workstudy Grant	-	183,315	-	-	-	-	-	183,315	242,504	-	-	-	-	242,504	59,189	-	
Job Locator and Development Grant	-	20,252	-	-	-	-	-	20,252	14,174	5,978	-	-	100	20,252	-	-	
Federal Workstudy Off-Campus	(355)	-	-	3,958	-	-	-	3,958	-	-	-	-	-	-	(3,602)	356	
VA Program Support	-	-	-	-	1,974	-	-	1,974	-	-	-	-	-	-	-	1,974	
Scholarships & Awards	968,020	-	-	-	-	187,104	344,589	531,693	6,600	548	487,883	-	-	495,031	7,000	43,662	1,011,682
<b>Total Student Services</b>	<b>967,665</b>	<b>15,198,425</b>	<b>16,189</b>	<b>3,958</b>	<b>1,974</b>	<b>187,104</b>	<b>344,589</b>	<b>15,752,239</b>	<b>581,709</b>	<b>146,299</b>	<b>15,074,586</b>	<b>-</b>	<b>11,122</b>	<b>15,813,716</b>	<b>107,469</b>	<b>45,992</b>	<b>1,013,657</b>
<b>Operation and Maintenance of Facilities</b>																	
Sustainability Grants	2,124	-	-	-	-	-	-	-	62	-	342	-	-	404	-	(404)	1,720
MSP-Crisis Reponse Kit Grant	-	1,025	-	-	-	-	-	1,025	-	-	1,025	-	-	1,025	-	-	
Michigan Justice Training & Drug Enforcement Grants	2,715	-	1,158	-	-	-	-	1,158	-	-	1,160	-	-	1,160	-	(2)	2,713
<b>Total Operation and Maintenance of Facilities</b>	<b>4,839</b>	<b>1,025</b>	<b>1,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,183</b>	<b>62</b>	<b>-</b>	<b>2,527</b>	<b>-</b>	<b>-</b>	<b>2,589</b>	<b>-</b>	<b>(406)</b>	<b>4,433</b>
<b>Total Expendable Restricted Fund</b>	<b>\$ 3,746,720</b>	<b>\$ 18,243,728</b>	<b>\$ 331,135</b>	<b>\$ 907,524</b>	<b>\$ 222,185</b>	<b>\$ 1,182,355</b>	<b>\$ 558,318</b>	<b>\$ 21,445,245</b>	<b>\$ 2,259,911</b>	<b>\$ 1,051,395</b>	<b>\$ 17,629,696</b>	<b>\$ 327,976</b>	<b>\$ 80,137</b>	<b>\$ 21,349,115</b>	<b>\$ 84,267</b>	<b>\$ 180,397</b>	<b>\$ 3,927,117</b>

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund**  
**Delta College**  
**Year Ended June 30, 2018**

	Net Assets July 1, 2017	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2018
<b>Endowment Funds</b>						
Margaret Adams Scholarship	\$ 10,890	\$ -	\$ 1,171	\$ (414)	\$ (188)	\$ 11,459
Charleen T. Adcock Scholarship	55,182	-	5,935	(2,038)	(939)	58,140
Anderson Family Delta Sculpture Walk	104,869	-	11,278	(4,036)	(1,826)	110,285
Anderson Family Scholarship	41,250	4,000	4,512	(1,295)	(660)	47,807
Athletic Scholarship	364,740	-	39,227	(13,819)	(6,297)	383,851
M. Seth Babcock Scholarship	16,456	-	1,769	(626)	(284)	17,315
Mary Ann (McGregor) Badour Scholarship	39,431	-	4,241	(1,498)	(681)	41,493
James & Joy Baker Scholarship	39,910	-	4,292	(1,509)	(688)	42,005
Ormond Barstow/Ludo Frevel Award for Scholarly Achievement	30,638	-	3,295	(1,165)	(530)	32,238
Baxandall Scholarship	211,292	-	22,723	(7,128)	(3,428)	223,459
Bay City Central Class of '41 Scholarship	80,786	-	8,688	(2,723)	(1,310)	85,441
Elzie & Muriel Beaver Scholarship	140,829	-	15,145	(5,351)	(2,435)	148,188
Bergstein Award for Teaching Excellence	-	20,952	292	-	(38)	21,206
Leonard & Esther Bergstein Scholarship	66,557	10,000	7,322	(1,737)	(980)	81,162
Darrell R. Berry Scholarship	30,650	-	3,297	(1,163)	(530)	32,254
Alfred J. Bladecki Scholarship	10,379	-	1,116	(395)	(180)	10,920
Martin & Emma Block Scholarships	471,936	-	50,755	(17,925)	(8,158)	496,608
Peter & Barbra Boyse Program (Restricted)	33,155	-	3,565	(1,161)	(548)	35,011
Peter D. Boyse President's Scholar Program	1,975,237	1,000	212,447	(74,985)	(34,138)	2,079,561
Louise K. Brentin Scholarship	33,414	9,499	3,667	(802)	(470)	45,308
Business Division Scholarship	150,125	410	16,152	(5,691)	(2,594)	158,402
Carlyon Farmhouse Maintenance	220,246	-	23,687	(8,370)	(3,809)	231,754
Donald & Betty Carlyon Scholarship	163,676	5,664	17,681	(5,345)	(2,621)	179,055
Donald & Betty Carlyon Endowed Teaching Chair	208,486	-	22,422	(7,924)	(3,605)	219,379
DeeMona Chatman Scholarship	23,769	-	2,556	(902)	(410)	25,013
William R. Collings Award for Outstanding Service & Academic Achievement	38,206	-	4,110	(1,451)	(661)	40,204
Lynn Conway Athletic Scholarship	27,099	260	2,921	(996)	(461)	28,823
Gilbert A. Currie Estate Scholarship	313,465	-	33,712	(11,917)	(5,421)	329,839
Ilau & Phillip Dean Scholarship	45,846	2,500	4,977	(1,556)	(755)	51,012
Delta Deltah's Scholarship	5,914	-	635	(225)	(102)	6,222
Delta College Employee-Sponsored Scholarship	116,332	-	12,510	(4,422)	(2,012)	122,408
Delta College Planetarium Fund	680,250	10,153	73,580	(25,171)	(11,632)	727,180
Robert DeVinney Endowed Teaching Chair	142,663	75	15,345	(5,412)	(2,465)	150,206
Dixon Family Scholarship	68,413	-	7,358	(2,598)	(1,182)	71,991
Herbert Doan Scholarship	20,006	9,835	2,337	(391)	(289)	31,498
B. Joe & Margery (Knepp) Dodson Scholarship	100,177	-	10,774	(1,556)	(1,170)	108,225
Frances Dolinski Scholarship	76,533	6,500	8,284	(2,485)	(1,226)	87,606
Henry Dolinski Scholarship	83,700	6,500	9,055	(2,756)	(1,350)	95,149
Dr. Louis W. Doll & Patricia Drury Scholarship	42,456	100	4,567	(1,587)	(728)	44,808
Tom Dostal Memorial Scholarship	29,155	877	3,160	(1,057)	(494)	31,641
Dow Chemical Company Michigan Operations Award for Physical Science	25,922	-	2,788	(985)	(448)	27,277
The Herbert H. & Grace A. Dow Foundation Science Education	2,187,205	-	235,228	(65,336)	(33,375)	2,323,722
Herbert H. & Barbara C. Dow Fund	43,678	-	4,697	(1,660)	(755)	45,960

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2018**

	Net Assets July 1, 2017	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2018
<b>Endowment Funds - Continued</b>						
Jerry & Terry Drake Scholarship & Broadcasting Program Support	\$ 238,871	\$ -	\$ 25,690	\$ (9,074)	\$ (4,130)	\$ 251,357
Draper Family Scholarship	15,364	-	1,653	(584)	(266)	16,167
Gene R. Duckworth Scholarship	31,108	-	3,345	(1,175)	(536)	32,742
Fred E. Dulmage Award for Engineering & Technology	22,770	-	2,449	(865)	(393)	23,961
Eldon Enger & Fred Ross Scholarship	24,983	25	2,687	(923)	(426)	26,346
English Division Guest Lecturer	25,264	-	2,717	(958)	(437)	26,586
James E. & Leanne Lutz Erickson Scholarship	24,176	828	2,615	(871)	(409)	26,339
Faculty Executive Committee Award	5,157	-	555	(196)	(89)	5,427
Fettig Family Scholarship	29,536	2,075	3,182	(919)	(461)	33,413
Arthur J. & Bette L. Fisher Scholarship	291,853	-	31,388	(11,080)	(5,044)	307,117
Isabella M. Flynn Scholarship	294,662	-	31,690	(11,160)	(5,086)	310,106
Peter & Suzanne Frantz Award for Art	26,413	-	2,841	(1,003)	(457)	27,794
Dr. John & Joanne Fuller Scholarship	31,177	3,260	3,536	(1,092)	(532)	36,349
Gakstatter Family Scholarship	-	45,548	859	-	(165)	46,242
David R. & Vivian S. Gamez Scholarship	76,756	-	8,255	(2,903)	(1,324)	80,784
Gerace Construction Scholarship	138,114	-	14,854	(5,246)	(2,388)	145,334
Gerity Broadcasting Company Scholarship	109,114	-	11,734	(4,148)	(1,887)	114,813
Gerstacker Faculty Recognition Award	34,252	-	3,684	(1,301)	(592)	36,043
Global Education Program	38,389	-	4,128	(1,459)	(664)	40,394
Robert M. Gohlke Scholarship	32,886	-	3,537	(1,244)	(567)	34,612
Jean Goodnow Scholarship	30,052	1,000	3,297	(1,058)	(504)	32,787
Gougeon Brothers, Inc. Award for Applied Industrial/Technical	25,264	-	2,717	(958)	(437)	26,586
Patricia L. & Robert W. Grant Jr. Scholarship & Humanities Program	273,442	-	29,407	(10,381)	(4,725)	287,743
Great Lakes Bay Manufacturers' Association Scholarship	41,789	-	4,495	(1,585)	(722)	43,977
Russell B. & Grace H. Green Scholarship	44,694	-	4,807	(1,698)	(772)	47,031
Priscilla Bogi Guritza Memorial Scholarship	25,442	-	2,736	(967)	(440)	26,771
Beki Gray Hadley Scholarship	44,828	-	4,820	(1,696)	(773)	47,179
David & Jackie Hall Scholarship	22,716	-	2,443	(860)	(392)	23,907
Hammond Family Scholarship	22,521	-	2,422	(851)	(388)	23,704
Sarah Hansen Scholarship	12,287	500	1,322	(466)	(213)	13,430
William J Hargreaves Scholarship	-	24,096	337	-	(44)	24,389
Joan B. Harry Scholarship	26,870	-	2,889	(1,022)	(465)	28,272
Harry Hawkins Scholarship	18,278	-	1,966	(695)	(316)	19,233
Robert & Joyce Hetzler Family Award for Outstanding Service & Leadership	25,618	-	2,756	(973)	(443)	26,958
Hilde & Walter Heyman Scholarship	20,461	-	2,200	(777)	(353)	21,531
Ada E. Hobbs Scholarship	12,934	-	1,392	(492)	(224)	13,610
Don Holzhei Memorial Scholarship	26,241	-	2,822	(982)	(449)	27,632
Home Builders Association of Bay, Midland & Saginaw Counties	21,673	-	2,331	(823)	(375)	22,806
Honors Student Scholarship	85,908	-	9,239	(3,266)	(1,485)	90,396
Kimberly R Houston Scholarship	-	22,018	-	-	-	22,018
James R. & Anita H. Jenkins Family Scholarship	128,598	-	13,830	(4,615)	(2,156)	135,657
Phyllis E. Jones Memorial Scholarship	21,800	-	2,345	(828)	(377)	22,940
S. Preston & Dr. Betty B. Jones International Scholarship	103,016	12,000	11,396	(3,613)	(1,736)	121,063

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2018**

	Net Assets July 1, 2017	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2018
<b>Endowment Funds - Continued</b>						
Dan E. Karn Memorial Scholarship	\$ 4,390	\$ -	\$ 472	\$ (167)	\$ (76)	\$ 4,619
Kaufmann Family Scholarship	20,614	-	2,217	(783)	(357)	21,691
Robert F. Keicher Memorial Scholarship	24,524	75	2,638	(924)	(422)	25,891
Dale & Alma Keyser Scholarship	33,090	500	3,569	(1,209)	(562)	35,388
Walter J. & Sophia M. Kilar Scholarship	24,930	-	2,680	(948)	(431)	26,231
International Order of King's Daughters & Sons Scholarship	28,700	-	3,087	(1,091)	(497)	30,199
Oscar W. Kloha Scholarship	41,549	-	4,469	(1,580)	(719)	43,719
Robert I. & Marjorie H. Knepp Scholarship	227,712	-	24,490	(8,629)	(3,931)	239,642
W.R. & Edith Knepp Scholarship	234,820	-	25,254	(8,927)	(4,062)	247,085
W.R. Knepp, Jr. Scholarship	177,727	-	19,115	(6,757)	(3,074)	187,011
Daniel P. Kubiak Scholarship	21,347	-	2,296	(811)	(369)	22,463
Gary Laatsch Scholarship	41,094	-	4,419	(1,546)	(707)	43,260
Jack LaBreck Scholarship	6,397	-	688	(243)	(111)	6,731
Ilene M. Lane Nursing Scholarship	60,378	25	6,495	(2,280)	(1,041)	63,577
Dr. Thomas H. Lane & Janis E. Landry-Lane Scholarship	86,096	-	9,260	(3,255)	(1,485)	90,616
Edward & Kathryn (Dunn) Langenburg Award for Education	27,276	-	2,934	(1,012)	(466)	28,732
Thomas & Rose Mary Laur Scholarship	90,647	-	9,749	(2,832)	(1,414)	96,150
Leo & Evelyn Levy Scholarship	24,555	50	2,642	(928)	(424)	25,895
Denise Lovay-Gravlin Memorial Scholarship	24,286	1,290	2,633	(868)	(409)	26,932
Edward & Kathleen Lunt Scholarship	161,948	-	17,418	(5,613)	(2,665)	171,088
Karen MacArthur Endowed Teaching Chair	131,844	1,000	14,193	(4,974)	(2,273)	139,790
Thomas & Brenda Mahar Scholarship	26,611	-	2,862	(1,011)	(460)	28,002
William & Susan Marklewitz for Health Professions	157,668	-	16,956	(3,104)	(2,004)	169,516
Margaret McAlear Scholarship	40,587	800	4,377	(1,542)	(703)	43,519
James R. McIntyre Award for Health Sciences	26,136	-	2,811	(993)	(452)	27,502
Marlene Mehlhose Scholarship	-	20,014	377	-	(72)	20,319
Aceie & Thelma Micho Scholarship	107,123	13,718	12,013	(3,123)	(1,676)	128,055
Rhea Miller Scholarship	48,186	-	5,182	(1,830)	(833)	50,705
Richard & Gloria Miller Scholarship	35,643	2,000	3,912	(1,166)	(576)	39,813
Frances Goll Mills Award for Nursing	29,186	-	3,139	(1,107)	(504)	30,714
Dorothy & Robert Monica Scholarship	84,498	16,883	9,447	(2,712)	(1,374)	106,742
Monitor Sugar Scholarship	20,614	-	2,217	(783)	(357)	21,691
Paul Moore Social Science Award	23,155	204	2,497	(854)	(395)	24,607
Morley Foundation Award for Business Management	26,755	-	2,877	(1,017)	(462)	28,153
Virginia Morrison Scholarship	42,102	-	4,528	(1,378)	(673)	44,579
Wendell & Ethel Mullison Scholarship	25,987	-	2,795	(988)	(449)	27,345
W. Brock Neely Scholarship	46,910	2,000	5,083	(1,581)	(768)	51,644
William H. "Buddy" Oates Scholarship	31,561	-	3,394	(1,199)	(546)	33,210
Oscar P. & Louise H. Osthelder Scholarship	135,656	-	14,589	(4,506)	(2,184)	143,555
Jesse J. Oswald Scholarship	33,277	-	3,579	(1,218)	(564)	35,074
Marguerite Scull Parker Scholarship	26,367	1,695	2,840	(1,003)	(457)	29,442
Otto C. Pressprich Fund	109,114	-	11,734	(4,148)	(1,887)	114,813
Cecelia Randall Scholarship	22,554	-	2,426	(857)	(390)	23,733

**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2018**

	Net Assets July 1, 2017	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2018
<b>Endowment Funds - Continued</b>						
Alfonso Rasch-Isla Scholarship	\$ 24,380	\$ -	\$ 2,622	\$ (927)	\$ (422)	\$ 25,653
Newell Remington Scholarship & TLC Support	46,238	1,325	4,997	(1,646)	(777)	50,137
Skip Renker Award for Creative Writing	20,961	-	2,254	(794)	(362)	22,059
Renee Rookard Scholarship	75,651	-	8,136	(2,875)	(1,308)	79,604
Harold & Norine Rupp Scholarship	20,249	-	2,178	(769)	(350)	21,308
Saginaw County Child Development Centers Program Scholarship	17,276	-	1,859	(656)	(299)	18,180
Cliff & Grace Saladine Scholarship	27,251	-	2,930	(1,036)	(471)	28,674
Dawn Schmidt Award for Mathematics	27,237	75	2,930	(1,029)	(469)	28,744
Peggy A. Scott Scholarship	41,175	2,000	4,559	(1,364)	(673)	45,697
Ralph I. & Archie M. Selby Family Scholarship	21,783	-	2,343	(824)	(376)	22,926
Gene F. Shrum & Dee Dee (Shrum) Wacksman Scholarship	19,664	-	2,115	(743)	(339)	20,697
Van Dewitt & Ruth Simmons Scholarship	170,585	-	18,346	(6,485)	(2,950)	179,496
John M. Smith & William Wolgast Family Softball Scholarship	21,836	-	2,348	(830)	(377)	22,977
Paul Sowatsky Scholarship & Award	29,379	-	3,160	(1,117)	(508)	30,914
Spittka Family Scholarship	34,683	7,228	3,800	(927)	(516)	44,268
James Stark Scholarship	3,720	-	400	(141)	(64)	3,915
Eileen & Hugh Starks Scholarship	32,776	-	3,525	(1,245)	(566)	34,490
James & Elizabeth Stoddard Scholarship	65,324	25,000	7,496	(1,566)	(991)	95,263
Greg Stryker Scholarship	-	20,000	279	-	(36)	20,243
Sturm Family Broadcast Programming Fund	178,596	-	19,209	(6,790)	(3,089)	187,926
SunGard Higher Education Endowed Teaching Chair	145,524	-	15,651	(5,530)	(2,517)	153,128
SunGard Higher Education Possible Dream Program	88,761	-	9,547	(3,151)	(1,480)	93,677
Julius & Irene Sutto Award for Life Sciences	25,552	-	2,747	(970)	(442)	26,887
Paul & Margaret Thompson Scholarship	34,336	-	3,693	(1,304)	(594)	36,131
Willie E. Thompson Scholarship	31,859	-	3,427	(1,179)	(543)	33,564
Margaret Timm Award for English	31,420	200	3,382	(1,039)	(505)	33,458
Wesley Timm Award for Social Science	32,549	200	3,503	(1,226)	(560)	34,466
Jeanne M. VanOchten & Wayne W. Adams Scholarship	20,000	-	2,151	(200)	(206)	21,745
Jim & Janis Van Tiflin Award	24,839	-	2,671	(942)	(429)	26,139
Lynn & Sandy Weimer Scholarship	-	21,580	1,334	-	(119)	22,795
Ken & "Miss Mona" White Scholarship	88,802	7,600	9,693	(2,594)	(1,368)	102,133
Lola Bishop Whitney Award for Foreign Language	115,938	-	12,469	(4,408)	(2,005)	121,994
David & Carol Williams Scholarship	31,174	-	3,353	(1,065)	(509)	32,953
Alice & Jack Wirt Scholarship	213,442	-	22,955	(8,114)	(3,692)	224,591
Stephen & Dena Wirt	-	50,438	951	-	(182)	51,207
Teresa Plackowski-Witucki Scholarship	22,040	-	2,370	(834)	(381)	23,195
Wolverine Bank Scholarship	38,386	-	4,128	(1,459)	(664)	40,391
Robert R. "Dr. Bob" Zimmermann Scholarship	95,377	12,113	10,654	(2,876)	(1,500)	113,768
Robert R. "Dr. Bob" Zimmermann Faculty Professional Development	89,755	5,439	9,653	(2,404)	(1,300)	101,143
Anton, Sr., Alma & Anton, Jr. Zucker Scholarship	81,569	-	8,773	(3,101)	(1,411)	85,830
Melvin & Hilda Zuehlke Scholarship and Special Needs Assistance Fund	142,059	-	15,279	(5,399)	(2,457)	149,482
<b>TOTAL ENDOWMENT FUNDS</b>	<b>15,921,960</b>	<b>413,127</b>	<b>1,720,864</b>	<b>(565,426)</b>	<b>(266,603)</b>	<b>17,223,922</b>



**Supplemental Schedule Of Other Financial Information**  
**Details Of Endowment Fund - Continued**  
**Delta College**  
**Year Ended June 30, 2018**

	Net Assets July 1, 2017	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees	Net Assets June 30, 2018
<b>Funds Functioning As Endowments</b>						
Etcyl H. & Ruth Blair CGA	\$ 21,162	\$ -	\$ 1,688	\$ -	\$ (180)	\$ 22,670
Peter & Barbra Boyse Program	260,934	-	28,062	(9,908)	(4,510)	274,578
Coca-Cola Scholarship	66,526	-	7,155	(2,527)	(1,150)	70,004
Gilbert A. Currie Fund	383,297	-	41,223	(14,576)	(6,630)	403,314
Delta College Public Radio Fund	71,526	-	7,692	(3,094)	(1,331)	74,793
Delta College Foundation Fund	1,080,220	-	116,175	(37,819)	(17,871)	1,140,705
Delta College Foundation Student Scholarships	279,694	7,767	30,192	(8,969)	(4,439)	304,245
Delta College Endowed Teaching Chair Challenge Grant Fund	-	-	-	-	-	-
Delta College Public TV Fund	765,963	84,606	83,557	(19,837)	(11,153)	903,136
Alden B. Dow Fund	52,000	-	5,593	(1,977)	(899)	54,717
Laughner Award	18,286	-	1,966	(695)	(316)	19,241
Possible Dream Program	2,089,023	85,000	225,856	(70,991)	(34,178)	2,294,710
Sailing School Program	29,626	-	3,186	(1,126)	(512)	31,174
UNUM Projects	357,379	-	38,435	(13,587)	(6,181)	376,046
Macauley & Helen Whiting Fund	904,069	-	97,230	(34,339)	(15,629)	951,331
<b>Total Funds Functioning As Endowments</b>	<u>6,379,705</u>	<u>177,373</u>	<u>688,010</u>	<u>(219,445)</u>	<u>(104,979)</u>	<u>6,920,664</u>
<b>TOTAL</b>	<u>\$ 22,301,665</u>	<u>\$ 590,500</u>	<u>\$ 2,408,874</u>	<u>\$ (784,871)</u>	<u>\$ (371,582)</u>	<u>\$ 24,144,586</u>