

POPULAR
ANNUAL
FINANCIAL
REPORT

2019-
2020



Dreams. Delivered.

101 BALDWIN BLVD.
CORPUS CHRISTI, TX 78404



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The financial information provided in this document is derived from information found in Del Mar College's Comprehensive Annual Financial Report (CAFR).

To view the Comprehensive Annual Financial Report, which contains more detailed information, please visit www.delmar.edu/offices/cfo/

To request a printed copy of the CAFR, please email colrel@delmar.edu



The past year was certainly one for the books at Del Mar College. Everything changed in March 2020 with the onset of the COVID-19 pandemic. Despite the challenges of a worldwide crisis – which are still upon us – we rose to the occasion, adapting to the new environment and never ceasing to serve our students.

While our accomplishments from 2019-2020 include more than crisis response, the measures we took in the face of the pandemic were extraordinary. We converted to totally online instruction after spring break, established free Wi-Fi hotspots in our parking lots for our community and rapidly dispersed over \$4 million in CARES Act funds to our students. The DMC Foundation provided \$1.2 million in emergency financial aid to over 3,400 students to help them continue spring classes throughout the hardships of the pandemic. And in May 2020, we held what would be our first virtual commencement ceremony. I will forever be proud of our performance in these trying times.

Pre-pandemic, DMC received a nearly \$2.9 million Title V grant from the U.S Department of Education to support Project SENDA (Students Engaged in Direct Advising), an initiative that's leading more of our students down a path to success. The five-year grant began on Oct. 1, 2019.

There was outstanding progress on new DMC facilities. In December 2019, we celebrated the beginning of construction at our future Southside campus, which is projected to be complete in 2022. The following spring, we opened the General Academic and Music Building on the East Campus, the largest project of the voter-approved 2014 Capital Improvement Program.

Please enjoy some of the highlights from the 2019-2020 academic year.

Thank you,

A handwritten signature in black ink, appearing to read 'Mark Escamilla', followed by a horizontal line.

Mark Escamilla, Ph.D.
President and CEO
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WELCOME



Carol A. Scott
Chair



Dr. Nicholas A. Adame
Second Vice Chair



Dr. Mary Sherwood
Secretary



Libby Averyt



Ed Bennett



Elva Estrada



Rudy Garza, Jr.



Susan Hutchinson



Hector Salinas

2019-2020

HIGHLIGHTS

BIOLOGY PROFESSOR “ROB” HATHERILL RECEIVES U.S. PRESIDENTIAL AWARD IN EXCELLENCE IN SCIENCE, MATHEMATICS AND ENGINEERING MENTORING



The White House and National Science Foundation announced their selections. John Robert “Rob” Hatherill, Ph.D., a Biology Professor with the Natural Sciences Department, was a recipient of the U.S.

Presidential Award in Excellence in Science, Mathematics and Engineering Mentoring. Texas is one of only 13 states with recipients in this award category, and Dr. Hatherill is one of two representing the state.

The award recognizes the critical role Dr. Hatherill plays as “a mentor outside the traditional classroom setting in the academic and professional development of the future STEM workforce.”

Dr. Hatherill’s innovative approach provides students with hands-on research experiences and led the College to become one of the first community colleges accepted into the Howard Hughes Medical Institute Science Education Alliance Phage Hunters program.

Dr. Hatherill and Associate Professor of Biotechnology Daiyuan “Daisy” Zhang, Ph.D., continue to build the DMC Biosciences Programs. Biotechnology majors have put Del Mar College on the map at national and international levels. More than 30 students have won first or second place during undergraduate research competitions that have included students from Ivy League institutions.

U.S. DEPARTMENT OF EDUCATION AWARDS NEARLY \$2.9 MILLION TITLE V GRANT FOR DMC’S NEW PROJECT SENDA INITIATIVE

In Spanish, “senda” means path. Del Mar College received nearly \$2.9 million as a U.S. Department of Education Title V grant that supports the College’s new Project SENDA (Students Engaged in Direct Advising) initiative that’s designed to lead more students down a path to success.

The five-year grant began Oct. 1, 2019, with DMC receiving almost \$600,000 each year to support project components. The College is one of 31 institutions out of 400 applicants nationwide to receive the Title V grant.

As a designated Hispanic Serving Institution, DMC’s faculty-embedded direct-advising program expands this targeted student population’s attainment of post-secondary degrees through greater persistence, focus and pursuit of studies at the baccalaureate level. Project SENDA also focuses on meeting key goals that include reducing completion time, reducing the average number of credits students take toward degree completion and reducing students’ debt.

DEL MAR COLLEGE CELEBRATES “NEW ERA” AS SOUTHSIDE CAMPUS CONSTRUCTION GETS UNDERWAY

Envisioning a Southside presence began in 2009. Ten years later, the Del Mar College Board of Regents, College leadership and employees and invited guests marked a new era in the community college’s history -- construction of a new campus in Corpus Christi.

Where farm fields, chicken coops and livestock used to reside, the College held a Southside Campus Project Celebration on Dec. 2, 2019, on the 96-acre site where the campus will sit at Yorktown Boulevard and Rodd Field Road. DMC District taxpayers approved the \$139 million Capital Improvement Project bond referendum supporting construction of the new campus in November 2016.

Construction of a new campus hasn’t occurred since the College began building in 1958 what is now the West Campus.

Infrastructure and Central Plant foundational work was already underway during the Southside Campus Project Celebration. The Board of Regents’ final design, budget and contractor approval in early October 2019 moved the project forward for construction of the Main, STEM (Science, Technology, Engineering and Mathematics) and Hospitality and Culinary Institute facilities, known as Centers for Excellence that will house signature programs such as architecture and drafting, biosciences and culinary arts.

The landscape of Corpus Christi’s Southside is changing for good, and with it, the educational offerings at Del Mar College are taking a leap into the future.


Carol A. Scott, DMC Board of Regents Chairwoman





2019-2020 FINANCIALS

FISCAL HIGHLIGHTS

- 
- Del Mar College issued Limited Tax Bond, Series 2020A and 2020B obligations valued at \$78.4 million, which are the final issuances of the 2014 and 2016 voter-approved bond referendums to fund DMC's multi-year Capital Improvement Program (CIP) valued at \$296 million. Frontline student service employees, administrators, faculty, students and the Board of Regents collaborated to develop the student-centric CIP with consideration focused on students' educational attainment and lifelong learning needs, improving learning environments and enhancing student life.
 - During fiscal year 2020, new instructional space opened, including the General Academic Music Building Phase II on the East Campus and the Emerging Technologies Building expansion and the Workforce Development Center on the West Campus. These CIP projects were funded by the \$157 million bond referendum passed by DMC District voters in 2014. Construction of the College's new campus began on Corpus Christi's Southside at Yorktown Boulevard and Rodd Field Road, which is funded by the 2016 voter-approved \$139 million bond referendum.
 - Del Mar College secured three major grants during fiscal year 2020 that support the institution's forward-value position focused on student success in a healthy and safe environment. These U.S. Department of Education grants totaling \$8.3 million include \$1.3 million for the College's TRIO Program, a \$2.9 million Title V grant for the DMC Project SENDA (Students Engaged in Direct Advising) initiative and a \$4.1 million Higher Education Emergency Relief Fund grant appropriated by the U.S. Congress Coronavirus Aid, Relief and Economic Security (CARES) Act.
 - Del Mar College's financial outlook weighs on the uncertainty and longevity of the COVID-19 pandemic and economic downturn caused by this crisis. To maintain financial flexibility that sufficiently supports the College's mission throughout the crisis, DMC established a Risk Reserve Fund valued at \$9 million.
 - During fiscal year 2020, the College received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for DMC'S 2019 Comprehensive Annual Financial Report (CAFR). The annual CAFR and GFOA's award represent Del Mar College's adherence to the highest level of financial reporting.

FINANCIAL REPORT

Del Mar College remains fiscally sound. A complete financial condition and history based on assets, liabilities and net assets for all funds and account groups is detailed extensively for each of these years in the College's Popular Annual Financial Report and Comprehensive Annual Financial Report for 2020.

ASSETS

Current assets are those resources reasonably available within one year. Unlike other forms of assets, cash and equivalents, such as checking account balances and demand deposits, can be used immediately for current operational needs, such as meeting the payroll or paying vendors. Short-term investments represent the College's holdings in allowable financial instruments due within one year. Receivables represent those monies due to the College but not yet available for use: examples include property taxes not yet paid and accrued interest.

Noncurrent assets are the College's long-term financial and plant resources. Restricted cash is the College's endowed scholarship funds transferred to the Foundation in 2020. Plant and equipment account for the College's equity in land, buildings, real estate improvements (such as roads and security lighting) and capital equipment expenditures such as computer network servers and digital projectors.

LIABILITIES

Current liabilities are short-term obligations. Accrued payroll, accounts payable, and other accrued liabilities represent amounts due to employees or vendors for services, supplies or equipment provided to the College. Unearned revenues include property taxes and student tuition billed for the fall term and not yet earned.

Noncurrent liabilities represent long-term obligations, usually due over a number of years.

NET POSITION

Net position is the accumulated resources invested in plant and equipment.

PROPERTY TAXES

The local property owners provide almost 53.7% of total resources for the fiscal year 2020. However, for a typical homeowner, Del Mar's 2020 rate of 0.281 dollars per \$100 assessed valuation represents only 11.8% of the tax bill. This compares with a local school district rate of about 1.27 dollars and the City of Corpus Christi rate of 0.646 dollars per \$100 assessed valuation. Property taxes are a significant source of revenue for all Texas community colleges.

IN THOUSANDS	2020	2019	2018	2017	2016
CURRENT ASSETS					
Cash & Cash Equivalents	\$35,372	\$35,243	\$38,854	\$42,015	\$38,751
Short Term Investments	38,959	29,787	21,652	6,784	8,003
Accounts Receivable	9,535	11,227	8,722	8,769	10,506
Taxes Receivable	2,009	1,753	1,694	1,658	1,625
Other	2,934	849	2	1	5
NONCURRENT ASSETS					
Endowment Cash & Equivalents	\$176,445	\$127,275	\$160,937	\$86,302	\$83,957
Bond Issuance Cost Net	-	-	-	-	-
Capital Assets Net	296,614	255,950	212,640	185,179	182,071
Deferred Loss on Refunding Bonds	1,377	1,845	2,367	2,920	3,522
Deferred Outflow Related to Pensions	9,361	10,665	2,967	3,790	2,750
Deferred Outflow Related to OPEB	2,083	2,059			
TOTAL ASSETS	\$574,689	\$476,653	\$451,897	\$337,418	\$331,190
CURRENT LIABILITIES					
Accounts Payable & Accrued Liabilities	\$16,690	\$13,195	\$5,808	\$5,945	\$6,334
Retirement Incentive Payable	-	-	-	-	-
Funds Held for Others	1,966	1,561	1,778	1,499	1,281
Deferred Revenue	15,155	14,832	12,744	12,077	12,789
Current Portion of Noncurrent Liabilities	13,251	11,000	10,060	9,947	9,007
NONCURRENT LIABILITIES					
Accrued Compensated Liabilities	\$6,471	\$6,470	\$5,965	\$5,636	\$5,129
Retirement Incentive Payable	-	-	-	-	-
Net Pension Liability	20,572	21,955	12,190	14,013	12,297
Net OPEB Liability	58,371	55,755			
Bonds & Notes Payable	323,456	242,995	256,045	156,632	157,619
Deferred Inflows Related to Pensions	3,452	1,203	1,865	808	916
Deferred Inflows Related to OPEB	22,019	31,448			
TOTAL LIABILITIES	\$481,403	\$400,414	\$397,411	\$206,557	\$205,372
NET POSITION					
Net Investment in Capital Assets	\$126,543	\$120,406	\$100,961	\$95,287	\$90,491
Restricted for Debt Service	8,431	8,161	11,922	12,343	12,251
Unrestricted	(41,688)	(52,328)	(58,722)	23,231	23,076
TOTAL NET POSITION	\$93,286	\$76,239	\$54,486	\$130,861	\$125,818

REVENUES BY SOURCE

Operating revenues decreased by \$1.1 million from 2019 to 2020.

Items having the largest impact on this decrease was a \$596 thousand reduction in auxiliary services such as campus dining and facility rentals related to COVID-19 which forced the closure of most campus instruction. In addition, indirect costs and administrative fees earned on contract instruction and grants decreased by \$681 thousand largely in part due to the same reason indicated above. Non-operating revenues increased by \$7.6 million from additional property tax revenues collected of \$4.3 million due to a 7.71% increase in property valuation along with a 1/10 of 1% decrease in the overall tax rate. Federal revenue also increased by \$3.5 million largely due to COVID-related funding received to support students and provide educational supplies for protective equipment, expand virtual learning capabilities, and purchase personal computers for both faculty and staff. Funds received totaled \$2.1 million. In addition, the PELL grants to students increased by \$1.8 million.

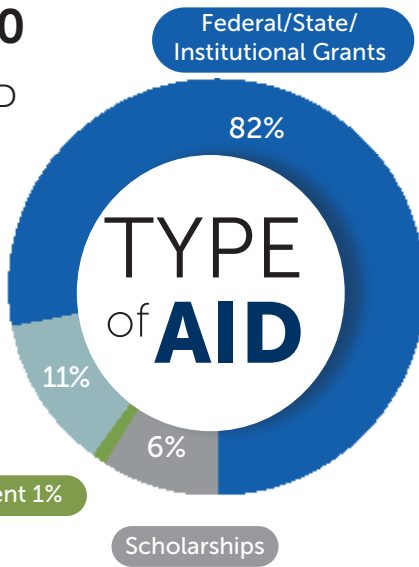
IN THOUSANDS	2020	2019	2018	2017	2016
OPERATING REVENUE					
Student Tuition and Fees Gross	\$30,335	\$29,153	\$28,755	\$28,243	\$26,924
Scholarship Allowance	(17,794)	(16,579)	(16,227)	(15,487)	(14,948)
Federal Grants and Contracts	2,183	2,103	3,181	3,268	4,743
State Grants and Contracts	2,129	2,399	2,342	3,718	4,242
Local Grants and Contracts	1,800	1,404	524	548	2,211
Auxiliary Enterprises Net	1,079	1,675	1,390	1,248	1,323
General Operating Revenue	2,925	3,606	2,188	1,768	2,305
Total Operating Revenue	\$22,657	\$23,761	\$22,153	\$23,306	\$26,800
Total Operating Expense	\$(122,505)	\$(112,273)	\$(112,413)	\$(110,228)	\$(105,113)
Operating Loss	\$(99,848)	\$(88,512)	\$(90,260)	\$(86,922)	\$(78,313)
NON-OPERATING REVENUE AND EXPENSE					
State Appropriation	\$25,500	\$23,437	\$22,928	\$20,176	\$19,800
Operating Property Taxes	58,319	54,449	51,689	47,179	46,704
Debt Service Property Taxes	19,158	18,706	13,423	12,387	8,338
Federal Revenue	20,413	16,860	16,237	16,715	16,323
Investment Income	3,442	5,755	2,308	1,108	337
Interest of Capital Debt	(8,095)	(8,951)	(5,285)	(5,075)	(4,091)
Other Non-Operating Expenses	(1,929)	(34)	(1,025)	(602)	(86)
Other Non-Operating Revenue	87	43	28	11	22
Total Non-Operating Revenue	\$116,895	\$110,265	\$106,613	\$91,965	\$87,347
Increase in Net Position	\$17,047	\$21,753	\$9,933	\$5,043	\$9,034

FINANCIAL AID

2019-2020

UNDUPLICATED
HEADCOUNT

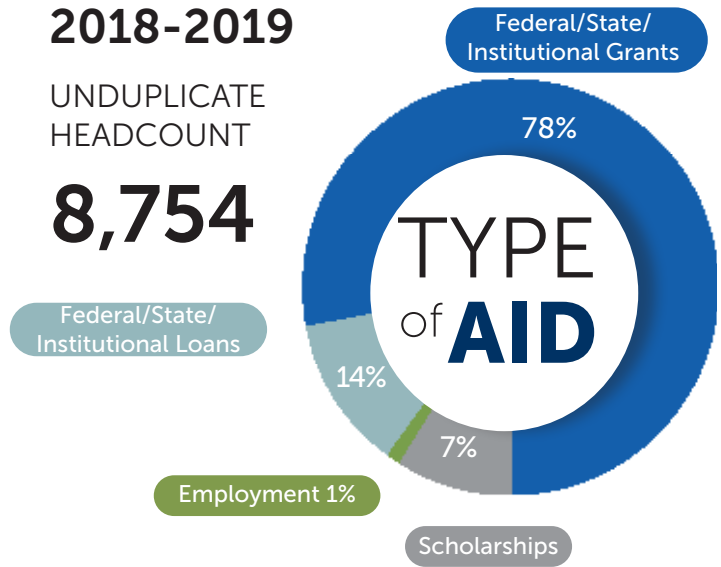
9,098



2018-2019

UNDUPLICATE
HEADCOUNT

8,754



\$23,105,074

Total distributed to eligible students in 19-20.

DISTRICT TAX

Based on 100% of market value of property. All percentages are rounded off.

FISCAL YEAR	TAX YEAR	TAX RATE	NET ASSESSED VALUATION	PERCENTAGE OF VALUATION CHANGE
2015-16	15	.248073	\$22,817,248,918	8.02
2016-17	16	.246159	\$24,865,880,433	8.98
2017-18	17	.259163	\$25,668,882,133	3.23
2018-19	18	.281885	\$27,225,706,264	6.07
2019-20	19	.280665	\$28,973,089,341	6.42

EXPENSES BY TYPE

The cost of instruction includes those activities that deal directly with, or aid in, the teaching process. Instruction expenditures include not only personnel costs and supplies but also the personnel and materials required to plan, implement and manage the instructional programs. Academic support comprises those programs that directly support the instruction process, such as tutoring, library operations and instructional media services. Student services include registration and records, financial aid, counseling and other activities that provide non-academic support services to students.

Operation and maintenance costs relate to those maintenance, housekeeping, public safety and other costs necessary for the proper and safe operation of the physical plant of the College.

General institutional support encompasses general regulation, direction and administration, as well as those costs applicable to the College on an institution-wide basis, such as Commencement and accreditation activities. Auxiliary enterprises are those activities that charge a fee for service, such as the food services and other business-type activities. Depreciation represents the financial acknowledgement of the costs of fixed assets prorated over their estimated useful service lives.

\$112,504,536

Total expenses by type

IN THOUSANDS	2020	2019	2018	2017	2016
Instruction	\$48,349	\$46,483	\$46,536	\$43,909	\$39,580
Public Service	95	155	151	129	111
Academic Support	7,914	7,531	7,734	7,189	6,946
Student Services	17,319	15,349	15,662	16,487	18,040
Institutional Support	23,607	21,195	20,888	19,430	18,690
Plant Operation and Maintenance	9,860	9,023	8,786	10,128	9,702
Scholarships	6,668	5,939	5,826	5,906	5,111
Auxiliary Services	1,587	1,228	1,400	1,484	1,417
Depreciation	7,106	5,370	5,430	5,566	5,516
TOTAL	\$122,505	\$112,273	\$112,413	\$110,228	\$105,113

EXPENSES BY COST

As with any service organization, personnel costs — salaries and benefits — make up the largest single cost category at 67.4%. Salaries alone represent 50.8% of total costs. Benefits, including health, unemployment and Medicare insurance costs, constitute 16.7% of total expenditures.

Supplies and service expenditures account for 19.7% of operating expenditures. They include services provided by outside agencies, as well as instructional and administrative supplies. Scholarships, mostly funded by federal financial aid, represent almost 5.3%.

\$112,504,536

Total expenses by cost

IN THOUSANDS	2020	2019	2018	2017	2016
Salaries	\$60,690	\$56,996	\$56,528	\$55,334	\$51,102
Benefits	20,094	18,712	21,459	18,630	16,758
Utilities	3,254	3,176	3,069	3,332	3,511
Supplies and Services	24,693	22,079	20,101	21,476	23,116
Scholarships	6,668	5,940	5,826	5,890	5,111
Depreciation	7,106	5,370	5,430	5,566	5,515
TOTAL	\$122,505	\$112,273	\$112,413	\$110,228	\$105,113

Del Mar College is an Equal Opportunity/Affirmative Action Employer and Educational Institution.

The College takes affirmative action to endeavor that no person shall be denied the benefits of equal employment or be subjected to discrimination in employment or educational programs and activities of Del Mar College on the basis of race, color, sex (including pregnancy, gender identity/transgender status, sexual orientation), age, national origin, religion, disability, or any other constitutionally or statutorily impermissible reason.



*This report and other financial documents
can be found online at delmar.edu*

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