

2017-2018

POPULAR ANNUAL FINANCIAL REPORT



Dreams. Delivered.

101 Baldwin Blvd.
Corpus Christi, TX 78404-3897



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

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WELCOME



Reflecting on the past decade, I'm honored to have been entrusted to lead Del Mar College, my Alma Mater, to reach new milestones in campus development and community support for the booming regional economy.

During the 2017-2018 academic year, the Board of Regents completed an extensive process to select a design team for our new southside campus that combines the nationally-recognized resources and expertise of Gensler and the local roots of Turner Ramirez Architects. Work continued on the West Campus Workforce Development Center, Emerging Technology Expansion, and on the East Campus General Academic Music Building Phase II complex. All three of these facilities are slated to be operational next year.

College faculty and staff successfully secured numerous grants to expand access to quality education, particularly for skilled workforce credential programs designed to provide the employees needed by Coastal Bend industries. Del Mar is now recognized for continuing education programs teaching OSHA construction safety, pipeline and industrial operations, health care professional development, and for certifying commercial bus and truck drivers.

Of all the student and employee achievements chronicled in this edition of our Popular Annual Financial Report, I'm most proud of our collective response to the challenges of Hurricane Harvey. As that epic storm ripped through our service area, students and staff alike lost homes, vehicles, possessions, and momentum. However, the College made every effort to ensure our students didn't lose their dreams of completing an education. We altered class schedules, provided emergency grants and scholarships, and reached out to those who needed our help. Although the storm made a dramatic dent in our fall semester enrollment, I'm pleased to report those numbers are now rebounding.

I invite you to review some of the highlights from our most recent year.

Thank you,

A handwritten signature in black ink, appearing to read 'Mark Escamilla'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Escamilla, Ph.D.
President
mescamilla@delmar.edu
(361) 698-1203

2017-2018

As of August 31, 2018



Trey McCampbell
Chair



Gabriel Rivas, III
First Vice Chair



Carol A. Scott
Second Vice Chair



Dr. Nicholas A. Adame
Secretary



Ed Bennett



Elva Estrada



Susan Hutchinson



Sandra L. Messbarger



Dr. Mary Sherwood



STUDENT SUCCESS



HIGHLIGHTS

The Sound Recording Technology students, under the direction of Professor Paul Bissell, offered a recording of Bach's "Jesus Joy of Man's Desiring" as an interlude in the season of final exams and calculating semester grades.

The U. S. Dept. of Education provided a \$1.3 million grant for veterans transitioning back to College with admission test fees, math and English refresher courses and academic advising through the Veterans Upward Bound program.

The Hollywood screen writer behind *Shrek 2*, *The Smurfs* and *The Rugrats Movie*, David N. Weiss, lectured on his experiences creating these loveable movie characters.

Gulf Coast Growth Ventures provided \$54,000 in scholarships for 17 Process Technology majors.

Biotechnology major Danial Nasr Azadani's research into developing bacteriophages to fight antibiotic-resistant bacteria earned top awards from the 2018 American Association for the Advancement of Science Student E-Poster Competition.



Children enrolled in the Morris L. Lichtenstein, Jr. Center for Early Learning qualified for free meals through the Child and Adult Care Food Program, a project of the Texas Department of Agriculture’s Food and Nutrition Division.

Jonathan Grant Brown offered the keynote address to 130 graduates of the College’s Adult Education and Literacy program, which certified students completing the equivalent to a high school diploma.

A \$500,000 Texas Workforce Commission (TWC) Skills Development Fund grant provided specialized training for 531 Emergency Room technicians, vocational nurses, registered nurses, nurse leaders and coordinators of the CHRISTUS Spohn Health System.

Texas Mutual Insurance Company provided a \$100,000 grant to fund the College’s Safety Institute and Transportation Training Services program that trained more than 900 commercial drivers this year.

The College received software and services valued over \$1 million from OSIsoft, LLC to teach students to analyze industrial operating information and develop solutions for manufacturing operational issues.

Representatives from Gulf Coast Growth Ventures donated \$100,000 to the San Patricio County Workforce Development Consortium to support the College’s career and technical education programs in the county’s high schools.



Valdar and Izzy, campus mascots for Del Mar and Texas A&M University-Corpus Christi, ushered in the Viking Islander Program (VIP) to co-enroll students in both institutions to increase student success.

Fall semester enrollment of 127 far exceeded expectations.

COMMUNITY OUTREACH

HIGHLIGHTS

The College delayed the start of fall 2017 classes in the wake of Hurricane Harvey that devastated homes and businesses across the Coastal Bend in August.

Maintenance staff left their own damaged homes to pump water out of the basement of the flooded William F. White, Jr. Library.

Student leaders, such as Danielle Garza seen below, traveled to the Houston area to rescue residents stranded by high water.

The College distributed \$100,000 in emergency funds to provide food, clothing, temporary shelter and transportation for students trying to resume their fall semester studies.

A \$40,500 Hurricane Harvey Relief Initiative Grant by the Texas Workforce Commission provided in-demand job skills crucial to cleanup and recovery, such as mold remediation, carpentry, flooring and building maintenance.





**College Board
First Vice Chair
Dr. Nick Adame
was named
Best of the Best
Community
Advocate by the
*Corpus Christi
Caller-Times*
for his work to**

**preserve the Dr. Hector P. Garcia
Memorial Health Center.**

Dual Credit Cosmetology students offered free “back-to-school” hair styles before local school districts started fall semesters.

The College hosted more than 200 Boy Scouts for a Merit Badge Camp offering patches for learning specialized skills such as aviation maintenance and public safety.

Faculty and staff gathered gifts intended for more than 140 children through the Salvation Army “Adopt an Angel” campaign, spearheaded by College Print Services staff.

Dr. Mary Sherwood, recently retired Chief of Staff for Texas A&M University-Corpus Christi, was named to fill vacant seat on the Del Mar College Board of Regents.

Culinary chef Izzy Villanueva offered a six-week “Secrets of the Chef” cooking class through the Continuing Education

program to teach family favorite menus and savory spice techniques.

The Corpus Christi Chamber Orchestra performed pieces ranging from W. A. Mozart to George Gershwin in the season finale concert featuring high school musicians playing alongside College music majors and professional musicians.

Award-winning children’s author Diana López, credited with inspiring the Disney/PIXAR hit “Coco,” was the keynote speaker for the Mexican-American Studies Seminar.

Smart Girlz Coding Camp taught kid campers to fly Unmanned Aircraft Systems, or drones, to encourage young women to consider careers in Science, Technology, Engineering and Math (STEM) studies.



**The Javelina Alumni Association
with Texas A&M University-Kingsville
recognized Board of Regent Second Vice
Chair Carol A. Scott as a Distinguished
Alumni 2017 for her personal and
professional accomplishments that bring
honor to that alumni group.**

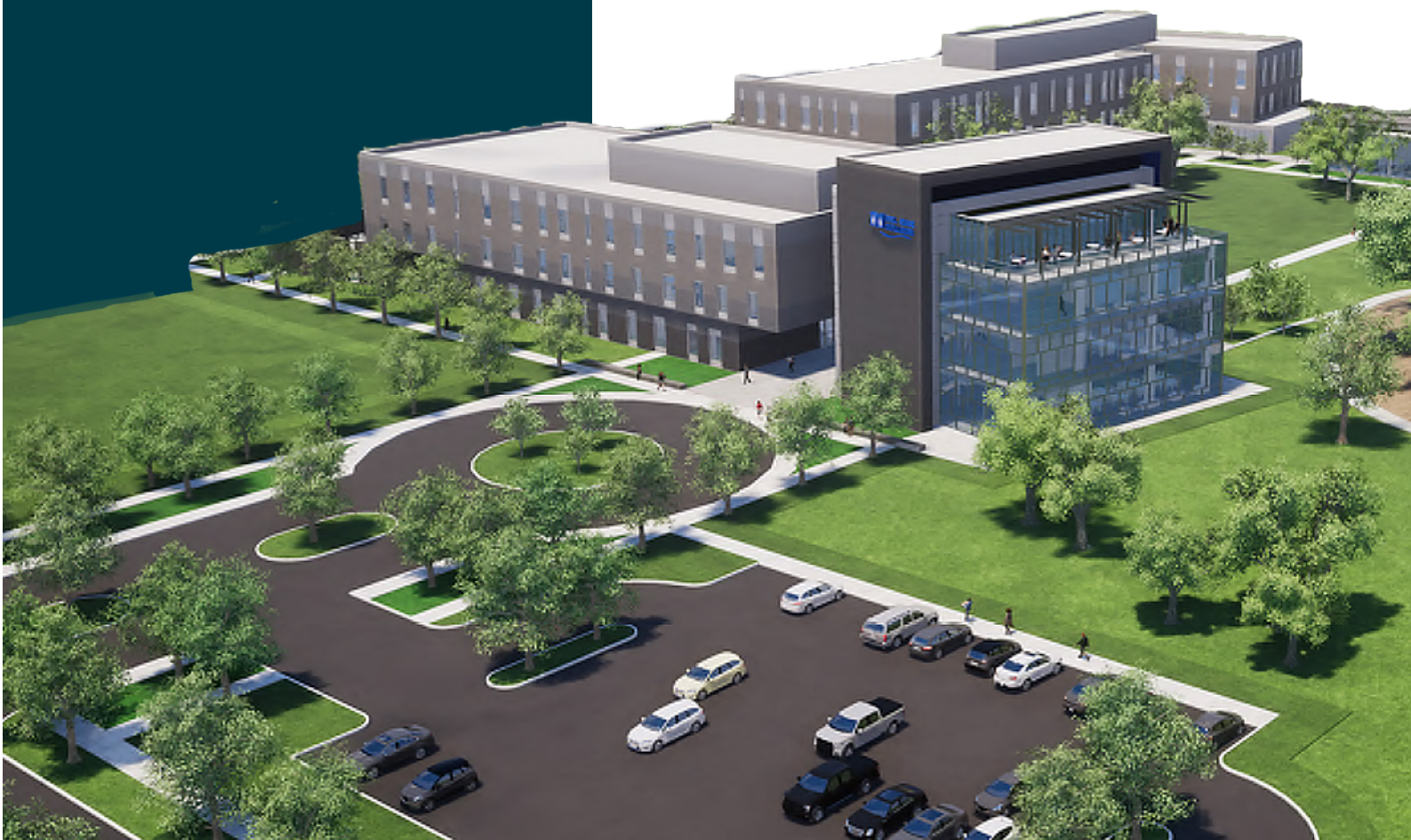
FACULTY, STAFF & PROGRAMS

HIGHLIGHTS

The College was approved as a Commercial Drivers' License Third Party Skills Testing Program site on behalf of the Texas Department of Public Safety. Drivers who train here can also be licensed here.

The National Association of Social Workers appointed Dr. Olivia Lopez, adjunct instructor of sociology, as chair of their Human Rights Committee for her experience and lifelong interest in human rights and immigration issues.

College faculty co-hosted a *Consejos Colectivos: Improving STEM Success at Hispanic-Serving Institutions* conference, funded by the National Science Foundation, to support Hispanic students preparing for careers in mechanical engineering, cybersecurity and health sciences.



HIGHLIGHTS

Oklahoma poetry legend Dorothy Alexander was featured in the Fall Poetry Series Reading. The reading spanned her childhood as an Oklahoma dirt farmer's daughter to her career as a lawyer and then judge.

Patricia Benavides-Dominguez, Dean of Student Outreach and Enrollment Services, was appointed to serve on the Board of Directors of the Corpus Christi Regional Transportation Authority where she advocates for students who rely on the local bus system.

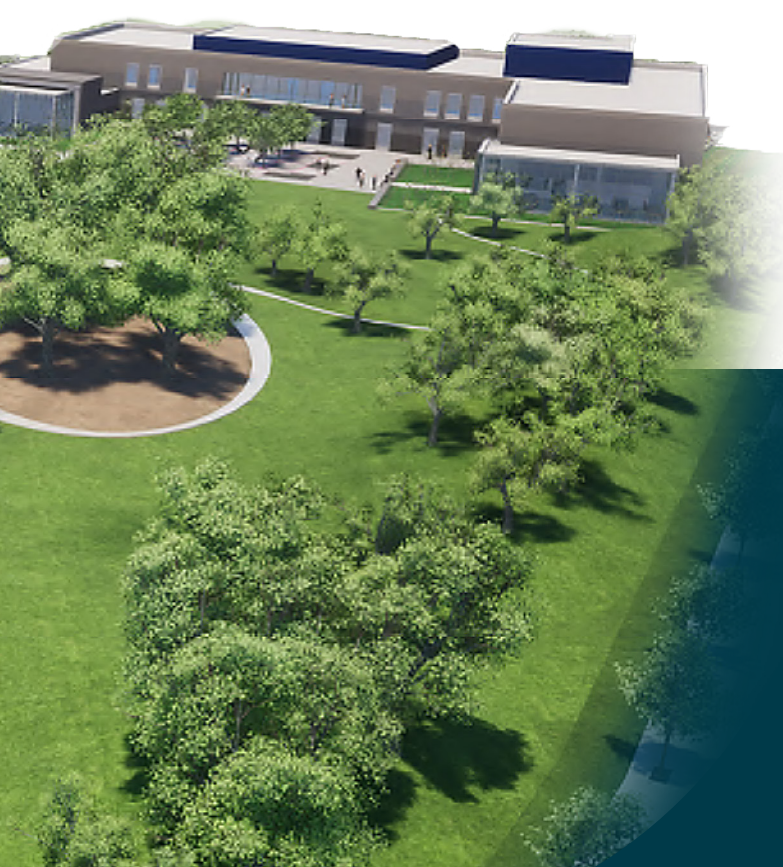
The College initiated an African American History course to cover topics in slavery, emancipation and the struggle for equality as well as the art, music and culture of African America.

The College Relations Office earned seven marketing and recruitment awards from the National Council for Marketing and Public Relations District 4, including accolades for the "It Takes a Viking" advertising campaign and for several publication designs.

A Pipeline Training Program offered four-week courses in pipeline construction, operation, corrosion control and regulatory compliance to equip students for entry-level employment in the petrochemical industry.

The Cultural Program Series presented The Crossroads Project, "grounded in science and elevated by art." The collaborative lecture, art and musical presentation depicted the potential perils of climate change.

A new Saturday industrial skills program offered instruction in safety, rigging and construction math and met OSHA 10 and National Center for Construction Education and Research (NCCER) standards as defined by the Occupational Safety and Health Administration.



The Board of Regents selected the team of Gensler and Turner Ramirez Architects to design the southside campus after District voters provided \$139 million to develop the first phase of this campus with signature programs in architecture, engineering and culinary arts.

December 2017: A rare snow storm covered Del Mar College campuses.





FINANCIALS

2017-2018

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 2018.

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 2017. 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 52.3% of total resources for the fiscal year 2018. However, for a typical homeowner, Del Mar's 2018 rate of 0.259 dollars per \$100 assessed valuation represents only 12% of the tax bill. This compares with a local school district rate of about 1.305 dollars and the City of Corpus Christi rate of 0.626 dollars per \$100 assessed valuation. Property taxes are a significant source of revenue for all Texas community colleges.

IN THOUSANDS	2018	2017	2016	2015	2014
CURRENT ASSETS					
Cash & Cash Equivalents	\$38,854	\$42,015	\$38,751	\$40,718	\$44,188
Short Term Investments	21,652	6,784	8,003	8,560	2,024
Accounts Receivable	8,722	8,769	10,506	10,128	8,503
Taxes Receivable	1,694	1,658	1,625	1,589	1,521
Other	2	1	5	517	9
NONCURRENT ASSETS					
Endowment Cash & Equivalents	\$160,937	\$86,302	\$83,957	\$15,962	\$10,152
Bond Issuance Cost Net	-	-	-	-	-
Capital Assets Net	212,640	185,179	182,071	173,923	170,247
Deferred Loss on Refunding Bonds	2,367	2,920	3,522	2,562	2,892
Deferred Outflow Related to Pensions	2,967	3,790	2,750	1,774	-
TOTAL ASSETS	\$451,897	\$337,418	\$331,190	\$255,733	\$239,536
CURRENT LIABILITIES					
Accounts Payable & Accrued Liabilities	\$5,808	\$5,945	\$6,334	\$8,951	\$3,777
Retirement Incentive Payable	-	-	-	534	1,446
Funds Held for Others	1,778	1,499	1,281	1,470	1,399
Deferred Revenue	12,744	12,077	12,789	12,411	11,603
Current Portion of Noncurrent Liabilities	10,060	9,947	9,007	8,602	8,111
NONCURRENT LIABILITIES					
Accrued Compensated Liabilities	\$5,965	\$5,636	\$5,129	\$4,644	\$4,488
Retirement Incentive Payable	-	-	-	-	534
Net Pension Liability	12,190	14,013	12,297	9,242	-
Bonds & Notes Payable	256,045	156,632	157,619	90,327	90,432
Deferred Inflows Related to Pensions	1,865	808	916	2,827	-
TOTAL LIABILITIES	\$397,411	\$206,557	\$205,372	\$139,008	\$121,790
NET POSITION					
Net Investment in Capital Assets	\$100,961	\$95,287	\$90,491	\$79,669	\$72,177
Restricted for Debt Service	11,922	12,343	12,251	13,546	13,669
Unrestricted	(58,722)	23,231	23,076	23,510	31,900
TOTAL NET POSITION	\$54,486	\$130,861	\$125,818	\$116,725	\$117,746

REVENUES BY SOURCE

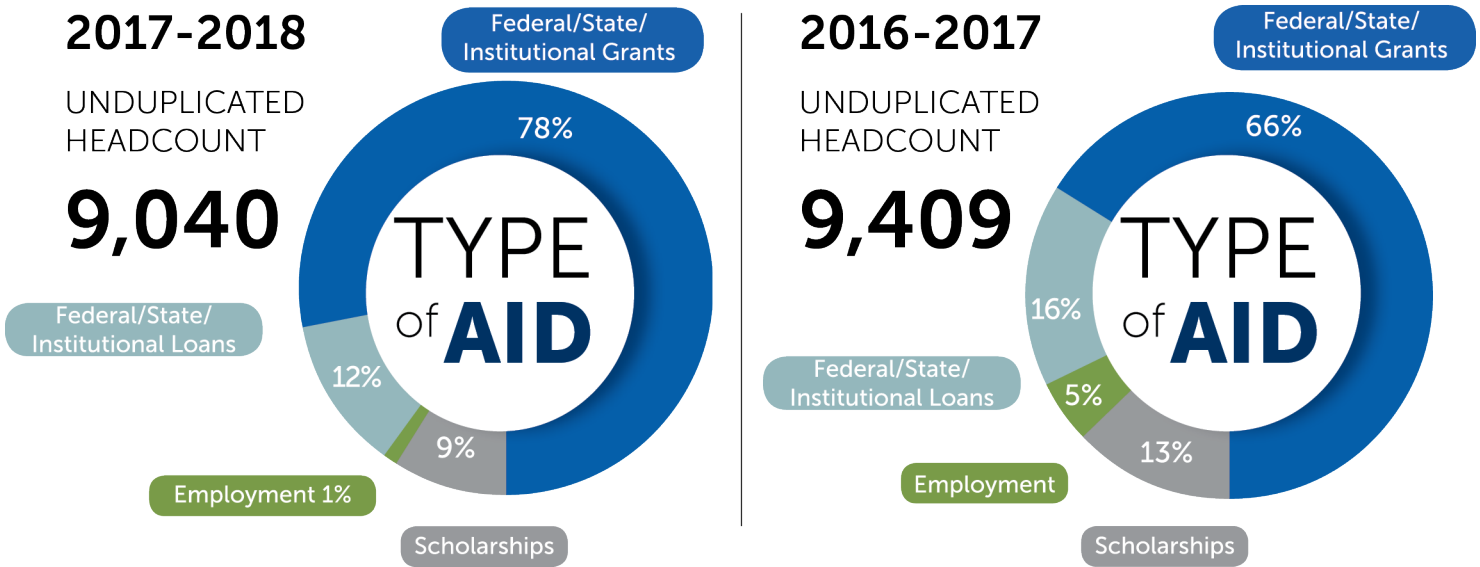
Operating revenues decreased by \$1.2 million from 2017 to 2018.

A reduction in State grants of \$1.4 million was largely the cause of this decrease. The Texas Workforce Commission Skills Development and Basic Education grant was not renewed amounting to \$946 thousand. Another grant with TWC, the Driscoll Children's Hospital Nursing Skills Development program ended during the prior year which amounted to \$249 thousand.

Tuition and fees, net of discounts, increased by \$513 thousand as a result of a \$5 per semester hour increase in tuition charged to students.

IN THOUSANDS	2018	2017	2016	2015	2014
OPERATING REVENUE					
Student Tuition and Fees Gross	\$28,755	\$28,243	\$26,924	\$24,876	\$24,445
Scholarship Allowance	(16,227)	(15,487)	(14,948)	(13,997)	(13,761)
Federal Grants and Contracts	3,181	3,268	4,743	5,424	3,256
State Grants and Contracts	2,342	3,718	4,242	3,090	2,021
Local Grants and Contracts	524	548	2,211	593	1,044
Auxiliary Enterprises Net	1,390	1,248	1,323	1,507	1,397
General Operating Revenue	2,188	1,768	2,305	1,379	1,357
Total Operating Revenue	\$22,153	\$23,306	\$26,800	\$22,872	\$19,759
Total Operating Expense	(\$112,413)	(\$110,228)	(\$105,113)	(\$97,670)	(\$90,520)
Operating Loss	(\$90,260)	(\$86,922)	(\$78,313)	(\$74,798)	(\$70,761)
NON-OPERATING REVENUE AND EXPENSE					
State Appropriation	\$22,928	\$20,176	\$19,800	\$19,918	\$19,554
Operating Property Taxes	51,689	47,179	46,704	43,342	40,524
Debt Service Property Taxes	13,423	12,387	8,338	8,385	8,639
Federal Revenue	16,237	16,715	16,323	16,265	16,521
Investment Income	2,308	1,108	337	206	197
Interest of Capital Debt	(5,285)	(5,075)	(4,091)	(3,961)	(4,441)
Other Non-Operating Expenses	(1,025)	(602)	(86)	(88)	(47)
Other Non-Operating Revenue	28	11	22	181	241
Total Non-Operating Revenue	\$106,613	\$91,965	\$87,347	\$84,248	\$81,188
Increase in Net Position	\$9,933	\$5,043	\$9,034	\$9,450	\$10,427

FINANCIAL AID



\$22,037,418

Total distributed to eligible students in 17-18.

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
2013-14	13	.250666	\$19,677,693,385	10.80
2014-15	14	.248073	\$21,123,547,272	7.35
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

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.

\$112,413,141

Total expenses by type

IN THOUSANDS	2018	2017	2016	2015	2014
Instruction	\$46,536	\$43,909	\$39,580	\$36,441	\$35,017
Public Service	151	129	111	21	14
Academic Support	7,734	7,189	6,946	6,193	5,554
Student Services	15,662	16,487	18,040	16,106	12,295
Institutional Support	20,888	19,430	18,690	16,792	16,637
Plant Operation and Maintenance	8,786	10,128	9,702	8,771	8,113
Scholarships	5,826	5,906	5,111	6,286	5,980
Auxiliary Services	1,400	1,484	1,417	1,470	1,339
Depreciation	5,430	5,566	5,516	5,590	5,571
TOTAL	\$112,413	\$110,228	\$105,113	\$97,670	\$90,520

EXPENSES BY COST

As with any service organization, personnel costs — salaries and benefits — make up the largest single cost category at 74.3%. Salaries alone represent 55.7% of total costs. Benefits, including health, unemployment and Medicare insurance costs, constitute 19.1% of total expenditures.

Supplies and service expenditures account for nearly 20% 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 5.4%.

\$112,413,141

Total expenses by cost

IN THOUSANDS	2018	2017	2016	2015	2014
Salaries	\$56,528	\$55,334	\$51,102	\$45,105	\$41,686
Benefits	21,459	18,630	16,758	14,501	15,236
Utilities	3,069	3,332	3,511	5,142	3,281
Supplies and Services	20,101	21,476	23,116	21,050	18,767
Scholarships	5,826	5,890	5,111	6,282	5,980
Depreciation	5,430	5,566	5,515	5,590	5,570
TOTAL	\$112,413	\$110,228	\$105,113	\$97,670	\$90,520

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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Corpus Christi, TX 78404-3897
www.delmar.edu

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