

2018-2019

POPULAR ANNUAL FINANCIAL REPORT



Dreams. Delivered.

101 Baldwin Blvd.
Corpus Christi, TX 78404-3897



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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

WELCOME



What a dynamic year it was for Del Mar College! Against a backdrop of growth and new construction, we continued to demonstrate that our programs are second to none in the region and that we are committed to preparing our students for the future.

I'm extremely impressed with our students who brought home awards and accolades in the past year. Among them are students in the Biotechnology program, who continue to gain recognition in the worldwide scientific community for their research on viruses, called bacteriophages, that can be beneficial to mankind; students in the Journalism program, whose writing and photography once again garnered local and state awards in multiple contests; and students in our Student Government Association, who won first-, second- and third-place awards during the 49th Texas Junior College Student Government Association's Annual Conference.

Regarding awards and accolades, it was a banner year for DMC faculty and staff as well. I encourage you to read further about each one in this report.

Partnerships with local industries were very fruitful last year, with significant donations and scholarships awarded to the College that enable us to bolster cutting-edge training with state-of-the-art equipment in programs like Process Technology, Industrial Instrumentation, Industrial Machining and others. We're grateful to have received major workforce training grants from the Texas Workforce Commission and Texas Mutual Insurance Company.

New DMC facilities have taken shape, including the Workforce Development Center and Emerging Technology Building Expansion on the West Campus and the General Academic and Music Building Phase II on the East Campus. I'm excited to see these buildings open and operating for our students. I'm happy to report that development at the future Southside campus continues at a rigorous pace, with completion projected for 2022.

Please enjoy some of the highlights from the 2018-2019 academic year.

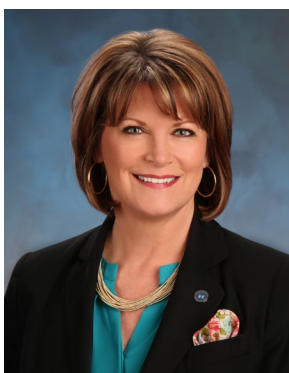
Thank you,

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

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

2018-2019

As of August 31, 2019



Carol A. Scott
Chair



Gabriel Rivas, III
First Vice Chair



Dr. Nicholas A. Adame
Second Vice Chair



Dr. Mary Sherwood
Secretary



Libby Averyt



Ed Bennett



Elva Estrada




Susan Hutchinson



Hector Salinas

STUDENT SUCCESS



Leaders of Del Mar College and Austin-based WGU Texas sign a transfer agreement that streamlines the process for DMC students to continue their education and pursue bachelor's or master's degrees through the university. The agreement provides for WGU Texas covering tuition discounts and partner scholarships to DMC students, faculty and staff toward more than 60 online accredited degree programs.

Gulf Coast Growth Ventures continues their investment in building the local workforce and announces awarding \$60,000 in scholarships to help DMC students earn associate's degrees and gain marketable job skills in Process Technology, Industrial Instrumentation, Industrial Machining, Occupational Safety and Health or Environmental/Petrochemical Lab Technology.

Journalism students compete in the American Advertising Federation-Corpus Christi chapter's student competition and win three ADDY awards, including Cat Herndon earning both Gold and Silver ADDYs for Still Photography and Julieta Hernandez getting a Bronze ADDY for Still Photography.

DMC student journalists with the student newspaper *Foghorn* and magazine *Siren* bring home 30 awards overall from contests held by the Society of Professional Journalists (SPJ) and the Texas Intercollegiate Press Association.



During the 49th Texas Junior College Student Government Association's annual conference, DMC Student Government Association representatives competed and brought home four awards as follows: first place for Chapter of the Year, Region VI; first place for Region of the Year; second place for Chapter of the Year, State; and third place for Video of the Year, which included poetry and song.

voestalpine Texas announces a \$50,000 donation to provide new state-of-the-art equipment that enhances training for students in the Process Technology Program at Gregory-Portland High School, which is one of several career and technical programs Del Mar College offers at San Patricio County high schools.

Texas A&M University-Corpus Christi President and CEO Dr. Kelly M. Quintanilla announces during her keynote address to Del Mar's Spring 2019 graduates that they will receive a \$500 scholarship if they transfer to the Island University.

Among other student researchers from all over the world, Natural Sciences Department Biotechnology major Danial Nasr Azadani attends the 2nd World Congress on Undergraduate Research in Oldenburg, Germany, where he presents his findings on a virus, or bacteriophage, that attacks the bacterium *Enterococcus faecalis*, which causes infections in humans and can be difficult to treat due to antibiotic resistance.

The Port of Corpus Christi Commission presents \$25,000 in support of the new Maritime Program offered by the Workforce Programs and Corporate Services Division with funds covering scholarships and equipment used during June classes to train 22 individuals maritime basic safety required for high-demand entry-level jobs in the Coastal Bend.

Del Mar College partners with the Coastal Bend Food Bank and holds a grand opening of the **Viking Food Pantry** in the East Campus Harvin Student Center *to benefit DMC students.*

Architectural/Drafting Technology and Welding students put their talents together as part of the annual Halloween Student Design Charrette to build a labyrinth for the city's annual Dia de los Muertos Festival.



The College holds its 68th Annual Recognition Ceremony and names its 2018-2019 "Hall of Fame" inductees, who join the ranks of nearly 410 students who set the bar before them over the past 70 years. The four inductees include Pedro Lopez, business administration major; Troy Nessner, multiple majors including history, liberal arts, Mexican American Studies and political science; Natasha Perez, speech major; and Roslyn Swonke, geology and liberal arts major.

COMMUNITY & WORKFORCE

Del Mar College Board of Regents unanimously accepts the first phase of the southside campus schematic design and phased development plan following a presentation by the team of Gensler and Turner Ramirez Architects. To be built on a 96-acre tract at Rodd Field Road and Yorktown Boulevard, the campus will enable DMC to expand signature programs such as architecture, engineering, biotechnology and culinary arts with state-of-the-art facilities. The design also includes facilities to teach basic core courses needed by transfer students, along with developmental education, dual credit, workforce and continuing education programs.



The Texas Workforce Commission awards over \$1.1 million in Skills Development Fund grants to DMC and partner industries to provide customized training for employees. During a "Raising the Bar" ceremony, DMC and the construction consortium of MMR Constructors, Inc. and Brand Energy Solutions, LLC, announce a \$1 million award.

Del Mar College hosts the 19th Annual Coastal Bend GIS Day, with over 1,200 area middle through high school students, professionals and community members learning more about Geographical Information Systems technology and career opportunities.

Texas Mutual Insurance Company presents their sixth \$100,000 grant to support the College's Safety Institute, which offers workplace safety courses for community employers, workers and the general public at no cost.

Del Mar College's Small Business Development Center initiates their new program, the Contractor Resource Center (CRC), to prepare and connect area small businesses with large, multi-year construction projects.

The College's free carpentry skills training program provided through a \$879,000 grant from Rebuild Texas gets underway to help area residents become qualified carpenters to help rebuild Coastal Bend communities impacted by Hurricane Harvey almost two years ago.



The College throws Valdar the Viking, the official DMC mascot, a Birthday Bash (above) to celebrate his second year with the campus

community and invites several of his mascot friends to participate, including Izzy the Islander, Porky the Javelina, Sammy the Seagull and Blue the Crime Dog, among many others. Valdar serves as the College's ambassador to inspire everyone he meets to pursue higher education.

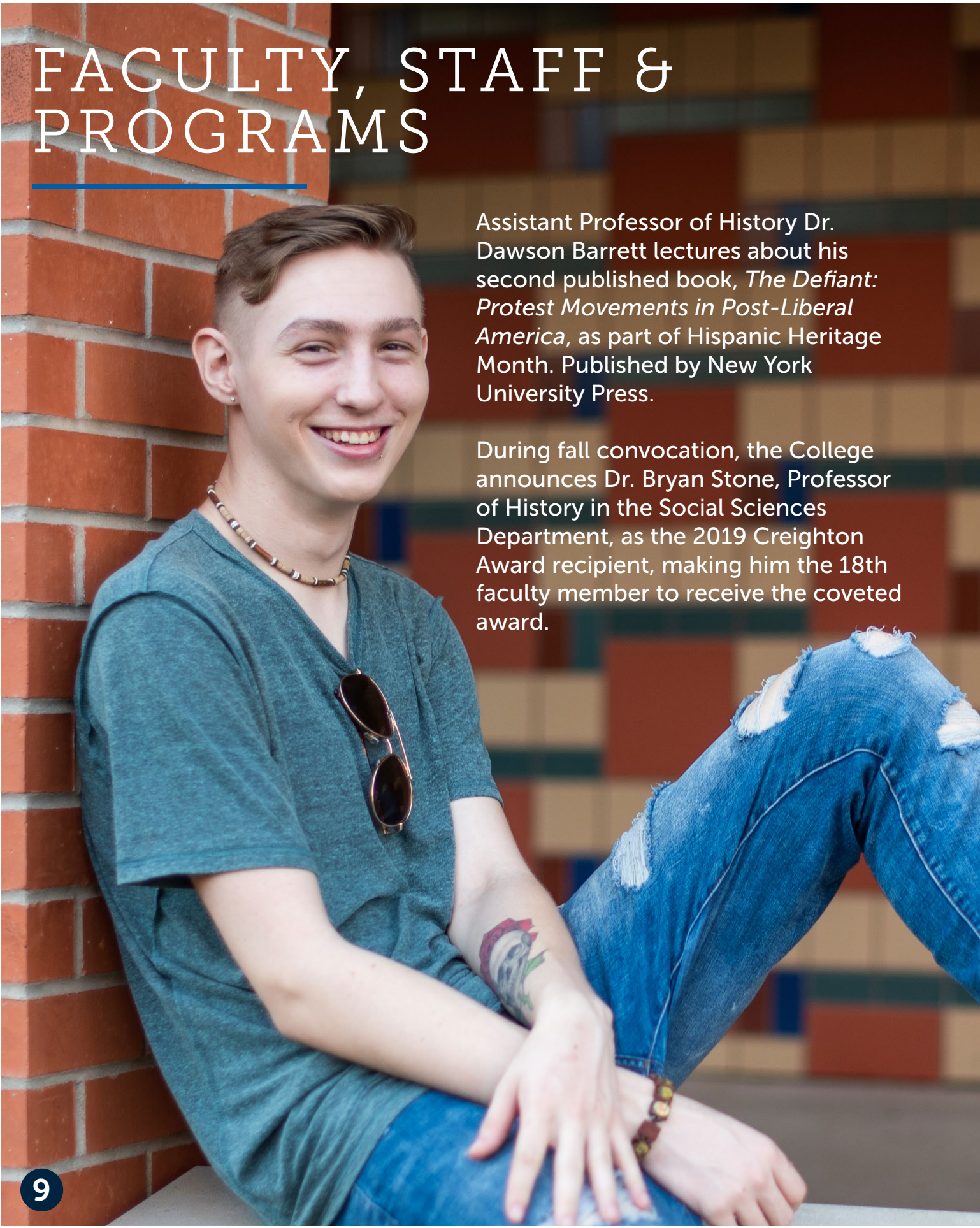
Gulf Coast Growth Ventures, a partnership between ExxonMobil and SABIC, announces a **\$1.5 million donation** to Del Mar College for **new, cutting-edge equipment that will enhance workforce training in the Coastal Bend** for future generations.

The College also announces naming training space that will house the equipment in the new West Campus Workforce Development Center as the Gulf Coast Growth Ventures Process Technology Lab.

The Corpus Christi Prefreshman Engineering Program, or CCPREP, for sixth through ninth graders, marks their 20th anniversary of providing a summer

camp focused on STEM (Science, Technology, Engineering and Mathematics) activities that encourage youth to pursue these fields as they complete their studies at the primary and secondary educational levels.

FACULTY, STAFF & PROGRAMS



Assistant Professor of History Dr. Dawson Barrett lectures about his second published book, *The Defiant: Protest Movements in Post-Liberal America*, as part of Hispanic Heritage Month. Published by New York University Press.

During fall convocation, the College announces Dr. Bryan Stone, Professor of History in the Social Sciences Department, as the 2019 Creighton Award recipient, making him the 18th faculty member to receive the coveted award.

The Disability Services Office names the 2018 "Advocates of the Year" during their fifth annual recognition ceremony honoring faculty and staff who actively serve students with "disAbilities." Honorees include Associate Professor of History Dr. Gerald Betty with the Social Sciences Department; Associate Professor of Education Alexander Heatherley with the Human Services and Education Department; Assistant Professor of ESOL Jennifer Oden with the Communications, Languages and Reading Department; and the Mathematics Department's Andrea Johnson and Dr. Paula Kenney-Wallace.

Kinesiology Department Instructor and Intramural Director Kristy Urbick receives the 2018 Emerging Professional Award from the Texas Association for Health, Physical Education, Recreation and Dance during their 95th annual conference held in Galveston.

Program Director and Assistant Professor of Emergency Medical Services (EMS) Professions Melissa Stuive receives appointment to the Texas Governor's EMS Trauma Advisory Committee to assist with setting standards for Texas EMS, along with promoting, developing and advancing an accountable, patient-centered Trauma and Emergency Healthcare System.

The DMC Board of Regents recognizes faculty members Drs. John "Rob" Hatherill, Alexa Raney and Daiyuan "Daisy" Zhang, from the Natural Sciences Department, for published research titled "Student Outcomes and Impacts of Discovery-Based Research in the First Two Years of Undergraduate Education," which was published in the first edition of Course-Based Undergraduate Research: Educational Equity and High-Impact Practice, by the Stylus Publishing, LLC.

Attracting some of the most creative contemporary American artists from across the country, the Art and Drama Department opens their 53rd Annual National Drawing and Small Sculpture Show featuring two- and three-dimensional pieces. Juried by Carlton

Bradford, a studio artist and University of Arizona Art Professor, the exhibit features 39 drawings and 28 sculptures created by 62 artists representing 26 states.

Mario Capecchi, Ph.D., 2007 Nobel Prize-winning scientist and distinguished Professor of Human Genetics and Biology at the University of Utah School of Medicine, speaks during the Natural Sciences Department's Student Research Day.

The National Community College Hispanic Council selects Dr. Kristina Wilson, Dean of Institutional Effectiveness and Assessment, as one of 24 individuals chosen to participate as a 2019 Fellow in their prestigious Leadership Development Program hosted by the University of San Diego School of Leadership and Education Sciences to develop future community college presidents.



John J. "JJ" Nelson, lead instructor for the College's Geographic Information Systems (GIS) and Unmanned Aircraft Systems (UAS) Programs, receives the HI-TEC Educator of the Year Recognition Award for 2019 from the National Science

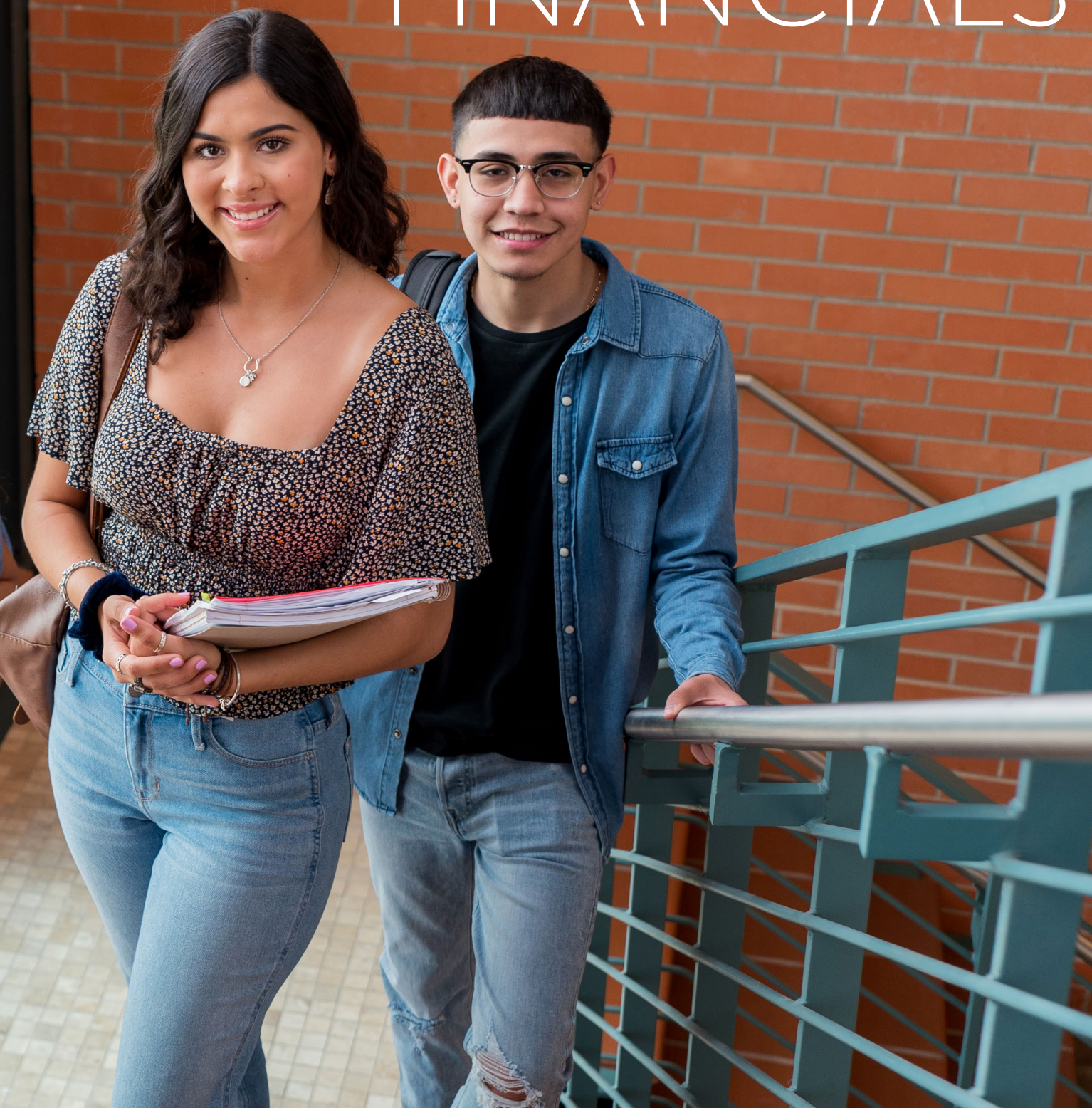
Foundation's Advanced Technological Education Program.

The Department of Computer Science, Engineering and Advanced Technology announces two new degree programs that will begin in fall 2019 to train individuals in Advanced Technology and Robotics/Mechatronics (ATRM) and Electrical Transmission and Distribution Systems Technology (ETDST).



18-19

FINANCIALS



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 2019.

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 2019. 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 53.1% of total resources for the fiscal year 2019. However, for a typical homeowner, Del Mar's 2019 rate of 0.282 dollars per \$100 assessed valuation represents only 11% 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	2019	2018	2017	2016	2015
CURRENT ASSETS					
Cash & Cash Equivalents	\$35,243	\$38,854	\$42,015	\$38,751	\$40,718
Short Term Investments	29,787	21,652	6,784	8,003	8,560
Accounts Receivable	11,227	8,722	8,769	10,506	10,128
Taxes Receivable	1,753	1,694	1,658	1,625	1,589
Other	849	2	1	5	517
NONCURRENT ASSETS					
Endowment Cash & Equivalents	\$127,275	\$160,937	\$86,302	\$83,957	\$15,962
Bond Issuance Cost Net	-	-	-	-	-
Capital Assets Net	255,950	212,640	185,179	182,071	173,923
Deferred Loss on Refunding Bonds	1,845	2,367	2,920	3,522	2,562
Deferred Outflow Related to Pensions	10,665	2,967	3,790	2,750	1,774
Deferred Outflow Related to OPEB	2,059				
TOTAL ASSETS	\$476,653	\$451,897	\$337,418	\$331,190	\$255,733
CURRENT LIABILITIES					
Accounts Payable & Accrued Liabilities	\$13,195	\$5,808	\$5,945	\$6,334	\$8,951
Retirement Incentive Payable	-	-	-	-	534
Funds Held for Others	1,561	1,778	1,499	1,281	1,470
Deferred Revenue	14,832	12,744	12,077	12,789	12,411
Current Portion of Noncurrent Liabilities	11,000	10,060	9,947	9,007	8,602
NONCURRENT LIABILITIES					
Accrued Compensated Liabilities	\$6,470	\$5,965	\$5,636	\$5,129	\$4,644
Retirement Incentive Payable	-	-	-	-	-
Net Pension Liability	21,955	12,190	14,013	12,297	9,242
Net OPEB Liability	55,755				
Bonds & Notes Payable	242,995	256,045	156,632	157,619	90,327
Deferred Inflows Related to Pensions	1,203	1,865	808	916	2,827
Deferred Inflows Related to OPEB	31,448				
TOTAL LIABILITIES	\$400,414	\$397,411	\$206,557	\$205,372	\$139,008
NET POSITION					
Net Investment in Capital Assets	\$120,406	\$100,961	\$95,287	\$90,491	\$79,669
Restricted for Debt Service	8,161	11,922	12,343	12,251	13,546
Unrestricted	(52,328)	(58,722)	23,231	23,076	23,510
TOTAL NET POSITION	\$76,239	\$54,486	\$130,861	\$125,818	\$116,725

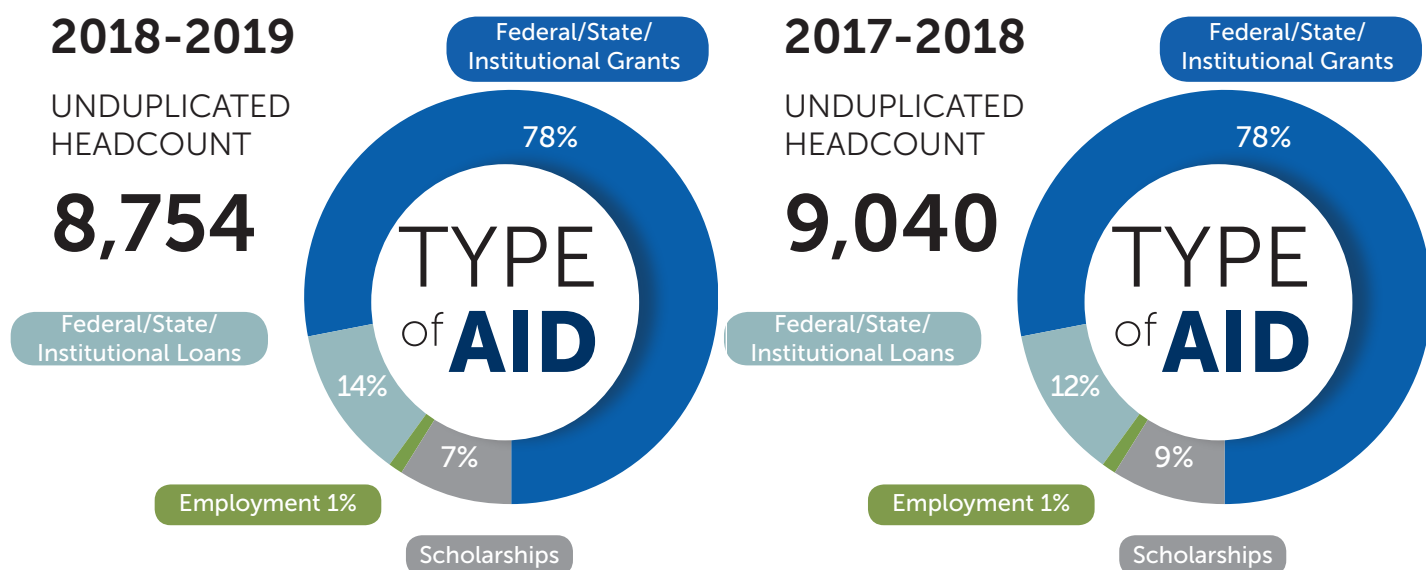
REVENUES BY SOURCE

Operating revenues increased by \$1.6 million from 2018 to 2019.

Items having the largest impact on this increase was \$1.4 million in additional interest earnings on investments and \$880,000 increase in Local Grants from funds received from the "Rebuild Texas Grant" of \$275,000 and \$326,000 received from the "TEES Incentive Fund" grant. Non-operating revenues increased by \$10.1 million from additional property tax revenues collected of \$8 million due to a 4.57 % increase in property valuation along with a 1.94% increase in the maintenance tax rate. In addition, the College collected an additional \$5.3 million in debt service taxes due to the debt requirement for the Limited Tax Bond, Series 2018 A & B issued in July of 2018.

IN THOUSANDS	2019	2018	2017	2016	2015
OPERATING REVENUE					
Student Tuition and Fees Gross	\$29,153	\$28,755	\$28,243	\$26,924	\$24,876
Scholarship Allowance	(16,579)	(16,227)	(15,487)	(14,948)	(13,997)
Federal Grants and Contracts	2,103	3,181	3,268	4,743	5,424
State Grants and Contracts	2,399	2,342	3,718	4,242	3,090
Local Grants and Contracts	1,404	524	548	2,211	593
Auxiliary Enterprises Net	1,675	1,390	1,248	1,323	1,507
General Operating Revenue	3,606	2,188	1,768	2,305	1,379
Total Operating Revenue	\$23,761	\$22,153	\$23,306	\$26,800	\$22,872
Total Operating Expense	(\$112,273)	(\$112,413)	(\$110,228)	(\$105,113)	(\$97,670)
Operating Loss	(\$88,512)	(\$90,260)	(\$86,922)	(\$78,313)	(\$74,798)
NON-OPERATING REVENUE AND EXPENSE					
State Appropriation	\$23,437	\$22,928	\$20,176	\$19,800	\$19,918
Operating Property Taxes	54,449	51,689	47,179	46,704	43,342
Debt Service Property Taxes	18,706	13,423	12,387	8,338	8,385
Federal Revenue	16,860	16,237	16,715	16,323	16,265
Investment Income	5,755	2,308	1,108	337	206
Interest of Capital Debt	(8,951)	(5,285)	(5,075)	(4,091)	(3,961)
Other Non-Operating Expenses	(34)	(1,025)	(602)	(86)	(88)
Other Non-Operating Revenue	43	28	11	22	181
Total Non-Operating Revenue	\$110,265	\$106,613	\$91,965	\$87,347	\$84,248
Increase in Net Position	\$21,753	\$9,933	\$5,043	\$9,034	\$9,450

FINANCIAL AID



\$23,176,076

Total distributed to eligible students in 18-19.

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
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
2018-19	18	.281885	\$27,225,706,264	6.07

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.

\$112,272,672

Total expenses by type

IN THOUSANDS	2019	2018	2017	2016	2015
Instruction	\$46,483	\$46,536	\$43,909	\$39,580	\$36,441
Public Service	155	151	129	111	21
Academic Support	7,531	7,734	7,189	6,946	6,193
Student Services	15,349	15,662	16,487	18,040	16,106
Institutional Support	21,195	20,888	19,430	18,690	16,792
Plant Operation and Maintenance	9,023	8,786	10,128	9,702	8,771
Scholarships	5,939	5,826	5,906	5,111	6,286
Auxiliary Services	1,228	1,400	1,484	1,417	1,470
Depreciation	5,370	5,430	5,566	5,516	5,590
TOTAL	\$112,273	\$112,413	\$110,228	\$105,113	\$97,670

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 16.6% 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%.

\$112,272,672

Total expenses by cost

IN THOUSANDS	2019	2018	2017	2016	2015
Salaries	\$56,996	\$56,528	\$55,334	\$51,102	\$45,105
Benefits	18,712	21,459	18,630	16,758	14,501
Utilities	3,176	3,069	3,332	3,511	5,142
Supplies and Services	22,079	20,101	21,476	23,116	21,050
Scholarships	5,940	5,826	5,890	5,111	6,282
Depreciation	5,370	5,430	5,566	5,515	5,590
TOTAL	\$112,273	\$112,413	\$110,228	\$105,113	\$97,670



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*