Grand Rapids Community College

Financial Report
with Supplemental Information
June 30, 2016

Grand Rapids Community College

Contents

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Independent Auditor's Report

To the Board of Trustees
Grand Rapids Community College

Report on the Financial Statements

We have audited the accompanying financial statements of Grand Rapids Community College (the "College") and its discretely presented component unit as of and for the years ended June 30, 2016 and 2015 and the related notes to the financial statements, which collectively comprise Grand Rapids Community College's basic 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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. The financial statements of the discretely presented component unit were not audited under *Government Auditing Standards*.

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 opinions.

To the Board of Trustees
Grand Rapids Community College

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Grand Rapids Community College and its discretely presented component unit as of June 30, 2016 and 2015, and the respective changes in its financial position and, where applicable, cash flows, 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 I to the basic financial statements, effective July 1, 2015, the College adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension funding progress, and schedule of contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grand Rapids Community College's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Trustees
Grand Rapids Community College

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2016 on our consideration of Grand Rapids Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Grand Rapids Community College's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 17, 2016

The discussion and analysis of Grand Rapids Community College's (the "College") financial statements provides an overview of the College's financial activities for the years ended June 30, 2016, 2015, and 2014. Management has prepared the financial statements and the related note disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's administration.

Using this Report

These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. These financial statements are prepared under the accrual basis of accounting, whereby revenue 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 recorded as assets on the statement of net assets and depreciated over their estimated useful lives.

Activities are reported as either operating or nonoperating in accordance with GASB Statement No. 35. Charges for services are recorded as operating revenue. Essentially all other types of revenue, including state appropriations and property tax levies, are nonoperating. A public community college's reliance on state funding and local property taxes will result in reporting an operating deficit.

The Grand Rapids Community College Foundation (the "Foundation") is a private non-profit tax-exempt organization formed for the purpose of receiving funds for the sole benefit of the College. Based on the criteria set forth in GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Foundation is considered a component unit of Grand Rapids Community College. Accordingly, the activity and financial position of the Foundation have been discretely presented within the College's in the accompanying financial statements.

This annual financial report complies with the above requirements and includes this management's discussion and analysis, the report of independent auditors, the financial statements, notes to financial statements, and additional information similar to commercial enterprises and private-sector institutions.

Over time, increases or decreases in net assets provide one indication of the financial health of an organization. To assess the overall health of the College, many other non-financial factors need to be considered such as trends in enrollment, condition of facilities, attention to workforce needs, success of students and graduates, and the strength of the faculty and staff.

Statements of Net Position

One of the most important questions asked about the College's finances is, "Is Grand Rapids Community College as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of revenue, expenses, and changes in net position report information on the College as a whole and on its activities in a way that helps answer this question. When revenue and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenue and expenses may be thought of as the College's operating results.

The following are the major components of assets, liabilities, and net position (in thousands) for the College as of June 30:

Statement of Financial Position at June 30 (in thousands)

	2016	2015	2014
Assets			
Current assets	$ 56,013	$ 47,127	$ 45,506
Noncurrent assets:			
Capital assets - Net of depreciation	137,033	134,066	124,286
Other	8,651	15,596	21,910
Total assets	201,697	196,789	191,702
Deferred Outflow of Resources	11,122	13,192	-
Liabilities			
Current liabilities	27,675	28,909	32,049
Noncurrent liabilities:			
Long-term debt	52,350	55,187	60,867
Net pension liability	145,842	134,569	-
Total liabilities	225,867	218,665	92,916
Deferred Inflow of Resources	3,125	14,877	-
Net Position			
Net investment in capital assets	85,811	79,238	68,849
Unrestricted (deficit)	(101,984)	(102,800)	29,937
Total net position	**$ (16,173)**	**$ (23,562)**	**$ 98,786**

Current assets are comprised primarily of cash and cash equivalents, which total $48.2, $38.4, and $37.9 million for 2016, 2015, and 2014, respectively. The fluctuation is due to year-to-year timing differences. These funds will be used primarily for operating purposes and, accordingly, are invested to provide greater liquidity. Receivables resulting from tuition and fees, student loans, and federal, state, and local grants and appropriations ($7.6, $8.5, and $7.3 million for 2016, 2015, and 2014, respectively) represent the majority of the remainder of current assets. Changes in these amounts are due largely to changes in enrollment levels as well as the timing of actual receipts from grantors and students relative to recognition of revenue or, in the case of grant programs, funds expended for allowable grant purposes.

Noncurrent assets primarily represent investments with long-term maturity dates, college investments of net assets not needed to meet current cash flow obligations and/or designated for future capital projects, as well as the College's investment in its capital assets, net of accumulated depreciation. The decrease in investments for capital purposes of $2.9 between 2016 and 2015 and $9.5 million between 2015 and 2014 is due to the expenditure of proceeds from bonds issued specifically for facility improvements and renovations, as well as the use of college resources for other projects, particularly the purchase of instructional equipment and other deferred maintenance needs. Capital assets net of depreciation increased approximately $3.0 million and $9.8 million as a result of projects completed during 2016 and 2015 and construction-in-progress at the end of the June 30, 2016 and 2015 years.

Current liabilities are comprised primarily of employee compensation and vendor payments, representing 50 percent, 54 percent, and 59 percent of current liabilities for 2016, 2015, and 2014, respectively. The individual dollar amounts will fluctuate from year to year based on timing of payments to contractors and vendors, timing of pay dates, and the remittance of retirement payments to MPSERS. Bond, capital lease, and interest payments due in November and May of the subsequent fiscal year accounted for another 29 percent, 28 percent, and 25 percent of current liabilities for 2016, 2015, and 2014, respectively. Student tuition and fee revenue for the portion of the summer session occurring after June 30 of the applicable fiscal year represents the balance of current liabilities.

Noncurrent liabilities include future payments (beyond June 30, 2017) on capital bond debt and leases referenced above, as well as accruals for employee leaves based on current contract parameters and retirement guidelines established by the State of Michigan that are not expected to be paid in the next year. These liabilities decreased from $60.9 million in 2014 to $55.3 million in 2015 to $52.2 million in 2016, due to the scheduled retirement of bond debt and capital lease obligations.

In 2015, the College adopted a new Governmental Accounting Standards Board (GASB) Statement No. 68, which requires governments providing defined pension benefits through a cost-sharing plan to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. In accordance with the statement, the College has reported net pension liability of $145.8 million at June 30, 2016 and $134.6 million at June 30, 2015. In accordance with the statement, the College is also required to report deferred outflows and deferred inflows. Deferred outflows are $11.1 million as of June 30, 2016 and $13.2 million as of June 30, 2015. Deferred inflows are $3.1 million as of June 30, 2016 and $14.9 million as of June 30, 2015.

Statement of Revenue, Expenses, and Changes in Net Position

The statement of revenue, expenses, and changes in net position presents the operating results of the College, as well as nonoperating revenue and expenses. Annual state appropriations and property tax collections, while budgeted for operational purposes, are considered non-operating revenue according to accounting principles generally accepted in the United States of America.

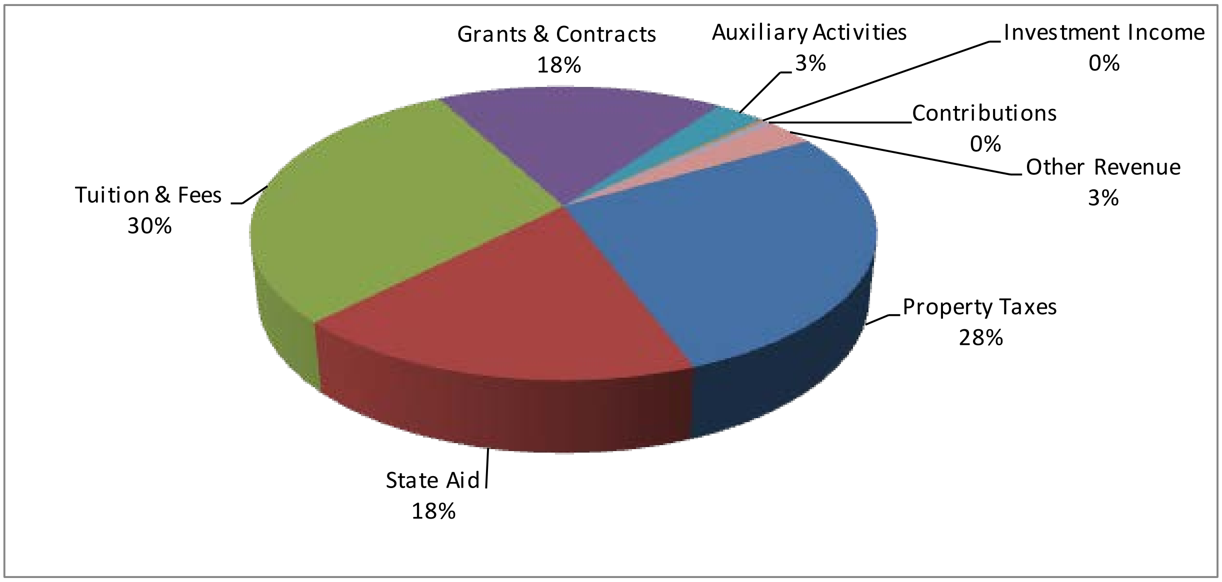
The following are the major components of the College's revenue and expenses (in thousands) for the years ended June 30:

Operating Results for the Years Ended June 30 (in thousands)

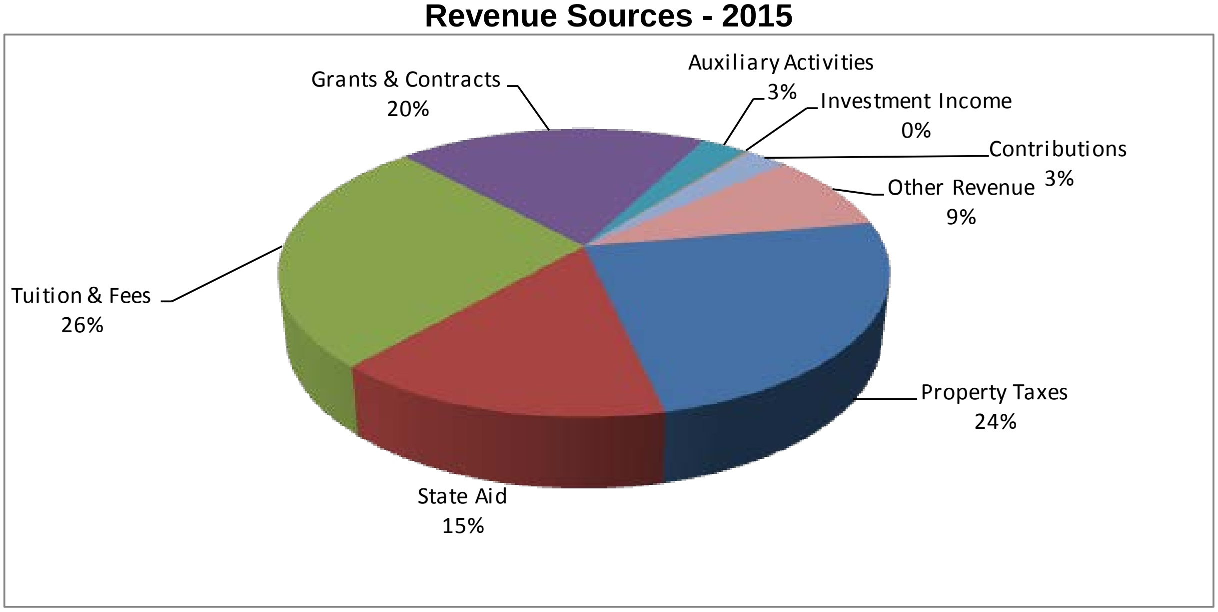
	2016	2015	2014
Operating Revenue			
Tuition and fees - Net	$ 40,757	$ 40,026	$ 41,027
Grants and contracts	6,015	7,498	7,365
Sales and services of auxiliary activities	4,165	4,448	4,273
Other sources	4,505	4,795	4,430
Total operating revenue	55,442	56,767	57,095
Operating Expenses			
Instruction	54,371	56,883	56,544
Public service	4,504	5,166	6,281
Instructional support	13,609	14,310	14,111
Student services	21,587	25,502	27,593
Institutional administration	13,584	13,535	12,834
Physical plant operations	12,896	14,053	11,765
Depreciation	7,272	6,463	5,831
Total operating expenses	127,823	135,912	134,959
Operating Loss	(72,381)	(79,145)	(77,864)
Nonoperating Revenue (Expenses)			
State appropriations	24,638	22,802	20,605
Property taxes	37,733	36,550	35,945
Federal Pell grant	18,087	21,985	25,810
Investment income	397	234	314
Interest expense on bonds	(1,308)	(1,436)	(1,750)
Contributions	625	4,000	6,242
Other (loss) income - Net of other revenue	(402)	3,774	2,783
Net nonoperating revenue	79,770	87,909	89,949
Income Before Other Revenue	7,389	8,764	12,085
Other Revenue - State capital appropriations	-	4,701	-
Increase in Net Position	7,389	13,465	12,085
Net Position - Beginning of year	(23,562)	98,786	86,701
Adjustment for Change in Accounting Principle	-	(135,813)	-
Net Position - End of year	**$ (16,173)**	**$ (23,562)**	**$ 98,786**

College revenue is derived from four primary sources: property taxes, student tuition and fees, grants and contracts, and state appropriations. The following graphs show the percentage of revenue from the component sources for the years ended June 30, 2016 and 2015:

Revenue Sources - 2016



Revenue Sources - 2015



Property tax revenue (28 percent, 24 percent, and 24 percent of revenue for 2016, 2015, and 2014, respectively) reflect changes in taxable values in the Kent Intermediate School District (the tax base for the College). The College is authorized to levy 1.9 mills, which the Board of Trustees has allocated to support operating expenditures (1.5 mills) and capital expenditures and debt retirement (.4 mills). However, the cumulative impact of the Headlee Rollback has reduced the effective levy to 1.7865 mills for the fiscal years ended June 30, 2016, 2015, and 2014.

Student tuition and fees (30 percent, 26 percent, and 27 percent of revenue for 2016, 2015, and 2014, respectively) are driven by enrollment and Board-approved tuition and fee adjustments. With continued flat property tax revenue, the College found it necessary to continue annual tuition increases in 2016, 2015, and 2014, thus placing an ever increasing share of the responsibility for funding the institution on students. Billing units in 2016 declined by approximately 6.2 percent from the previous year. We believe this is largely due to the improving economy and greater employment opportunities for students, as well as to generally smaller high school graduating classes. Net student tuition and fees reflects a scholarship allowance of approximately $12.4 million, $13.6 million, and $15.3 million for 2016, 2015, and 2014, respectively. This offset to tuition reflects funds the College receives, primarily through federal and state grants, which are applied to student tuition bills and are shown in the financial statements as federal and state grant revenue. The decrease in the allowance between 2016 and 2015 is due to lower enrollment levels and fewer student loans. The latter is due, in part, to a continued emphasis on responsible borrowing by students.

Grants and contracts (18 percent, 20 percent, and 22 percent of revenue for 2016, 2015, and 2014, respectively) are primarily federal and state funding for financial aid programs. In addition, the College receives federal and state funding for economic job development grant programs, employment services, and training to work programs, among others.

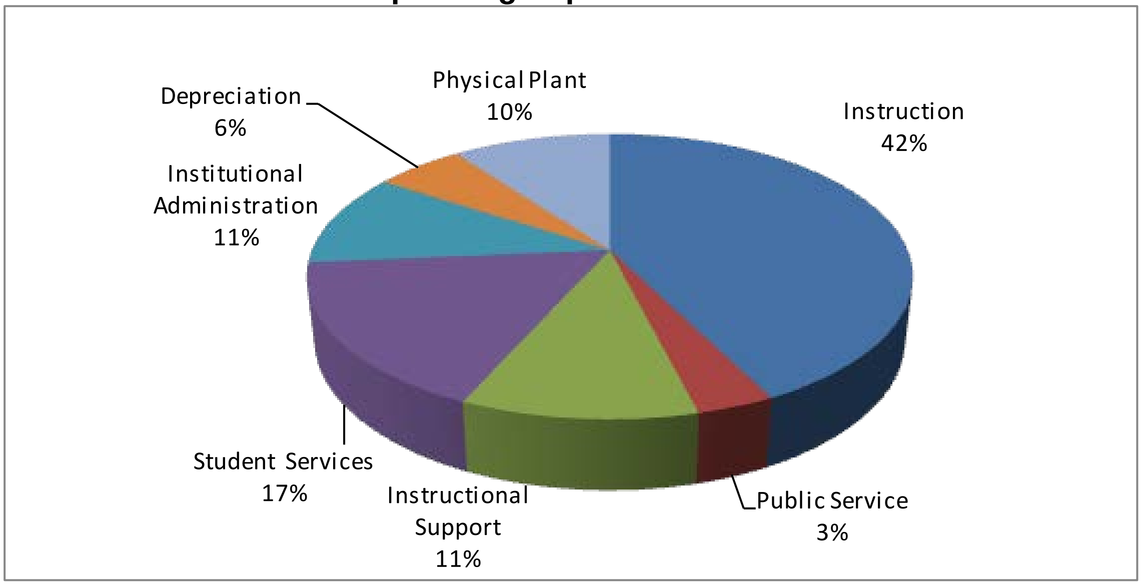
State appropriations (18 percent, 15 percent, and 14 percent of revenue for 2016, 2015, and 2014, respectively) increased due to 1.3 percent, 2.8 percent, and 2.0 percent increases in the college's operating appropriation for 2016, 2015, and 2014, respectively, as well as corresponding increases of approximately $1.5 million, $1.9 million and $1.6 million in the appropriation specifically for the MPSERS UAAL (unfunded liability) subsidy. The MPSERS UAAL subsidy is remitted back to the State.

The remainder of the College's revenue is derived from the following sources:

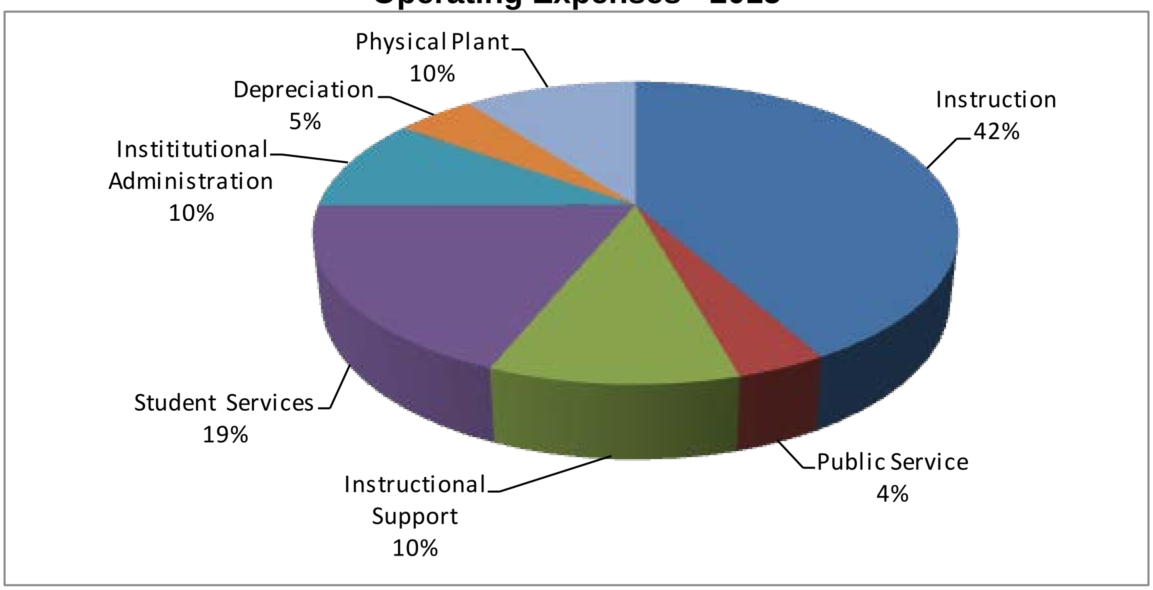
- Auxiliary activities, which include the College's parking ramps, food service, bookstore, media services and printing operations. The day-to-day operations of the parking ramps, bookstore, and food service are managed by external providers through a variety of rental and management agreements.
- Seminars and workshops. Customized training programs for business and industry are offered through the College's Training Solutions/Job Training unit.
- Rental of College facilities.
- Contributions to the College, primarily from the Foundation for scholarships, facility improvements, and faculty/staff professional development.
- Interest and investment income. Interest income increased in 2016 due to slightly higher interest rates, the use of callable agency bonds, and effective cash management reducing the average balance in lower-earning sweep accounts. There were small unrealized gains in the investment portfolios of approximately $32,500, $18,000, and $9,000 in 2016, 2015, and 2014, respectively. However, since the College's practice is to hold investments until maturity, it is unlikely that any of the gains will be realized.

Operating expenses are reported using functional classifications. For the years ended June 30, 2016 and 2015, the following shows the breakdown of operating expenses:

Operating Expenses - 2016



Operating Expenses - 2015



The College expends the largest percentage (42 percent in 2016, 2015, and 2014) of its available operating dollars on instruction. Expenditures for instruction include all costs required to provide direct instruction in the classroom such as faculty salaries and fringe benefits, classroom supplies, printing supplies, and instructional equipment. Contractual compensation adjustments, fringe benefit cost increases, and equipment and technology upgrades, as well as the number of class sections delivered, all impact instructional costs. Because this expense category consists primarily of salaries, wages, and fringe benefits, it can be the most sensitive to year-to-year fluctuations in these costs.

Student services expenditures (17 percent, 19 percent, and 20 percent of expenses in 2016, 2015, and 2014, respectively) include support services for students such as counseling, academic advising, financial aid, registrar's, and job placement. Also included are other ancillary costs associated with operating a comprehensive community college such as athletics, student clubs and organizations, and auxiliary activities.

Instructional support (11 percent, 10 percent, and 10 percent of expenses in 2016, 2015, and 2014, respectively) includes the costs of the academic support structure for the delivery of instruction. Expenditures in this area include the provost and deans, departmental support, instructional technology support, and the library operations.

Institutional administration (11 percent, 10 percent, and 10 percent of expenses in 2016, 2015, and 2014, respectively) includes expenditures for the President's office, research and planning, and financial and business services functions.

Physical plant operations (10 percent, 10 percent, and 9 percent of expenses in 2016, 2015, and 2014, respectively) and depreciation (6 percent, 5 percent, and 4 percent of expenses in 2016, 2015, and 2014, respectively) reflect the cost of operating and maintaining the College's physical environment and the safety of students, staff, and visitors to the campus.

Public service expenditures (3 percent, 4 percent, and 5 percent of expenses in 2016, 2015, and 2014, respectively) include activities that make available to the public unique resources for the specific purpose of responding to a community need or solving a community problem.

Statement of Cash Flows

The primary purpose of this statement is to provide relevant information about the cash receipts and cash payments of an entity during a period. The statement of cash flows may also help users assess:

- An entity's ability to generate future net cash flows
- Its ability to meet its obligations as they come due
- Its need for external financing

The College's liquidity increased during the year. Highlights from the College's cash flow for the years ended June 30, 2016, 2015, and 2014 include:

- Cash used in operating activities totaled $54.0 million ($85.5 million in 2015 and $69.6 million in 2014) with the most significant use of cash flow being in the form of payments related to employee compensation and fringe benefits of $85.3 million ($104.9 million in 2015 and $96.7 million in 2014). A decrease in compensation was due primarily to lower enrollment and the impact of the Voluntary Early Separation Plan (VESP). Payments to vendors ($18.0 million in 2016, $22.9 million in 2015, and $18.5 million in 2014) and for building utilities ($3.5 million in 2016, $3.0 million in 2015, and $3.2 million in 2014) also represent use of cash for operations. These operating uses of cash, including payments to students for scholarships and grants ($19.0 million in 2016, $23.1 million in 2015, and $26.7 million in 2014), were offset by cash provided by operations from tuition and fees collected of $55.8 million ($52.7 million in 2015 and $56.7 million in 2014), federal, state, and local grants and contracts collected of $5.2 million ($7.9 million in 2015 and $9.3 million in 2014), auxiliary sales of $4.1 million ($4.4 million in 2015 and $4.3 million in 2014) and other cash collections of $6.7 million ($3.3 million in 2015 and $5.3 million in 2014) primarily from rentals, seminars, and workshops.

- Noncapital financing activities provided $80.8 million ($85.0 million in 2015 and $89.1 million in 2014) in cash flow for the College, the most significant sources being local property taxes collected of $37.7 million ($36.6 million in 2015 and $35.9 million in 2014), federal Pell grants for students of $18.1 million ($22.0 million in 2015 and $25.8 million in 2014) and state appropriations of $24.3 million ($22.5 million in 2015 and $21.1 million in 2014). Gifts and contributions account for the remainder of cash provided by noncapital financing activities.

- The College used approximately $18.3 million in cash in 2016 ($23.5 million in 2015 and $26.6 million in 2014) of cash from capital and related financing activities. Purchase of capital assets used $13.0 million ($16.3 million in 2015 and $19.3 million in 2014). Principal paid on capital debt and leases of $4.0 million ($5.7 million 2015 and $5.5 million in 2014) and interest paid on debt and capital leases of $1.3 million ($1.4 million in 2015 and $1.8 million in 2014) accounted for the remainder of the use of cash from capital and related financing activities in 2016.

- Investing activities used $1.6 million of cash in 2016 (compared to generating $14.9 million in 2015 and $5.6 million in 2014). This variation reflects investing activity in the College's operating and bond portfolios to match maturities with payroll dates, student refund periods, debt payments, construction schedules, and other cash needs. Interest on investments provided $0.4 million in cash (compared to $0.2 million in 2015 and $0.3 million in 2014), reflecting slightly higher interest rates and smaller average balances in lower-earning sweep accounts.

Capital Assets and Debt Administration

At June 30, 2016, 2015, and 2014, the College had $137.0, $134.1 and $124.3 million invested in capital assets, net of accumulated depreciation of approximately $101.2, $94.8 and $89.3 million, respectively. Depreciation charges increased from $5.8 million in 2014 to $6.5 million in 2015 to $7.3 million in 2016, reflecting depreciation against additional assets placed in service in 2016.

During 2016, capital asset additions totaled $13.0 million. Included in this total is $5.2 million in completed building renovations, as well as another $4.8 million in current construction in progress, largely for the Early Childhood facility and Music building projects (see below). Included in the remaining $3.0 million are various purchases of instructional equipment and furniture, library resources, vehicle replacements, maintenance equipment, technology expenditures, and minor deferred maintenance projects.

During 2015, capital asset additions totaled $16.3 million. Included in this total is $9.9 million in completed building renovations, as well as another $1.2 million in current construction in progress for the remaining work funded with the July 2012 facilities bonds. Included in the remaining $5.2 million are various purchases of instructional equipment and furniture, library resources, vehicle replacements, technology expenditures, and minor deferred maintenance projects.

During 2014, capital asset additions totaled $23.9 million, $19.6 million of which was construction in progress related to the renovation projects funded with the 2012 bonds. Other building projects of $1.2 million included new lighting for the Bostwick ramp, upgrades to the Belknap athletic fields, and various deferred maintenance work. Equipment, library, and technology expenditures totaled another $3.0 million.

Capital expenditures in 2017 will include the completion of a $15 million Early Childhood facility on the main campus and the completion of major renovations of the Music building. The former will utilize $1.5 million in remaining 2012 facilities bond proceeds, as well as college plant fund resources and private donations. The latter will be funded primarily through private donations. Other projects will include ongoing deferred maintenance, campus safety and security enhancements, and equipment and technology replacements and upgrades.

At June 30, 2016, the College had $205.7 million in long-term obligations outstanding ($197.3 million in 2015 and $68.8 million in 2014), which includes a net pension liability of $145.8 million ($134.6 million in 2015 - see Note 9). Capital debt and lease obligations totaled $59.9 million ($62.8 million in 2015 and $68.8 million in 2014). The decrease is due to scheduled debt payments made in May of 2016. As an objective indication of its financial stability, the College's debt is rated AA (Standard & Poor's) and Aa1 (Moody's). The Standard & Poor's rating was reaffirmed in fiscal year 2016. Annual bond payment obligations are met by the .4 mill property tax allocation authorized by the Board of Trustees.

Economic Factors Affecting the Future

The economic position of the College continues to be tied to that of the State. As noted earlier, state funding accounted for 18 percent of revenue in 2016. This compares to roughly 20 percent in the mid 1990s. However, the governor and legislature recognize the important role community colleges play in preparing the State's workforce for the jobs of the future, and have endeavored to support our efforts to the extent fiscally possible. We are encouraged by a 1.4 percent increase in operational funding for 2017, the fifth consecutive annual increase. Recent state initiatives to contain health and retirement cost increases have also been beneficial.

The fortunes of the local economy will also impact the College in the future. Property tax revenue is dependent on home sales, assessed values, new construction, and commercial development. For 2017, we've conservatively budgeted for an increase of 1.75 percent, particularly given the uncertainty around reimbursements related to personal property tax reform, but believe that the actual increase may be somewhat higher. With the improving home sales and new construction, we're optimistic that this trend will continue; however, we don't anticipate a return to the pre-recession level of increases in the foreseeable future.

Enrollment levels, which have declined for the fifth year in a row, are being watched closely. With the improving economy some decline is anticipated, as community college enrollment in Michigan has historically run counter-cyclical to the State's economy. Other colleges are experiencing similar enrollment reductions. However, since student tuition and fees now provide nearly 50 percent of general fund revenue, the potential impact on the College's operating budget is significant. To address this challenge, a cross-college "ad hoc budget committee" met during 2015 and formulated both short- and long-term recommendations for revenue enhancements and expense reductions. In 2015 and 2016, implemented recommendations totaled more than $4.7 million, and another $2.4 million have been incorporated into the College's 2017 budget. The largest of these was the VESP that resulted in 55 full-time employees leaving the College over two years. These open positions provided the flexibility to critically review staffing needs and, where necessary, realign resources to current enrollment levels and programming needs.

As noted earlier, the College has been on a multi-year effort to address its significant backlog of deferred maintenance and renovation needs. We desire to not only keep our students and staff "warm, safe and dry," but to also provide them with state-of-the-art learning environments and technology resources. The $26.6 million from the July 2012 facilities bonds, augmented with state capital outlay funds and private donations, has provided funding for improvements to nearly every building on campus. In early 2017, the College will occupy its new Early Childhood facility, and major upgrades to the Music Building will be completed. For the longer term, we are seeking funding to provide needed upgrades to Ford Fieldhouse.

Now in its second century, the administration and board of trustees are of the opinion that, in spite of some critical challenges, the College is positioned to meet the needs of its students and the community during the current year and has established a financial foundation to carry the College into the future. The College remains committed to the ideals of 'open door' access and 'student success'. With a dedicated staff, board of trustees, and the support of the community, Grand Rapids Community College will continue to strive to be 'distinctive' in all that it does in 2017 and beyond.

Grand Rapids Community College

Statement of Net Position

	June 30	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	$ 48,153,089	$ 38,403,743
Accounts receivable - Net (Note 6)	7,583,658	8,450,363
Prepaid expenses and other current assets	276,270	272,605
Total current assets	56,013,017	47,126,711
Noncurrent assets:		
Investments designated for capital projects	-	2,940,065
Accounts receivable - Net (Note 6)	826,685	934,847
Long-term investments (Note 3)	7,561,472	11,438,936
Unamortized bond discount	262,930	282,324
Capital assets - Net (Note 7)	137,033,252	134,066,071
Total noncurrent assets	145,684,339	149,662,243
Total assets	201,697,356	196,788,954
Deferred Outflow of Resources (Note 10)	11,122,401	13,192,398
Liabilities		
Current liabilities:		
Accounts payable	3,034,687	3,692,978
Accrued salaries and related amounts	10,852,659	11,893,808
Unearned revenue	5,502,656	4,998,116
Interest payable	365,375	424,225
Long-term obligations - Current (Note 8)	7,559,334	7,592,461
Deposits held in custody for others	360,742	307,832
Total current liabilities	27,675,453	28,909,420
Noncurrent liabilities:		
Long-term obligations - Net of current portion (Note 8)	52,349,818	55,187,923
Net pension liability (Note 10)	145,842,419	134,569,167
Total liabilities	225,867,690	218,666,510
Deferred Inflow of Resources (Note 10)	3,125,297	14,877,069
Net Position		
Net investment in capital assets	85,810,675	79,237,372
Unrestricted deficit	(101,983,905)	(102,799,599)
Total net position	**$ (16,173,230)**	**$ (23,562,227)**

Grand Rapids Community College

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2016	2015
Operating Revenue		
Tuition and fees - Net of scholarship allowance of $12,361,482 and $13,643,133 for 2016 and 2015, respectively	$ 40,757,469	$ 40,026,209
Federal grants and contracts	4,126,014	5,267,464
State grants and contracts	1,720,458	1,760,210
Private gifts, grants, and contracts	167,640	470,981
Sales and services of auxiliary activities	4,165,444	4,447,761
Seminars, workshops, and other revenue	4,504,751	4,795,419
Total operating revenue	55,441,776	56,768,044
Operating Expenses		
Instruction	54,371,295	56,883,463
Public service	4,503,992	5,166,023
Instructional support	13,609,263	14,310,515
Student services	21,586,316	25,502,043
Institutional administration	13,583,786	13,534,753
Physical plant operations	12,895,873	14,052,512
Depreciation	7,271,991	6,462,913
Total operating expenses	127,822,516	135,912,222
Operating Loss	(72,380,740)	(79,144,178)
Nonoperating Revenue (Expenses)		
State appropriations	24,637,438	22,801,758
Property taxes	37,733,150	36,550,118
Pell revenue	18,087,416	21,985,544
Interest income	364,614	215,520
Interest expense on bonds	(1,308,006)	(1,436,243)
Unrealized gain on investments	32,566	18,085
Contributions	625,000	4,000,000
Other (loss) revenue	(402,441)	3,773,746
Net nonoperating revenue	79,769,737	87,908,528
Income - Before other revenue	7,388,997	8,764,350
Other Revenue - State capital appropriations	-	4,700,572
Increase in Net Position	7,388,997	13,464,922
Net Position		
Beginning of year	(23,562,227)	98,785,832
Adjustment for change in accounting principle (Note 1)	-	(135,812,981)
Net Position - Beginning of year - As restated	(23,562,227)	(37,027,149)
Net Position - End of year	**$ (16,173,230)**	**$ (23,562,227)**

The Accompanying Notes to Financial Statements
are an Integral Part of These Statements.

Grand Rapids Community College

Statement of Cash Flows

	Year Ended June 30	
	2016	2015
Cash Flows from Operating Activities		
Tuition and fees	$ 55,781,971	$ 52,755,017
Grants and contracts	5,155,312	7,943,964
Payments to suppliers	(18,025,172)	(22,876,567)
Payments for utilities	(3,483,279)	(3,010,830)
Payments to employees	(61,490,950)	(63,843,640)
Payments for benefits	(23,817,731)	(41,092,823)
Payments for scholarships and grants	(18,994,569)	(23,114,491)
Auxiliary enterprise charges - Net	4,165,445	4,447,761
Other	6,663,233	3,341,368
Net cash used in operating activities	(54,045,740)	(85,450,241)
Cash Flows from Noncapital Financing Activities		
Local property taxes	37,733,150	36,550,118
Noncapital contributions	625,000	4,000,000
Federal direct lending receipts	19,896,336	21,869,353
Federal direct lending disbursements	(19,896,336)	(21,869,353)
Federal Pell grant	18,087,416	21,985,546
State appropriations	24,328,903	22,476,317
Net cash provided by noncapital financing activities	80,774,469	85,011,981
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	(13,032,580)	(16,330,707)
Principal paid on long-term obligations including capital debt	(3,951,588)	(5,718,224)
Interest paid on capital debt	(1,308,006)	(1,436,243)
Net cash used in capital and related financing activities	(18,292,174)	(23,485,174)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	168,408,506	235,362,771
Purchase of investments	(170,400,394)	(220,747,092)
Interest on investments	364,614	215,520
Net cash (used in) provided by investing activities	(1,627,274)	14,831,199
Net Increase (Decrease) in Cash and Cash Equivalents	6,809,281	(9,092,235)
Cash and Cash Equivalents - Beginning of year	41,343,808	50,436,043
Cash and Cash Equivalents - End of year	**$ 48,153,089**	**$ 41,343,808**

Statement of Cash Flows (Continued)

	Year Ended June 30	
	2016	2015
Statement of Net Position Classification of Cash and Cash Equivalents		
Cash and cash equivalents (Note 3)	$ 48,153,089	$ 38,403,743
Investments designated for capital projects (Note 3)	-	2,940,065
Total cash and cash equivalents	**$ 48,153,089**	**$ 41,343,808**
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (72,380,740)	$ (79,144,178)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation expense	7,271,991	6,462,913
Change in assets and liabilities:		
Accounts receivable	974,867	(1,466,531)
Other assets	15,729	8,184
Accounts payable and accrued liabilities	(1,699,439)	(3,238,734)
Unearned revenue	504,540	539,728
Deposits held in custody for others	52,910	(74,560)
Interest payable	(58,850)	(37,493)
Net pension liability	11,273,252	(8,499,570)
Net cash used in operating activities	**$ (54,045,740)**	**$ (85,450,241)**

The College entered into capital leases totaling $414,762 in 2016. There were no noncash activities during 2015.

Discretely Presented Component Unit
Grand Rapids Community College Foundation

Balance Sheet

	June 30	
	2016	2015
Assets		
Cash and cash equivalents	$ 6,159,025	$ 6,039,659
Other current assets	68,552	66,558
Long-term investments	24,455,146	24,281,484
Contribution receivable - Net (Note 5)	1,580,721	2,289,239
Capital assets - Net	253,297	264,628
Total assets	**$ 32,516,741**	**$ 32,941,568**
Liabilities and Net Assets - Scholarships payable and related amounts	$ 575,987	$ 622,949
Net Assets		
Unrestricted	3,231,303	3,324,062
Temporarily restricted	22,162,473	22,497,579
Permanently restricted	6,546,978	6,496,978
Total net assets	31,940,754	32,318,619
Total liabilities and net assets	**$ 32,516,741**	**$ 32,941,568**

Statement of Activities and Changes in Net Assets

	Year Ended June 30	
	2016	2015
Revenue		
Investment income	$ 891,166	$ 1,410,371
Unrealized (loss) gain on investments	(681,762)	123,403
Contributions	2,444,433	6,783,878
Total revenue	2,653,837	8,317,652
Expenses		
Scholarships and grants expense	2,097,615	5,453,631
General and administrative	565,557	510,252
Fundraising	368,530	330,469
Total expenditures	3,031,702	6,294,352
Change in Net Assets	(377,865)	2,023,300
Net Assets - Beginning of year	32,318,619	30,295,319
Net Assets - End of year	**$ 31,940,754**	**$ 32,318,619**

Note 1 - Industry Information and Significant Accounting Policies

Reporting Entity - Grand Rapids Community College (the "College") is a Michigan community college whose financial statements have been prepared in accordance with generally accepted accounting principles as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35 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 the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College.

The Grand Rapids Community College Foundation (the "Foundation"), a not-for-profit corporation, was formed to solicit, collect, and invest donations made for the promotion of educational activities and capital campaigns at the College. In accordance with the provisions of GASB Statement No. 61, the Foundation is discretely presented in the College's financial statements because of the significance of the resources provided to the College and the Foundation provides services entirely for the benefit of the College. Separate financial statements of the Foundation may be obtained by contacting Grand Rapids Community College, 143 Bostwick Avenue, NE, Grand Rapids, Michigan 49503.

Significant accounting policies followed by the College are described below to enhance the usefulness of the financial statements to the reader:

Basis of Presentation - The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. The Internal Revenue Service has determined that the Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded.

Accrual Basis - The financial statements of Grand Rapids Community 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.

Internal Service Activities - Both revenue and expense related to internal service activities, including print shops, office equipment, maintenance, telecommunications, and institutional computing, have been eliminated.

Note 1 - Industry Information and Significant Accounting Policies (Continued)

Revenue Recognition - The College generally follows the revenue recognition methods set forth in the *Manual for Uniform Financial Reporting - Michigan Public Community Colleges, 2001*. Property taxes are recorded as revenue in the year taxes are levied. Under this method, revenue for fiscal year 2016 includes property taxes that were levied on July 1, 2015 and generally collected before September 30, 2015, and revenue for fiscal year 2015 includes property taxes that were levied on July 1, 2014 and generally collected before September 30, 2014. State appropriations are recorded as revenue in the period for which they are appropriated. Reductions to state appropriations are recorded in the College's fiscal year in which the changes are approved by the state legislature.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents consist of all highly liquid investments, including certificates of deposit, with an initial maturity of 12 months or less. Investments designated for capital projects are considered cash equivalents.

Investments - Investments are recorded at fair value, based on quoted market price.

Accounts Receivable - Accounts receivable resulting from government and state grants, state appropriations, and student tuition consists of operating revenue recognized, but not received, as of June 30, 2016 and 2015. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal student payment periods. In addition, a general valuation allowance is established for other student accounts receivable based on historical loss experience.

Scholarship Allowances - Student tuition and fee revenue and certain other revenue from students are reported net of scholarship allowances in the statement of revenue, expenses, and changes in net assets. Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenue in the College's financial statements. To the extent that revenue from such programs is used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance.

Bond Discount and Premium - Bond discount or premium relates to the value of the bonds issued by the College at the issuance date. The premium or discount on issuance is amortized on a straight-line basis over the life of the related outstanding bond issue.

Note 1 - Industry Information and Significant Accounting Policies (Continued)

Property and Equipment - Property and equipment are recorded at cost. Gifts of property are recorded at fair market value at the time gifts are received. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method. No depreciation is recorded on land. Expenditures for major renewals and betterments that extend the useful lives of the assets are capitalized. The following estimated useful lives are used to compute depreciation:

Buildings	40 years
Land improvements and infrastructure	20 years
Equipment	5-15 years

Unearned Revenue - Revenue received prior to year end that relates to the next fiscal period is recorded as unearned revenue. Unearned revenue relates primarily to Summer-term tuition received prior to June 30. The remaining amount included in unearned revenue relates to grant and award monies received in excess of costs incurred as of year end for college programs financed by government agencies and other organizations.

Net Position - Net position is classified according to external donor retrictions or availability of assets for satisfaction of college obligations. Restricted net position represents amounts over which third parties have imposed restrictions that cannot be changed by the board, including amounts that the board has agreed to set aside under contractual agreements with third parties. Generally, the College first applies restricted resources when an expense is incurred for which both restricted and unrestricted resources are available. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and net of related debt.

Operating Revenue and Expenses - Revenue and expense transactions are normally classified as operating revenue and expenses when such transactions are generated by the College's principal ongoing operations. However, most revenue that is considered to be nonexchange, such as tax revenue, federal Pell grant revenue, and state appropriations, is considered nonoperating revenue.

Federal Financial Assistance Programs - The College participates in federally funded Pell grants, SEOG grants, Federal Work Study, and federal direct lending programs. Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the compliance supplement.

During the years ended June 30, 2016 and 2015, the College distributed $19,896,336 and $21,869,353, respectively, for direct lending through the U.S. Department of Education, which is not included as revenue and expenditures in the accompanying financial statements.

Reclassifications - Deferred outflows of resources totaling $13,192,398 related to MPSERS which were presented net with deferred inflows of resources of $14,877,069 in 2015 have been reclassified to their respective deferred inflows of resources lines on the 2015 statement of net position.

Note 1 - Industry Information and Significant Accounting Policies (Continued)

Pensions - For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Deferred Outflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. At June 30, 2016, the College's deferred inflows of resources related to the net pension liability (see Note 10 for more information).

Deferred Inflows of Resources - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2016, the College's deferred inflows of resources related to the net pension liability (see Note 10 for more information).

Adoption of New Standard - The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 71 is a clarification of GASB Statement No. 68 requiring a government to recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The statements also enhance accountability and transparency through revised note disclosures and required supplemental information (RSI). In accordance with the statement, the College has reported a change in accounting principle adjustment to unrestricted net position of $135,812,981, which is the net of the net pension liability and related deferred inflows as of July 1, 2014.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. The statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Note 2 - Property Taxes

Property tax revenue is recognized in the year for which taxes have been levied.

Property taxes are levied on July 1 and December 1 based on taxable values as of the preceding December 31. The taxes, which are collected and remitted to the College by townships and cities within the College district boundaries, are collected through February 28. Uncollected real property taxes of the College are turned over to the counties in which the district is located for subsequent collection. The College is subsequently paid 100 percent of delinquent real property taxes through the counties' tax revolving funds. These payments are usually received within three to five months after the delinquency date.

During the years ended June 30, 2016 and 2015, $1.7865 of tax per $1,000 of taxable property value in the College's taxing district was levied for general operating purposes on all property. Total operating property tax revenue was $37,733,150 and $36,550,118 for the years ended June 30, 2016 and 2015, respectively.

Note 3 - Cash and Investments

The College considers all highly liquid investments with a maturity of 12 months or less when purchased to be cash equivalents. The College's deposits and investments are included on the statement of net position under the following classifications at June 30, 2016 and 2015:

	2016	2015
Cash and cash equivalents	$ 48,153,089	$ 38,403,743
Investments designated for capital projects	-	2,940,065
Long-term investments	7,561,472	11,438,936
Total cash and investments	$ 55,714,561	$ 52,782,744

Investments - The investment policy of the Foundation, as established by the Foundation's board of directors, authorizes investments in a diversified portfolio of stocks and bonds based on the following asset allocation ranges:

Investment Type	Range	Benchmark
Stocks	55% - 65%	60%
Fixed income	30% - 50%	35%
Cash	0% - 15%	5%

Interest Rate Risk - The College does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The College does invest in accordance with state law.

Note 3 - Cash and Investments (Continued)

The Foundation invests in mutual funds with the long-term objective to preserve principal, provide appreciation, and maintain adequate liquidity. Due to the long-term nature of the investments, the Foundation does not limit investment maturities. The Foundation is also not limited to the investing restrictions imposed on the College by state law.

As of June 30, 2016, the College had the following investments and maturities:

	S&P Quality Rating	Fair Market Value	Less Than One Year	1-3 Years	More Than 3 Years
Cash and money market accounts	N/A	$ 12,765,094	$ 12,765,094	$ -	$ -
Certificates of deposit	N/A	15,210,528	13,451,477	754,450	1,004,600
Commercial paper	A-1+	13,440,543	13,440,543	-	-
U.S. agency securities	AGY	14,298,396	8,495,974	2,501,980	3,300,442
Total		$ 55,714,561	$ 48,153,088	$ 3,256,430	$ 4,305,042

As of June 30, 2015, the College had the following investments and maturities:

	S&P Quality Rating	Fair Market Value	Less Than One Year	1-3 Years	More Than 3 Years
Cash and money market accounts	N/A	$ 10,548,406	$ 10,548,406	$ -	$ -
Certificates of deposit	N/A	20,458,225	18,250,062	1,707,903	500,260
Commercial paper	A-1+	9,980,441	9,480,441	-	500,000
U.S. agency securities	AGY	11,795,672	3,064,899	3,498,000	5,232,773
Total		$ 52,782,744	$ 41,343,808	$ 5,205,903	$ 6,233,033

Credit Risk - According to state law, the College must limit investments in commercial paper to corporations rated prime by at least one of the standard rating services. The Foundation invests in mutual funds with a long-term growth objective.

The nationally recognized statistical rating organization (NRSRO) utilized is primarily Standard & Poor’s Rating Services.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the College’s deposits may not be available or returned. The College does not have a deposit policy for custodial credit risk. At June 30, 2016 and 2015, the carrying amount of the College’s deposits was $20,183,442 and $18,682,038, respectively. Of that amount, $5,950,300 and $11,450,046, respectively, was insured by the Federal Deposit Insurance Corporation. The remaining $14,233,142 and $7,231,992 at June 30, 2016 and 2015, respectively, was uninsured and uncollateralized. The College does not require deposits to be insured or collateralized. It is precluded by state law from collateralizing its deposits.

Note 3 - Cash and Investments (Continued)

Custodial Credit Risk of Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College's investment policy does not address custodial credit risk. All of the investments are, however, in the name of the College, and the investments are held in trust accounts with each financial institution from which they were purchased.

Concentration of Credit Risk - The College's investment policy limits investments in any one institution to an upper limit of 5 percent of the net worth of that institution. Also, commercial paper investments are limited to no more than $5,000,000 in any single issuer. The College's investment policy does not limit investments in U.S. agencies or treasuries. The Foundation's investment policy limits investments in any single equity security to no more than 5 percent of the market value of all equity securities.

More than 5 percent of the College's investments at June 30 were invested as follows:

Issuer	2016	2015
Flagstar	- %	11%
Lake Michigan Credit Union	7%	8%
Michigan Class	7%	8%
PNC Bank	13%	10%
Federal Home Loan Bank	8%	13%
Federal National Mortgage Association	8%	7%
JP Morgan	7%	- %
Federal Farm Credit Bank	7%	- %

Investments at Grand Rapids Community College Foundation are as follows:

	June 30, 2016		June 30, 2015	
	Cost	Fair Value	Cost	Fair Value
Bonds	$ 8,532,836	$ 8,729,532	$ 8,214,055	$ 8,234,408
Common stock	11,551,496	15,725,614	11,014,853	16,047,076
Total	$ 20,084,332	$ 24,455,146	$ 19,228,908	$ 24,281,484

Net (losses) gains from security transactions for the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Unrealized (depreciation) appreciation	$ (681,762)	$ 123,403
Realized gains	441,853	979,371
Total	$ (239,909)	$ 1,102,774

Note 3 - Cash and Investments (Continued)

Total investment gains and losses on the statement of activities for the Grand Rapids Community College Foundation are comprised of interest and dividend income of $449,313 at June 30, 2016 and $431,000 at June 30, 2015 and net realized gains of $441,853 at June 30, 2016 and $979,371 at June 30, 2015.

Note 4 - Fair Value Measurements

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The College's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The College has the following recurring fair value measurements as of June 30, 2016 and 2015:

Assets Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
U.S. agency securities	$ 7,302,433	$ 7,302,433	$ -	$ -
Total investments by fair value level	$ 7,302,433	$ 7,302,433	$ -	$ -

Assets Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Commercial paper	$ 500,000	$ 500,000	$ -	$ -
U.S. agency securities	10,730,673	10,730,673	-	-
Total investments by fair value level	$ 11,230,673	$ 11,230,673	$ -	$ -

Note 4 - Fair Value Measurements (Continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Note 5 - Foundation Contributions Receivable

Foundation contributions receivable consist of unconditional promises to give. The present value of contributions receivable is calculated using a discount rate of 0.71 percent and 1.00 percent for the years ended June 30, 2016 and 2015, respectively, and is expected to be collected as follows:

Years		2016	2015
2016		$ -	$ 735,427
2017		666,249	607,563
2018		478,158	481,563
2019		440,198	481,083
2020		26,687	31,550
2021 and thereafter		4,000	5,000
	Total	1,615,292	2,342,186
	Less present value discount and reserve for uncollectible pledges	(34,571)	(52,947)
	Net present value	$ 1,580,721	$ 2,289,239

Note 6 - Accounts Receivable

Accounts receivable consist of the following:

	2016	2015
Tuition and other	$ 2,882,646	$ 5,041,126
Grants and contracts	1,722,000	863,203
State appropriations - Operating	4,608,112	4,299,577
Total accounts receivable	9,212,758	10,203,906
Less allowance for uncollectibles	(802,415)	(818,696)
Net accounts receivable	$ 8,410,343	$ 9,385,210

The College values accounts receivable at gross realizable value. All amounts deemed to be uncollectible are charged directly against income in the period that determination is made.

Note 7 - Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Land and improvements	$ 7,107,164	$ -	$ -	$ 7,107,164
Building and building improvements	185,255,629	5,192,671	-	190,448,300
Furniture, fixtures, and equipment	33,731,844	2,998,471	(929,588)	35,800,727
Subtotal - Depreciable assets	226,094,637	8,191,142	(929,588)	233,356,191
Construction in progress	2,724,301	4,841,438	(2,724,301)	4,841,438
Total	228,818,938	13,032,580	(3,653,889)	238,197,629
Less accumulated depreciation:				
Building and building improvements	(74,319,183)	(2,939,967)	-	(77,259,150)
Furniture, fixtures, and equipment	(20,433,684)	(4,332,024)	860,480	(23,905,227)
Total accumulated depreciation	(94,752,867)	$ (7,271,991)	$ 860,480	(101,164,377)
Capital assets - Net	$ 134,066,071			$ 137,033,252

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Land and improvements	$ 7,107,164	$ -	$ -	$ 7,107,164
Building and building improvements	152,916,286	9,913,940	22,425,403	185,255,629
Furniture, fixtures, and equipment	29,688,719	5,182,650	(1,139,525)	33,731,844
Subtotal - Depreciable assets	189,712,169	15,096,590	21,285,878	226,094,637
Construction in progress	23,915,587	1,234,117	(22,425,403)	2,724,301
Total	213,627,756	16,330,707	(1,139,525)	228,818,938
Less accumulated depreciation:				
Building and building improvements	(70,537,061)	(3,782,122)	-	(74,319,183)
Furniture, fixtures, and equipment	(18,804,774)	(2,680,791)	1,051,881	(20,433,684)
Total accumulated depreciation	(89,341,835)	$ (6,462,913)	$ 1,051,881	(94,752,867)
Capital assets - Net	$ 124,285,921			$ 134,066,071

At June 30, 2016, there was approximately $14.7 million in construction commitments outstanding in connection with ongoing capital projects. The College had capitalized interest of approximately $1.0 million during the year ended June 30, 2016 and 2015.

Note 8 - Long-term Obligations

Long-term obligation activity during the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Series bonds, 2016 series	$ -	$ 4,495,000	$ -	$ 4,495,000	$ 1,380,000
Series bonds, 2013 series	3,675,000	-	580,000	3,095,000	575,000
Series bonds, 2012 series (facilities)	23,905,000	-	965,000	22,940,000	1,005,000
Series bonds, 2012 series	3,450,000	-	510,000	2,940,000	510,000
Series bonds, 2009 series	9,950,000	-	450,000	9,500,000	500,000
Series bonds, 2008 series	9,200,000	-	1,310,000	7,890,000	1,315,000
Series bonds, 2006 series	5,655,000	-	5,655,000	-	-
Leases Payable -					
Capital leases	84,403	414,762	136,588	362,577	110,965
Other Long-term Liabilities					
Unamortized bond premium	1,954,521	-	123,258	1,831,263	123,258
Kellogg Foundation Loan	-	1,500,000	-	1,500,000	-
Accrued employee leave	4,082,191	2,212,151	1,891,559	4,402,783	2,040,111
Michigan job training grants	824,269	1,011,294	883,034	952,529	-
Total	$ 62,780,384	$ 9,633,207	$ 12,504,439	$ 59,909,152	$ 7,559,334

Long-term obligation activity during the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Series bonds, 2013 series	$ 4,255,000	$ -	$ 580,000	$ 3,675,000	$ 580,000
Series bonds, 2012 series (facilities)	24,835,000	-	930,000	23,905,000	965,000
Series bonds, 2012 series	3,935,000	-	485,000	3,450,000	510,000
Series bonds, 2009 series	10,350,000	-	400,000	9,950,000	450,000
Series bonds, 2008 series	10,505,000	-	1,305,000	9,200,000	1,310,000
Series bonds, 2006 series	7,420,000	-	1,765,000	5,655,000	1,210,000
Leases Payable -					
Capital leases	337,627	-	253,224	84,403	84,403
Other Long-term Liabilities					
Unamortized bond premium	2,077,779	-	123,258	1,954,521	123,258
Accrued employee leave	4,273,083	2,279,258	2,470,150	4,082,191	2,359,800
Michigan job training grants	800,062	1,080,800	1,056,593	824,269	-
Total	$ 68,788,551	$ 3,360,058	$ 9,368,225	$ 62,780,384	$ 7,592,461

Note 8 - Long-term Obligations (Continued)

Series Bonds, 2016 Refunding - The College issued $4,495,000 in general obligation bonds (2016 Series Bonds) with an average interest rate of 1.05 percent. The 2016 Series Bonds were issued to refund $4,445,000 outstanding of 2006 Series Bonds with an average interest rate of 4.45 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2006 Series Bonds. As a result, the 2006 Series Bonds are considered to be defeased, $4,445,000 in liability for the bonds has been removed from the statement of net position, and the transaction has been treated as a noncash financing activity in the statement of cash flows. The principal and interest on the 2016 Series Bonds are paid primarily from property tax levies. The bonds bear interest at 1.05 percent and have remaining annual maturities ranging from $1,380,000 to $1,615,000. The bonds mature in 2019.

Series Bonds, 2013 - The College issued $4,830,000 in general obligation bonds (2013 Series Bonds) with an average interest rate of 2.16 percent. The 2013 Series Bonds were issued to refund $4,915,000 outstanding of 2003 Series Bonds with an average interest rate of 5.27 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2003 Series Bonds. As a result, the 2003 Series Bonds are considered to be defeased, and the liability for the bonds has been removed from the statement of net position. The advance refunding resulted in the recognition of an accounting gain of approximately $124,000 during 2013, and future debt service payments are reduced by the net present value of approximately $866,000. Defeased debt that remains on the 2003 Series Bonds was $3,335,000 at June 30, 2016. The principal and interest on the 2013 Series Bonds are paid primarily from property tax levies. The bonds bear interest at rates ranging from 0.8 percent to 3.0 percent and have remaining annual maturities ranging from $365,000 to $575,000. The bonds mature in 2022.

Series Bonds, 2012 (Facilities) - The College issued $26,645,000 in general obligation limited tax bonds (2012 Series Bonds) with an average interest rate of 3.39 percent. The funds are being used for renovating, refurnishing, and re-equipping existing college facilities, acquiring and installing enhanced technology and technology infrastructure, and purchasing or expanding building and other facilities. The principal and interest on the 2012 Series Bonds are paid from a facilities maintenance fee assessed to students based on contact hour enrolled. The bonds bear interest at rates from 3.4 percent to 5.0 percent and have remaining annual maturities ranging from $1,005,000 to $1,910,000. The bonds mature in 2032.

Note 8 - Long-term Obligations (Continued)

Series Bonds, 2012 Refunding - The College issued $4,365,000 in general obligation bonds (2012 Series Bonds) with an average interest rate of 3.79 percent. The 2012 Series Bonds were issued to refund $4,400,000 of the $10,195,000 outstanding of 2003 Series Bonds with an average interest rate of 4.81 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2003 Series Bonds. As a result, the 2003 Series Bonds are considered to be partially defeased, and $4,400,000 in liability for the bonds has been removed from the statement of net position. Defeased debt that remains on the 2003 Series Bonds was $2,980,000 at June 30, 2016. The principal and interest on the 2012 Series Bonds are paid primarily from property tax levies. The bonds bear interest at rates ranging from 3.8 percent to 5.3 percent and have remaining annual maturities ranging from $200,000 to $510,000. The bonds mature in 2023.

Series Bonds, 2009 - The College issued $12,000,000 in general obligation limited tax bonds (2009 Series Bonds) with an average interest rate of 3.9 percent. Of the 2009 Series Bonds, $9,500,000 was used to purchase various building and properties and the remainder was used for various renovations to this newly acquired property. The principal and interest on the 2009 Series Bonds are paid primarily from property tax levies. The bonds bear interest at rates from 4.1 percent to 6.5 percent and have remaining annual maturities ranging from $500,000 to $900,000. The bonds mature in 2029.

Series Bonds, 2008 - The College issued $18,225,000 in general obligation bonds (2008 Series Bonds) with an average interest rate of 5.0 percent. The 2008 Series Bonds were issued to refund outstanding 1998 Series Bonds with an average interest rate of 4.81 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 1998 Series Bonds. As a result, the 1998 Series Bonds are considered to be defeased, the liability for the bonds has been removed from the statement of net position, and the transaction has been treated as a noncash financing activity in the statement of cash flows. The advance refunding resulted in the recognition of an accounting gain of approximately $252,000 during 2008, and future debt service payments are reduced by the net present value of approximately $1,099,693. Defeased debt that remains on the 1998 Series Bonds was $8,250,000 at June 30, 2016. The principal and interest on the 2008 Series Bonds are paid primarily from property tax levies. The bonds bear an interest rate of 5.0 percent and have remaining annual maturities of $1,315,000. The bonds mature in 2022.

Kellogg Loan - In July 2015**,** the College entered into a loan agreement with the Kellogg Foundation for a loan in the amount of $1,500,000 for the construction of the Lab Preschool Building. The loan bears interest from the date of the loan at the rate of 1 percent per year and has remaining annual maturities ranging from $369,401 to $380,636. The final loan payment is scheduled for June 2022.

Note 8 - Long-term Obligations (Continued)

Capital Leases - During 2011 through 2016, the College acquired copier and printer systems under various capital lease agreements. Payments of $110,965 are due annually. The systems are included in capital assets at a cost of $751,830 and have recorded accumulated depreciation of $328,813 as of June 30, 2016.

Total principal and interest maturities on the bonds payable as of June 30, 2016 are as follows:

Years Ending	Debt Obligations			Lease Obligations		
June 30	Principal	Interest	Total	Principal	Interest	Total
2017	$ 5,285,000	$ 1,998,677	$ 7,283,677	$ 110,965	$ 10,543	$ 121,508
2018	5,470,000	1,827,391	7,297,391	94,377	7,302	101,679
2019	6,039,401	1,643,019	7,682,420	97,734	3,945	101,679
2020	4,533,109	1,450,464	5,983,573	52,600	1,069	53,669
2021	4,641,854	1,262,929	5,904,784	6,901	71	6,972
2022-2026	13,345,636	4,046,882	17,392,519	-	-	-
2027-2031	11,135,000	1,633,069	12,768,069	-	-	-
2032	1,909,999	71,626	1,981,625	-	-	-
Total	$ 52,360,000	$ 13,934,057	$ 66,294,057	$ 362,577	$ 22,930	$ 385,507

Cash Paid for Interest - Cash paid for interest was approximately $1,308,000 and $1,436,000 for the years ended June 30, 2016 and 2015, respectively.

Michigan Job Training Grants - During 2010, the College became involved in the Michigan New Jobs Training Program. The Michigan New Jobs Training Program was created by State of Michigan Public Acts 359 and 360 of 2008 and provides the ability for community college districts to enter into agreements with employers to (1) provide education and training to workers in order to create new jobs and (2) to establish a funding mechanism to pay for the education and training. In connection with this program, the College has entered into agreements with various local employers for the purpose of establishing projects to educate and train certain persons employed in new jobs. The local employers prepay training costs to the College and the College subsequently issues noninterest-bearing revenue bonds payable to the employers equal to the prepayments. The employer remits state income tax withholdings for these new employees directly to the College. The College then remits these withholdings back to the employer on a quarterly basis to reimburse the company for the costs of training, thus reducing bonds payable. As of June 30, 2016, the College has outstanding bonds payable to various employers of $952,529. The bonds mature at various dates through 2030.

Accrued Employee Leave - The College provides termination benefits upon departure from the College resulting from unused sick time and years of service and defined by each respective labor contract and administrative policy under the vesting method. Under the vesting method, the liability is accrued for employees based on the amount eligible and certain assumptions are used to determine probability of reaching the criteria required for eligibility. Included in the current portion of the accrual is earned but not used vacation and amounts to be provided to employees that will be retiring in the upcoming fiscal year.

Note 9 - Defined Contribution (Optional) Retirement Plan

The College has established an Optional Retirement Plan (ORP) in addition to the Michigan Public School Employees Retirement System (MPSERS) plan as required by state law. Eligible employees may elect to participate in the MPSERS plan or join the ORP. Eligible employees are defined as full-time faculty and professional staff. Participants are immediately vested in the ORP, which requires an employer and employee contribution of 12.00 percent and 3.00 percent, respectively. In general, a participant may request payment of benefits at any time after total disability, termination of employment, or age 65 unless deferred until age 70½. College contributions to the ORP were approximately $1,167,000 and $1,231,000 for the years ended June 30, 2016 and 2015, respectively.

Note 10 - Michigan Public School Employees Retirement System

Plan Description - The College participates in the Michigan Public School Employees Retirement System (MPSERS or the “System”), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the College. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment healthcare benefits to retirees and beneficiaries who elect to receive those benefits.

The Michigan Public School Employees Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment healthcare plans. That report is available on the web at http://www.michigan.gov/orsschools, or by writing to the Office of Retirement System (ORS) at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

Contributions - Public Act 300 of 1980, as amended, required the College to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state legislature. Under these provisions, each college’s contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

College contributions are determined based on employee elections. There are seven different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates are as follows:

October 1, 2013 - September 30, 2014	15.44% - 18.34%
October 1, 2014 - September 30, 2015	18.76% - 23.07%
October 1, 2015 - June 30, 2016	14.56% - 18.95%

Depending on the plan selected, plan member contributions range from 0 percent up to 6.0 percent of gross wages. Plan members electing into the defined contribution plan are not required to make additional contributions.

Note 10 - Michigan Public School Employees Retirement System (Continued)

The College's required and actual contributions to the plan for the years ended June 30, 2016 and 2015 were $13,900,316 and $14,876,264, respectively. Contributions include $4,206,803 and $3,763,715 revenue received from the State of Michigan to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate for the year ended June 30, 2016 and 2015.

Benefits Provided - 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 calculated as final average compensation times years of service times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension, but is permanently reduced 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Members are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death, and are determined in the same manner as retirement benefits, but with an actuarial reduction.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. For some members that do not receive an annual increase, they are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

Note 10 - Michigan Public School Employees Retirement System (Continued)

Net Pension Liability, Deferrals, and Pension Expense - At June 30, 2016 and 2015, the College reported a liability of $145,842,419 and $134,569,167, respectively, for its proportionate share of the net pension liability. The net pension liability for fiscal year 2016 was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2014, which used update procedures to roll forward the estimated liability to September 30, 2015. The net pension liability for fiscal year 2015 was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2013, which used update procedures to roll forward the estimated liability to September 30, 2014. The College's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2015, the College's proportion was 0.59710 percent of MPSERS in total, an increase of 2.3 percent from its proportion measured as of September 30, 2014. At September 30, 2014, the College's proportion was 0.61094 percent of MPSERS in total, an increase of 0 percent from its proportion measured as of September 30, 2013.

For the years ended June 30, 2016 and 2015, the College recognized pension expense of $11,615,712 and $9,929,151, respectively. At June 30, 2016 and 2015, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 3,590,949	$ -
Differences between expected and actual experience	-	(483,073)
Net difference between projected and actual earnings on pension plan assets	744,408	-
Changes in proportion and differences between college contributions and proportionate share of contributions	-	(2,642,224)
College contributions subsequent to the measurement date	10,993,847	-
Total	$ 15,329,204	$ (3,125,297)

	June 30, 2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 4,965,314	$ -
Net difference between projected and actual earnings on pension plan assets	-	(14,876,676)
Changes in proportion and differences between college contributions and proportionate share of contributions	-	(393)
College contributions subsequent to the measurement date	8,227,084	-
Total	$ 13,192,398	$ (14,877,069)

Note 10 - Michigan Public School Employees Retirement System (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2017	$ (301,848)
2018	(301,848)
2019	(496,542)
2020	2,310,298
Total	$ 1,210,060

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2017).

Actuarial Assumptions - The total pension liability as of September 30, 2015 and September 30, 2014 is based on the results of an actuarial valuation date of September 30, 2014 and September 30, 2013, and rolled forward. The following actuarial assumptions applied to all periods included in the measurement:

Actuarial cost method	Entry age normal cost actuarial cost method
Assumed rate of return	7.00 percent to 8.00 percent, net of investment and administrative expenses based on the groups
Rate of pay increases	3.50 percent
Mortality basis	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB

The actuarial assumptions used for the September 30, 2014 and September 30, 2013 valuation were based on the results of an actuarial experience study for the period from October 1, 2007 to September 30, 2012. As a result of this study, the actuarial assumptions were adjusted to more closely reflect actual experience.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent to 8.00 percent, depending on the plan option. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10 - Michigan Public School Employees Retirement System (Continued)

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 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	June 30, 2016		June 30, 2015	
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	28.0%	5.9%	28.0%	4.8%
Private Equity Pools	18.0%	9.2%	18.0%	8.5%
International Equity Pools	16.0%	7.2%	16.0%	6.1%
Fixed-income Pools	10.5%	0.9%	10.0%	1.5%
Real Estate and Infrastructure Pools	10.0%	4.3%	10.0%	5.3%
Real Return, Opportunistic, and Absolute Pools	15.5%	6.0%	16.0%	6.3%
Short-term Investment Pools	2.0%	0.0%	2.0%	-0.2%
Total	100.0%		100.0%	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the College, calculated using the discount rate of 7.00 percent to 8.00 percent, depending on the plan option, as well as what the College's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (7.00 percent/6.00 percent) or 1.00 percentage point higher (9.00 percent/8.00 percent) than the current rate:

2016	1.00 Percent Decrease (7.00/6.00%)	Current Discount Rate (8.00/7.00%)	1.00 Percent Increase (9.00/8.00%)
Net pension liability	$ 188,028,264	$ 145,842,419	$ 110,278,024

2015	1.00 Percent Decrease (7.00/6.00%)	Current Discount Rate (8.00/7.00%)	1.00 Percent Increase (9.00/8.00%)
Net pension liability	$ 177,417,729	$ 134,569,167	$ 98,468,621

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS financial report.

Note 10 - Michigan Public School Employees Retirement System (Continued)

Payable to the Pension Plan - At June 30, 2016, the College reported a payable of $2,405,537 for the outstanding amount of contributions to the pension plan required including the UAAL payments for July and August 2016. At June 30, 2015, the College reported a payable of $3,314,533 for the outstanding amount of contributions to the pension plan required including the UAAL payments for July and August 2015.

Postemployment Benefits Other Than Pensions (OPEB) - Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate. The employer contribution rate ranged from 5.52 percent to 6.45 percent of covered payroll for the period from October 1, 2014 through September 30, 2015, and from 6.40 percent to 6.83 percent of covered payroll for the period from October 1, 2015 through June 30, 2016 dependent upon the employee's date of hire and plan election as noted above. Members can choose to contribute 3 percent of their covered payroll to the Retiree Healthcare Fund and keep this premium subsidy benefit, or they can elect not to pay the 3 percent contribution and instead choose the Personal Healthcare Fund, which can be used to pay healthcare expenses in retirement. Members electing the Personal Healthcare Fund will be automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date and create a 2 percent employer match into the employee's 403B account.

The College's required and actual contributions to the plan for retiree healthcare benefits for the years ended June 30, 2016, 2015, and 2014 were $2,680,920, $1,535,717, and $3,887,345, respectively.

Note 11 - Risk Management

The College is exposed to various risks of loss related to property loss, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The College has purchased commercial insurance for property loss, errors and omissions, and medical benefits provided to employees and claims relating to employee injuries. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 12 - State Building Authority

The State of Michigan partially funded the construction of the Calkins Science Center with $15,040,000 of bonds issued by the State Building Authority (SBA) in May 2000 and the main building renovations with $3,000,000 of bonds issued by the SBA in April 2002. The SBA bonds are secured by a pledge of rentals to be received from the State of Michigan pursuant to an agreement entered into between the SBA, the State of Michigan, and the College. During the lease term, the SBA will hold title to the buildings, the State of Michigan will make all lease payments to the SBA, and the College will be responsible for all operating and maintenance costs. At the expiration of the lease, the SBA will transfer the titles of the buildings to the College. The lease related to the Calkins Science Center expires in February 2034 and the lease related to the main building expires in March 2037.

Note 13 - Foundation Restricted Net Assets

Foundation net assets were restricted for the following purposes:

	June 30, 2016		June 30, 2015	
	Temporarily Restricted	Permanently Restricted	Temporarily Restricted	Permanently Restricted
Capital campaigns	$ 337,522	$ -	$ 459,416	$ -
Other capital related	8,458,563	-	8,072,400	-
Tech Center capital campaign	1,125,530	-	1,043,028	-
Scholarships and other	12,240,858	6,549,978	12,922,735	6,496,978
Total	$ 22,162,473	$ 6,549,978	$ 22,497,579	$ 6,496,978

Note 14 - Upcoming Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the College to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the Michigan Public School Employees Retirement Plan (MPSERS). The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The College is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2017.

Note 15 - Subsequent Event

In September 2016, the College sold its athletic field for $5 million. In addition, the College is the recipient of a $7 million scholarship fund held with a local foundation to aid needy students pursuing careers in healthcare or the health sciences enrolled at the College.

Required Supplemental Information

Schedule of Funding Progress
Michigan Public School Employees Retirement Plan
(amounts were determined as of September 30 of each fiscal year)

	2015	2014
College's proportion of the collective MPSERS net pension liability:		
As a percentage	0.59710%	0.61094%
Amount	$ 145,842,419	$ 134,569,167
College's covered employee payroll	$ 49,129,485	$ 52,048,878
College's proportionate share of the collective pension liability (amount), as a percentage of the College's covered employee payroll	296.85%	258.54%
MPSERS fiduciary net position as a percentage of the total pension liability	63.17%	66.20%

Schedule of Contributions
Michigan Public School Employees Retirement Plan
(amounts were determined as of June 30 of each fiscal year)

	2016	2015
Statutorily required contribution	$ 13,751,793	$ 9,488,294
Contributions in relation to the actuarially determined contractually required contribution	$ 13,751,793	$ 9,488,294
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 48,088,254	$ 51,268,145
Contributions as a percentage of covered employee payroll	28.60%	18.51%

Notes to Required Supplemental Information

Changes of benefit terms - There were no changes of benefit terms in 2015.

Changes of assumptions - There were no changes to assumptions in 2015.

Other Supplemental Information

	General Fund	Designated Fund	Retirement Fund	Auxiliary Fund
Assets				
Current assets:				
Cash and cash equivalents	$ 37,180,941	$ -	$ -	$ 2,519,158
Accounts receivable - Net	7,111,335	368,913	-	26,898
Prepaid expenses and other current assets	251,781	1,970	-	22,519
Due (to) from other funds	(18,675,801)	3,663,959	-	4,154,830
Total current assets	25,868,256	4,034,842	-	6,723,405
Noncurrent assets:				
Accounts receivable - Net	-	-	-	-
Long-term investments	7,561,472	-	-	-
Unamortized bond discounts	-	-	-	-
Capital assets - Net	-	-	-	-
Total noncurrent assets	7,561,472	-	-	-
Total assets	33,429,728	4,034,842	-	6,723,405
Deferred Outflow of Resources	-	-	11,122,401	-
Liabilities				
Current liabilities:				
Accounts payable	1,081,479	92,399	-	351,902
Accrued salaries and related amounts	10,519,551	107,446	-	40,068
Unearned revenue	5,502,656	-	-	-
Interest payable	-	-	-	-
Long-term obligations - Current	2,212,151	-	-	-
Deposits held in custody for others	-	-	-	-
Total current liabilities	19,315,837	199,845	-	391,970
Noncurrent liabilities:				
Long-term obligations - Net of current portion	2,190,632	-	-	-
Net pension liability	-	-	145,842,419	-
Total liabilities	21,506,469	199,845	145,842,419	391,970
Deferred Inflow of Resources	-	-	3,125,297	-
Net Position				
Net investment in capital assets	-	-	-	-
Unrestricted (deficit)	11,923,259	3,834,997	(137,845,315)	6,331,435
Total net position	**$ 11,923,259**	**$ 3,834,997**	**$ (137,845,315)**	**$ 6,331,435**

Combining Statement of Net Position
June 30, 2016

	Expendable Restricted Fund	Agency Fund	Plant Fund	Total	Eliminations	Combined Total
	$ -	$ 347,700	$ 8,105,290	$ 48,153,089	$ -	$ 48,153,089
	76,512	-	-	7,583,658	-	7,583,658
	-	-	-	276,270	-	276,270
	122,053	15,243	10,719,716	-	-	-
	198,565	362,943	18,825,006	56,013,017	-	56,013,017
	-	-	826,685	826,685	-	826,685
	-	-	-	7,561,472	-	7,561,472
	-	-	262,930	262,930	-	262,930
	-	-	137,033,252	137,033,252	-	137,033,252
	-	-	138,122,867	145,684,339	-	145,684,339
	198,565	362,943	156,947,873	201,697,356	-	201,697,356
	-	-	-	11,122,401	-	11,122,401
	12,971	2,201	1,493,735	3,034,687	-	3,034,687
	185,594	-	-	10,852,659	-	10,852,659
	-	-	-	5,502,656	-	5,502,656
	-	-	365,375	365,375	-	365,375
	-	-	5,347,183	7,559,334	-	7,559,334
	-	360,742	-	360,742	-	360,742
	198,565	362,943	7,206,293	27,675,453	-	27,675,453
	-	-	50,159,186	52,349,818	-	52,349,818
	-	-	-	145,842,419	-	145,842,419
	198,565	362,943	57,365,479	225,867,690	-	225,867,690
	-	-	-	3,125,297	-	3,125,297
	-	-	85,810,675	85,810,675	-	85,810,675
	-	-	13,771,719	(101,983,905)	-	(101,983,905)
	$ -	**$ -**	**$ 99,582,394**	**$ (16,173,230)**	**$ -**	**$ (16,173,230)**

Grand Rapids Community College

	General Fund	Designated Fund	Retirement Fund	Auxiliary Fund
Operating Revenue				
Tuition and fees - Net of scholarship allowance	$ 53,118,951	$ -	$ -	$ -
Federal grants and contracts	-	-	-	-
State grants and contracts	-	-	-	-
Private gifts, grants, and contracts	-	-	-	-
Sales and services of auxiliary activities	-	-	-	5,108,507
Seminars, workshops, and other revenue	1,806,121	2,698,630	-	-
Total operating revenue	54,925,072	2,698,630	-	5,108,507
Operating Expenses				
Instruction	54,572,024	1,175,055	(1,513,302)	-
Public service	1,269,971	210,367	(33,278)	-
Instructional support	13,958,392	3,889	(337,485)	-
Student services	9,279,103	599,152	(233,878)	3,910,340
Institutional administration	12,982,737	758,751	(267,859)	-
Physical plant operations	12,925,311	33,127	(229,524)	-
Depreciation	-	-	-	-
Total operating expenses	104,987,538	2,780,341	(2,615,326)	3,910,340
Operating (Loss) Income	(50,062,466)	(81,711)	2,615,326	1,198,167
Nonoperating Revenue (Expenses)				
State appropriations	24,637,438	-	-	-
Property taxes	29,903,376	-	-	-
Pell revenue	-	-	-	-
Interest income	359,940	-	-	-
Interest expense on bonds	-	-	-	-
Current fund expenditures for capital assets	-	-	-	-
Unrealized gain on investments	32,566	-	-	-
Contributions	-	-	-	-
Other (loss) revenue	-	-	(4,206,803)	-
Net nonoperating revenue (expenses)	54,933,320	-	(4,206,803)	-
Income (Loss) Before Other Revenue	4,870,854	(81,711)	(1,591,477)	1,198,167
Other Revenue - State capital appropriations	-	-	-	-
Increase (Decrease) in Net Position - Before transfers	4,870,854	(81,711)	(1,591,477)	1,198,167
Transfers - Mandatory and nonmandatory	(4,069,110)	212,335	-	(1,680,000)
Increase (Decrease) in Net Position	801,744	130,624	(1,591,477)	(481,833)
Net Position - Beginning of year	11,121,515	3,704,373	(136,253,838)	6,813,268
Adjustment for change in accounting principle	-	-	-	-
Net Position - Beginning of year - As restated	11,121,515	3,704,373	(136,253,838)	6,813,268
Net Position - End of year	**$ 11,923,259**	**$ 3,834,997**	**$ (137,845,315)**	**$ 6,331,435**

Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2016
(with comparative totals for the year ended June 30, 2015)

Expendable Restricted Fund	Plant Fund	Total	Eliminations	2016	2015
$ -	$ -	$ 53,118,951	$ (12,361,482)	$ 40,757,469	$ 40,026,209
4,126,014	-	4,126,014	-	4,126,014	5,267,464
1,720,458	-	1,720,458	-	1,720,458	1,760,210
167,640	-	167,640	-	167,640	470,981
-	-	5,108,507	(943,063)	4,165,444	4,447,761
-	-	4,504,751	-	4,504,751	4,795,419
6,014,112	-	68,746,321	(13,304,545)	55,441,776	56,768,044
702,068	-	54,935,845	(564,550)	54,371,295	56,883,463
3,444,046	-	4,891,106	(387,114)	4,503,992	5,166,023
110,724	-	13,735,520	(126,257)	13,609,263	14,310,515
20,666,277	-	34,220,994	(12,634,678)	21,586,316	25,502,043
200,353	-	13,673,982	(90,196)	13,583,786	13,534,753
14,835	161,388	12,905,137	(9,264)	12,895,873	14,052,512
-	7,271,991	7,271,991	-	7,271,991	6,462,913
25,138,303	7,433,379	141,634,575	(13,812,059)	127,822,516	135,912,222
(19,124,191)	(7,433,379)	(72,888,254)	507,514	(72,380,740)	(79,144,178)
-	-	24,637,438	-	24,637,438	22,801,758
-	7,829,774	37,733,150	-	37,733,150	36,550,118
18,087,416	-	18,087,416	-	18,087,416	21,985,544
-	4,674	364,614	-	364,614	215,520
-	(1,308,006)	(1,308,006)	-	(1,308,006)	(1,436,243)
-	507,514	507,514	(507,514)	-	-
-	-	32,566	-	32,566	18,085
-	625,000	625,000	-	625,000	4,000,000
-	3,804,362	(402,441)	-	(402,441)	3,773,746
18,087,416	11,463,318	80,277,251	(507,514)	79,769,737	87,908,528
(1,036,775)	4,029,939	7,388,997	-	7,388,997	8,764,350
-	-	-	-	-	4,700,572
(1,036,775)	4,029,939	7,388,997	-	7,388,997	13,464,922
1,036,775	4,500,000	-	-	-	-
-	8,529,939	7,388,997	-	7,388,997	13,464,922
-	91,052,455	(23,562,227)	-	(23,562,227)	98,785,832
-	-	-	-	-	(135,812,981)
-	91,052,455	(23,562,227)	-	(23,562,227)	(37,027,149)
$ -	**$ 99,582,394**	**$ (16,173,230)**	**$ -**	**$ (16,173,230)**	**$ (23,562,227)**

Grand Rapids Community College

Schedule of General Fund Revenue, Expenses, and Transfers - Budget to Actual
Year Ended June 30, 2016

	Actual	Final Authorized Budget	Variance Favorable (Unfavorable)
Revenue			
Student tuition and fees	$ 53,118,951	$ 52,244,388	$ 874,563
Property taxes	29,903,376	29,711,482	191,894
State operating appropriations	24,637,438	24,597,084	40,354
Interest income	359,940	190,000	169,940
Seminars, workshops, and other revenue	1,838,687	1,763,286	75,401
Total revenue	109,858,392	108,506,240	1,352,152
Expenditures and Transfers			
Instruction	54,572,024	56,040,370	1,468,346
Public service	1,269,971	1,304,142	34,171
Instructional support	13,958,392	14,333,965	375,573
Student services	9,279,103	9,528,772	249,669
Institutional administration	12,982,737	13,332,058	349,321
Physical plant operations	12,925,311	13,273,087	347,776
Total expenditures	104,987,538	107,812,394	2,824,856
Transfers From (To) General Fund			
Designated fund support	212,335	212,335	-
Auxiliary activity fund support	(1,680,000)	(1,680,000)	-
Expendable restricted fund support	1,036,775	1,214,314	177,539
Maintenance, equipment, and technology support	4,500,000	875,000	(3,625,000)
Total transfers	4,069,110	621,649	(3,447,461)
Total expenditures and transfers	109,056,648	108,434,043	(622,605)
Revenue over expenditures and transfers	**$ 801,744**	**$ 72,197**	**$ 1,974,757**

Grand Rapids Community College

Schedule of Changes in Designated Fund
Year Ended June 30, 2016

	Net Position at July 1, 2015	Revenue	Expenditures	Transfers In	Net Position at June 30, 2016
Training solutions	$ 139,967	$ 1,800,531	$ 1,726,539	$ -	$ 213,959
Diversity lecture series	11,994	58,500	43,796	-	26,698
Ford concessions	6,713	24,830	18,233	-	13,310
Ford equipment	202,994	48,187	45,116	-	206,065
HED Programs	201,193	50,288	44,462	-	207,019
Institutional reserarch	38,343	87,445	67,395	-	58,393
Auto technologies	229	25,633	16,826	-	9,036
Occupational training	30,073	41,604	45,543	-	26,134
Older Learners Center	11,670	271	18,324	48,374	41,991
Precollege program	18,987	-	15,000	-	3,987
Strategic Leadership Team	172,306	-	50,705	73,000	194,601
Budget stabilization	1,937,762	-	-	-	1,937,762
Other designated programs	932,142	561,341	688,402	90,961	896,042
	$ 3,704,373	$ 2,698,630	$ 2,780,341	$ 212,335	$ 3,834,997

Grand Rapids Community College

Schedule of Changes in Auxiliary Fund
Year Ended June 30, 2016

	Bookstore	Food Service	Parking	Printing Services	Total
Revenue					
Sales and fees	$ 550,933	$ 1,124,271	$ 2,515,498	$ 917,805	$ 5,108,507
Expenditures					
Cost of sales	-	879,479	751,748	354,919	1,986,146
Salaries, wages, and benefits	41,278	234,285	133,869	528,244	937,676
Capital outlay	14,838	-	754,665	-	769,503
Other operating expenses	217,015	-	-	-	217,015
Total expenditures	273,131	1,113,764	1,640,282	883,163	3,910,340
Transfers Out	350,000	100,000	1,230,000	-	1,680,000
Total expenditures and transfers out	623,131	1,213,764	2,870,282	883,163	5,590,340
Excess of Revenue (Under) Over Expenditures and Transfers Out	(72,198)	(89,493)	(354,784)	34,642	(481,833)
Net Position - July 1, 2015	2,545,808	381,187	3,767,628	118,645	6,813,268
Net Position - June 30, 2016	**$ 2,473,610**	**$ 291,694**	**$ 3,412,844**	**$ 153,287**	**$ 6,331,435**

Grand Rapids Community College

Schedule of Changes in Expendable Restricted Fund
Year Ended June 30, 2016

	Net Position at July 1, 2015	Revenue	Expenditures	Transfers In	Net Position at June 30, 2016
Specially funded:					
American Apprenticeship Initiative - DOL	$ -	$ 70,319	$ 70,319	$ -	$ -
Early Childhood	-	454,513	497,736	43,223	-
Kellogg Foundation	-	395,879	395,879	-	-
Learning Corner	-	165,240	165,240	-	-
Michigan New Jobs Training	-	727,653	727,653	-	-
Motorcycle Safety Program	-	135,220	135,220	-	-
Older Learner	-	43,410	43,410	-	-
Student Support Services	-	319,537	379,827	60,290	-
DOL TAACCCT- MI Coalition for Advanced Manufacturing	-	974,175	974,175	-	-
Title III Grant	-	398,885	615,222	216,337	-
Upward Bound	-	344,121	344,121	-	-
Vocational Education	-	803,151	1,520,076	716,925	-
Miscellaneous - Other	-	274,856	274,856	-	-
Total	-	5,106,959	6,143,734	1,036,775	-
Student financial aid:					
Federal Pell Grant Program	-	18,087,416	18,087,416	-	-
Federal Supplemental Education Opportunity Grant Program	-	554,515	552,140	(2,375)	-
Federal Work Study	-	352,638	355,013	2,375	-
Total	**$ -**	**$ 24,101,528**	**$ 25,138,303**	**$ 1,036,775**	**$ -**

Grand Rapids Community College

Schedule of Bonded Debt
Year Ended June 30, 2016

	2016 Refunding Bonds		Series 2008		Series 2009		Series 2012		Series 2012 (Facilities)		Series 2013		Kellogg Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 1,380,000	$ 56,899	$ 1,315,000	$ 394,500	$ 500,000	$ 369,628	$ 510,000	$ 113,806	$ 1,005,000	$ 978,918	$ 575,000	$ 69,926	$ -	$ 15,000	$ 5,285,000	$ 1,998,677
2018	1,500,000	32,707	1,315,000	328,750	550,000	354,060	510,000	93,406	1,045,000	938,718	550,000	64,750	-	15,000	5,470,000	1,827,391
2019	1,615,000	16,958	1,315,000	263,000	600,000	336,220	505,000	73,006	1,100,000	886,468	535,000	53,750	369,401	13,617	6,039,401	1,643,019
2020	-	-	1,315,000	197,250	650,000	315,980	505,000	52,806	1,155,000	831,468	535,000	43,050	373,109	9,910	4,533,109	1,450,464
2021	-	-	1,315,000	131,500	700,000	291,940	505,000	32,606	1,210,000	773,718	535,000	27,000	376,854	6,165	4,641,854	1,262,929
2022	-	-	1,315,000	65,750	725,000	266,050	200,000	12,406	1,270,000	713,218	365,000	10,950	380,636	2,383	4,255,636	1,070,757
2023	-	-	-	-	750,000	237,822	205,000	6,406	1,335,000	649,718	-	-	-	-	2,290,000	893,946
2024	-	-	-	-	775,000	208,621	-	-	1,400,000	582,968	-	-	-	-	2,175,000	791,589
2025	-	-	-	-	800,000	177,691	-	-	1,470,000	512,968	-	-	-	-	2,270,000	690,659
2026	-	-	-	-	825,000	145,763	-	-	1,530,000	454,168	-	-	-	-	2,355,000	599,931
2027	-	-	-	-	850,000	110,906	-	-	1,580,000	402,532	-	-	-	-	2,430,000	513,438
2028	-	-	-	-	875,000	74,985	-	-	1,635,000	347,232	-	-	-	-	2,510,000	422,217
2029	-	-	-	-	900,000	38,034	-	-	1,695,000	290,006	-	-	-	-	2,595,000	328,040
2030	-	-	-	-	-	-	-	-	1,755,000	228,562	-	-	-	-	1,755,000	228,562
2031	-	-	-	-	-	-	-	-	1,845,000	140,812	-	-	-	-	1,845,000	140,812
2032	-	-	-	-	-	-	-	-	1,910,000	71,626	-	-	-	-	1,910,000	71,626
Total	**$ 4,495,000**	**$ 106,564**	**$ 7,890,000**	**$ 1,380,750**	**$ 9,500,000**	**$ 2,927,700**	**$ 2,940,000**	**$ 384,442**	**$22,940,000**	**$ 8,803,100**	**$ 3,095,000**	**$ 269,426**	**$ 1,500,000**	**$ 62,075**	**$52,360,000**	**$13,934,057**