Grand Rapids Community College

Financial Report

with Supplemental Information

June 30, 2017

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, 2017 and 2016 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.

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, 2017 and 2016 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.

To the Board of Trustees
Grand Rapids Community College

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, which 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2017 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 16, 2017

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, 2017, 2016, and 2015. 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 nonprofit 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 nonfinancial 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.

Statement 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)

	2017	2016	2015
Assets			
Current assets	$ 57,323	$ 50,311	$ 47,127
Noncurrent assets:			
Capital assets - Net of depreciation	146,536	137,033	134,066
Other	14,390	14,353	15,596
Total assets	218,249	201,697	196,789
Deferred Outflow of Resources	17,420	15,329	13,192
Liabilities			
Current liabilities	24,206	27,675	28,909
Noncurrent liabilities:			
Long-term debt	46,830	52,350	55,187
Net pension liability	148,003	145,842	134,569
Total liabilities	219,039	225,867	218,665
Deferred Inflow of Resources	7,499	7,332	14,877
Net Position			
Net investment in capital assets	99,209	85,811	79,238
Unrestricted (deficit)	(90,078)	(101,984)	(102,800)
Total net position	**$ 9,131**	**$ (16,173)**	**$ (23,562)**

Current assets are comprised primarily of cash and cash equivalents, which total $49.3, $42.5, and $37.1 million for 2017, 2016, and 2015, 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 ($7.7, $7.6, and $8.5 million for 2017, 2016, and 2015, 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 million between 2016 and 2015 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 $9.5 million and $3.0 million as a result of projects completed during 2017 and 2016 and construction in progress at the end of the June 30, 2017 and 2016 years.

Current liabilities are comprised primarily of employee compensation and vendor payments, representing 42 percent, 50 percent, and 54 percent of current liabilities for 2017, 2016, and 2015, 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 Michigan Public School Employees' Retirement System (MPSERS). Bond, capital lease, and interest payments due in November and May of the subsequent fiscal year accounted for another 33 percent, 29 percent, and 28 percent of current liabilities for 2017, 2016, and 2015, 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, 2018) 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 $55.3 million in 2015 to $52.3 million in 2016 to $46.8 million in 2017 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 $148.0 million at June 30, 2017, $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 $17.4 million as of June 30, 2017, $15.3 million as of June 30, 2016, and $13.2 million as of June 30, 2015. Deferred inflows are $7.5 million as of June 30, 2017, $7.3 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 nonoperating revenue according to accounting principles generally accepted in the United States of America.

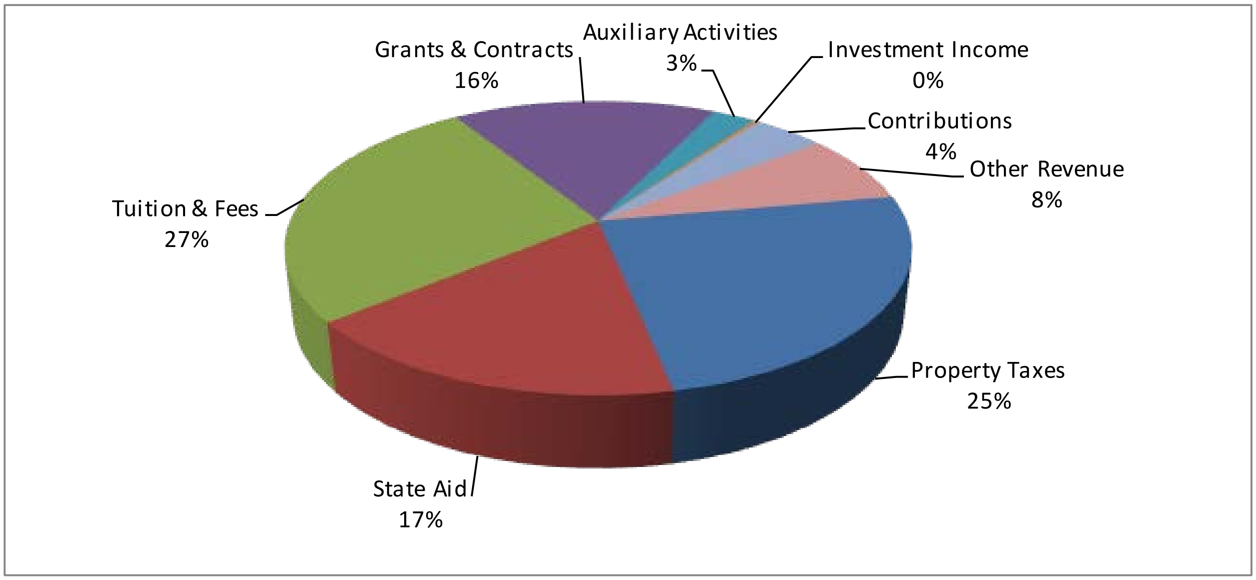
The following are the major components of the College's revenue and expenses (in thousands) for the years ended June 30:

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

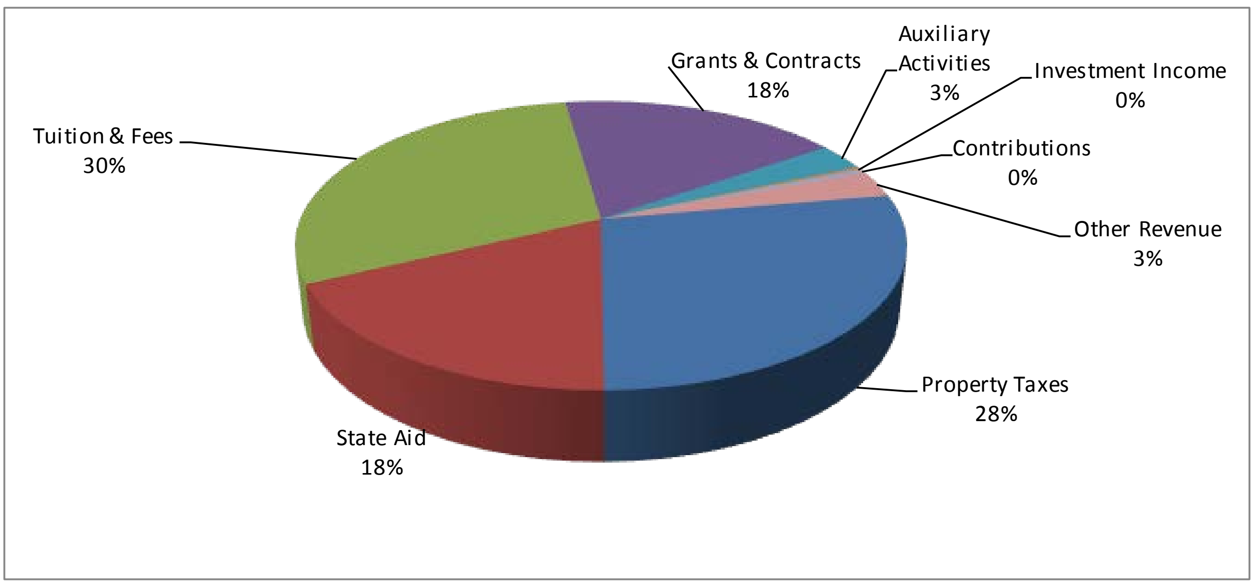
	2017	2016	2015
Operating Revenue			
Tuition and fees - Net	$ 41,717	$ 40,757	$ 40,026
Grants and contracts	9,100	6,015	7,498
Sales and services of auxiliary activities	4,131	4,165	4,448
Other sources	4,390	4,505	4,795
Total operating revenue	59,338	55,442	56,767
Operating Expenses			
Instruction	54,450	54,371	56,883
Public service	4,987	4,504	5,166
Instructional support	14,357	13,609	14,310
Student services	21,152	21,587	25,502
Institutional administration	13,682	13,584	13,535
Physical plant operations	12,799	12,896	14,053
Depreciation	7,256	7,272	6,463
Total operating expenses	128,683	127,823	135,912
Operating Loss	(69,345)	(72,381)	(79,145)
Nonoperating Revenue (Expenses)			
State appropriations	26,830	24,638	22,802
Property taxes	38,047	37,733	36,550
Federal Pell grant	16,049	18,087	21,985
Investment income	446	397	234
Interest expense on bonds	(980)	(1,308)	(1,436)
Contributions	6,850	625	4,000
Other income (loss) - Net of other revenue	7,407	(402)	3,774
Net nonoperating revenue	94,649	79,770	87,909
Income Before Other Revenue	25,304	7,389	8,764
Other Revenue - State capital appropriations	-	-	4,701
Increase in Net Position	25,304	7,389	13,465
Net Position - Beginning of year	(16,173)	(23,562)	98,786
Adjustment for Change in Accounting Principle	-	-	(135,813)
Net Position - End of year	**$ 9,131**	**$ (16,173)**	**$ (23,562)**

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, 2017 and 2016:

Revenue Sources - 2017



Revenue Sources - 2016



Property tax revenue (25 percent, 28 percent, and 24 percent of revenue for 2017, 2016, and 2015, respectively) reflects 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, 2017, 2016, and 2015.

Student tuition and fees (27 percent, 30 percent, and 26 percent of revenue for 2017, 2016, and 2015, 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 2017, 2016, and 2015, thus placing an ever increasing share of the responsibility for funding the institution on students. Billing units in 2017 declined by approximately 3.2 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 $11.1 million, $12.4 million, and $13.6 million for 2017, 2016, and 2015, 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 2017 and 2016 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 (16 percent, 18 percent, and 20 percent of revenue for 2017, 2016, and 2015, 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.

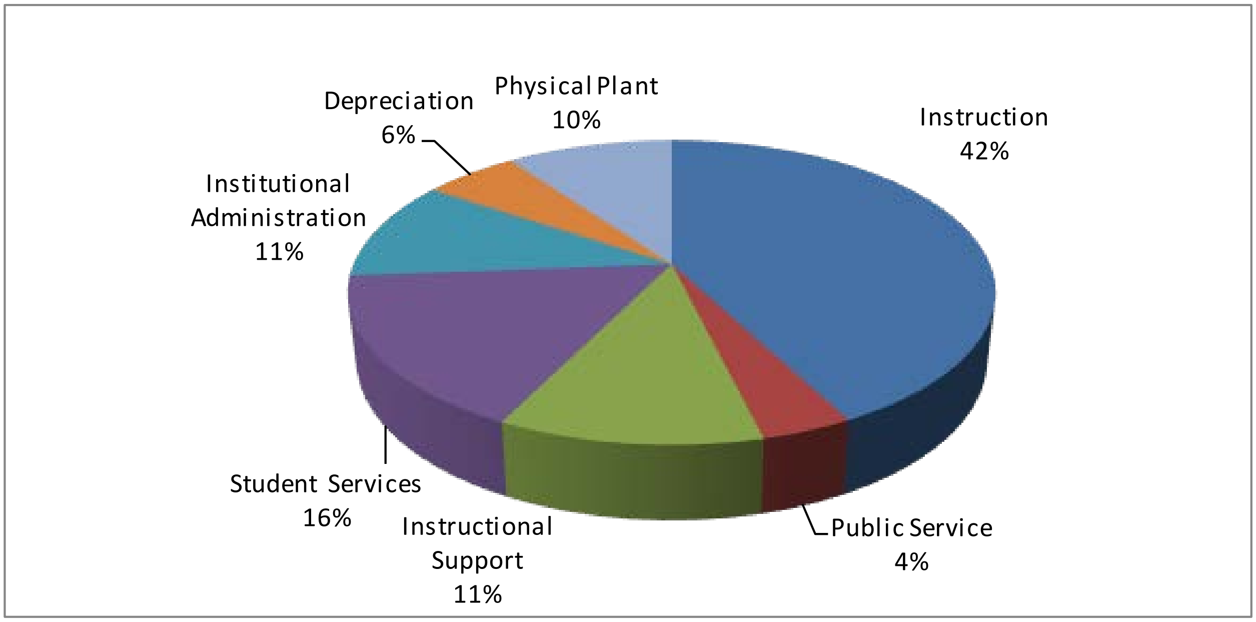
State appropriations (17 percent, 18 percent, and 15 percent of revenue for 2017, 2016, and 2015, respectively) increased due to 1.4 percent, 1.3 percent, and 2.8 percent increases in the College's operating appropriation for 2017, 2016, and 2015, respectively, as well as corresponding increases of approximately $0.1 million, $1.5 million, and $1.9 million in the appropriation specifically for the MPSERS UAAL (unfunded liability) subsidy. The MPSERS UAAL subsidy is remitted back to the State. In addition, $1.7 million in personal property tax reimbursement was also allocated to state appropriations in 2017.

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

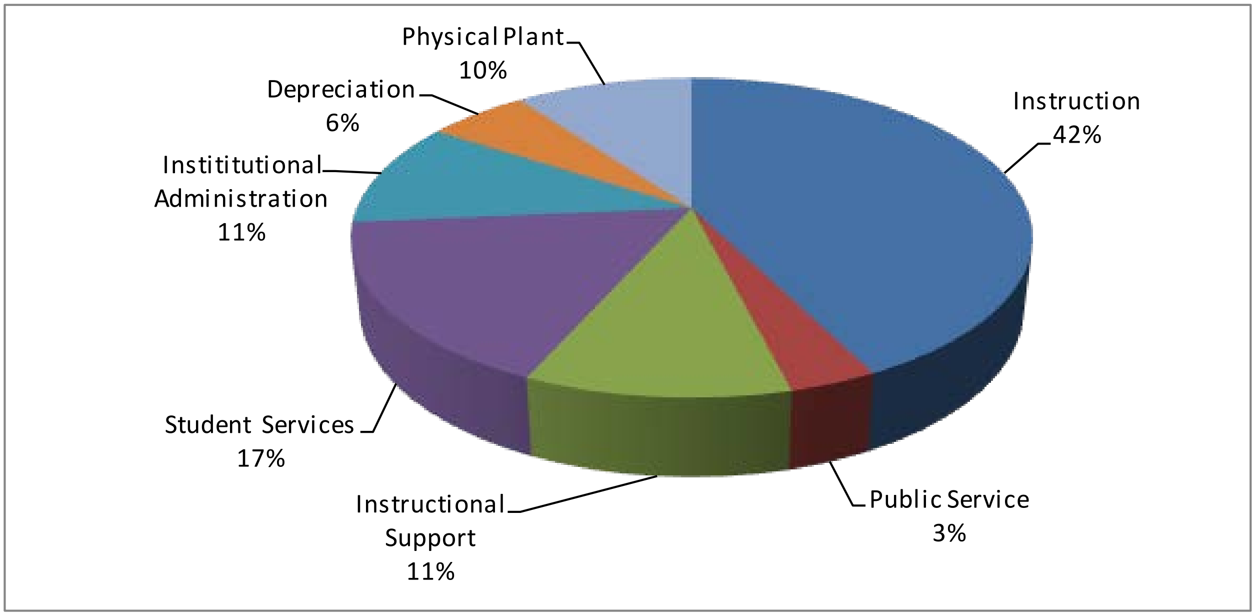
- Auxiliary activities, which include the College's parking ramps, food service, bookstore, media services, and printing operations. The day-to-day operations of the parking ramps, bookstore, and food service are managed by external providers through a variety of rental and management agreements.
- Seminars 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 2017 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 (losses) gains in the investment portfolios of approximately ($43,000), $32,600, and $18,000 in 2017, 2016, and 2015, respectively. However, since the College's practice is to hold investments until maturity, it is unlikely that any of the gains or losses will be realized.

Operating expenses are reported using functional classifications. For the years ended June 30, 2017 and 2016, the following shows the breakdown of operating expenses:

Operating Expenses - 2017



Operating Expenses - 2016



The College expends the largest percentage (42 percent in 2017, 2016, and 2015) 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 (16 percent, 17 percent, and 19 percent of expenses in 2017, 2016, and 2015, 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 in 2017 and 2016 and 10 percent of expenses in 2015) 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 in 2017 and 2016 and 10 percent of expenses in 2015) includes expenditures for the president's office, research and planning, and financial and business services functions.

Physical plant operations (10 percent in 2017, 2016, and 2015) and depreciation (6 percent in 2017 and 2016 and 5 percent of expenses in 2015) 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 (4 percent, 3 percent, and 4 percent of expenses in 2017, 2016, and 2015, 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, 2017, 2016, and 2015 include:

- Cash used in operating activities totaled $64.9 million ($54.0 million in 2016 and $85.5 million in 2015) with the most significant use of cash flow being in the form of payments related to employee compensation and fringe benefits of $97.5 million ($85.3 million in 2016 and $104.9 million in 2015). Payments to vendors ($17.9 million in 2017, $18.0 million in 2016, and $22.9 million in 2015) and for building utilities ($3.5 million in 2017 and 2016 and $3.0 million in 2015) also represent use of cash for operations. These operating uses of cash, including payments to students for scholarships and grants ($17.1 million in 2017, $19.0 million in 2016, and $23.1 million in 2015), were offset by cash provided by operations from tuition and fees collected of $52.9 million ($55.8 million in 2016 and $52.7 million in 2015), federal, state, and local grants and contracts collected of $9.6 million ($5.2 million in 2016 and $7.9 million in 2015), auxiliary sales of $4.1 million ($4.2 million in 2016 and $4.4 million in 2015), and other cash collections of $4.4 million ($6.7 million in 2016 and $3.3 million in 2015) primarily from rentals, seminars, and workshops.

- Noncapital financing activities provided $87.7 million ($80.8 million in 2016 and $85.0 million in 2015) in cash flow for the College, the most significant sources being local property taxes collected of $38.0 million ($37.7 million in 2016 and $36.6 million in 2015), federal Pell grants for students of $16.0 million ($18.1 million in 2016 and $22.0 million in 2015), and state appropriations of $26.7 million ($24.3 million in 2016 and $22.5 million in 2015). Gifts and contributions account for the remainder of cash provided by noncapital financing activities.

- The College used approximately $23.4 million in cash in 2017 ($15.6 million in 2016 and $23.5 million in 2015) of cash from capital and related financing activities. Purchase of capital assets used $17.0 million ($10.3 million in 2016 and $16.3 million in 2015). Principal paid on capital debt and leases of $5.4 million ($4.0 million 2016 and $5.7 million in 2015) and interest paid on debt and capital leases of $1.0 million ($1.3 million in 2016 and $1.4 million in 2015) accounted for the remainder of the use of cash from capital and related financing activities in 2017.

- Investing activities generated $7.4 million of cash in 2017 (compared to using $8.7 million in 2016 and generating $13.5 million in 2015). 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 $.5 million in cash (compared to $0.4 million in 2016 and $0.2 million in 2015), reflecting slightly higher interest rates and smaller average balances in lower-earning sweep accounts.

Capital Assets and Debt Administration

At June 30, 2017, 2016, and 2015, the College had $146.5, $137.0, and $134.1 million invested in capital assets, net of accumulated depreciation of approximately $107.4, $101.2, and $94.8 million, respectively. Depreciation charges increased from $6.5 million in 2015 to $7.3 million in 2016 and 2017, reflecting depreciation against additional assets placed in service in 2017.

During 2017, capital asset additions totaled $21.2 million. Included in this total is $11.2 million in completed building renovations, as well as another $8.3 million in current construction in progress, largely for the music building project. Included in the remaining $1.6 million are various purchases of instructional equipment and furniture, library resources, vehicle replacements, maintenance equipment, technology expenditures, and minor deferred maintenance projects.

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. Included in the remaining $3.0 million are various purchases of instructional equipment and furniture, library resources, vehicle replacements, 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 work funded with the July 2012 facilities bonds. Equipment, library, and technology expenditures totaled another $5.2 million.

Capital expenditures in 2018 will include the renovation of $8 million for the Ford Fieldhouse. Other projects will include ongoing deferred maintenance, campus safety and security enhancements, and equipment and technology replacements and upgrades.

At June 30, 2017, the College had $219.0 million in long-term obligations outstanding ($225.9 million in 2016 and $197.3 million in 2015), which includes a net pension liability of $148.0 million ($145.8 million in 2016 - see Note 10). Capital debt and lease obligations totaled $45.8 million ($51.2 million in 2016 and $55.9 million in 2015). The decrease is due to scheduled debt payments made in May 2017. 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 2017. 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 17 percent of revenue in 2017. 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 the small increase in operational funding for 2018 and the likely reimbursement of lost revenue from personal property tax reform. 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 2018, we've budgeted for an increase of 3.4 percent, despite a small Headlee Rollback resulting in a reduction from 1.7865 mills to 1.7788 mills. With the improving home sales and new construction, we are optimistic that this trend will continue; however, we do not anticipate a return to the prerecession 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. The College's enrollment declines have improved each of the past three years. 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, the College implemented a zero-based budgeting process for all administrative divisions to assure that resources are being utilized efficiently and effectively. For the 2018 fiscal year, all academic units implemented a zero-based budgeting process as well. The Voluntary Early Separation Plan (VESP) 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 working diligently to address 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 along with the construction of the new early childhood facility occupied in 2017. For 2018, the College has planned needed upgrades to Ford Fieldhouse totaling $8 million. The State of Michigan has also approved a capital appropriation of $6.3 million toward a $12.7 million project to remodel the Wisner-Bottrall Applied Technology Center and upgrade technology.

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 2018 and beyond.

Statement of Net Position

	June 30	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	$ 49,288,748	$ 42,450,671
Accounts receivable - Net (Note 6)	7,719,561	7,583,658
Prepaid expenses and other current assets	314,571	276,270
Total current assets	57,322,880	50,310,599
Noncurrent assets:		
Accounts receivable - Net (Note 6)	1,195,882	826,685
Long-term investments (Note 3)	12,963,083	13,263,890
Unamortized bond discount	231,109	262,930
Capital assets - Net (Note 7)	146,535,975	137,033,252
Total noncurrent assets	160,926,049	151,386,757
Total assets	218,248,929	201,697,356
Deferred Outflow of Resources (Note 10)	17,420,327	15,329,204
Liabilities		
Current liabilities:		
Accounts payable	2,693,995	3,034,687
Accrued salaries and related amounts	7,326,645	10,852,659
Unearned revenue	5,488,291	5,502,656
Interest payable	333,813	365,375
Long-term obligations - Current (Note 8)	8,009,166	7,559,334
Deposits held in custody for others	354,237	360,742
Total current liabilities	24,206,147	27,675,453
Noncurrent liabilities:		
Long-term obligations - Net of current portion (Note 8)	46,830,313	52,349,818
Net pension liability (Note 10)	148,003,350	145,842,419
Total liabilities	219,039,810	225,867,690
Deferred Inflow of Resources (Note 10)	7,498,776	7,332,100
Net Position		
Net investment in capital assets	99,209,364	85,810,675
Unrestricted deficit	(90,078,694)	(101,983,905)
Total net position	**$ 9,130,670**	**$ (16,173,230)**

Grand Rapids Community College

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2017	2016
Operating Revenue		
Tuition and fees - Net of scholarship allowance of $11,109,577 and $12,361,482 for 2017 and 2016, respectively	$ 41,716,877	$ 40,757,469
Federal grants and contracts	4,365,077	4,126,014
State grants and contracts	1,399,765	1,720,458
Private gifts, grants, and contracts	3,335,238	167,640
Sales and services of auxiliary activities	4,131,453	4,165,444
Seminars, workshops, and other revenue	4,389,612	4,504,751
Total operating revenue	59,338,022	55,441,776
Operating Expenses		
Instruction	54,449,675	54,371,295
Public service	4,986,742	4,503,992
Instructional support	14,357,409	13,609,263
Student services	21,151,588	21,586,316
Institutional administration	13,681,992	13,583,786
Physical plant operations	12,799,308	12,895,873
Depreciation	7,256,167	7,271,991
Total operating expenses	128,682,881	127,822,516
Operating Loss	(69,344,859)	(72,380,740)
Nonoperating Revenue (Expenses)		
State appropriations	26,829,853	24,637,438
Property taxes	38,046,959	37,733,150
Pell revenue	16,049,435	18,087,416
Interest income	488,804	364,614
Interest expense on bonds	(980,598)	(1,308,006)
Unrealized (loss) gain on investments	(43,086)	32,566
Contributions	6,850,000	625,000
Other revenue (expense)	7,407,392	(402,441)
Net nonoperating revenue	94,648,759	79,769,737
Increase in Net Position	25,303,900	7,388,997
Net Position - Beginning of year	(16,173,230)	(23,562,227)
Net Position - End of year	**$ 9,130,670**	**$ (16,173,230)**

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

Statement of Cash Flows

	Year Ended June 30 2017	Year Ended June 30 2016
Cash Flows from Operating Activities		
Tuition and fees	$ 52,928,114	$ 55,781,971
Grants and contracts	9,574,887	5,155,312
Payments to suppliers	(17,843,782)	(18,025,172)
Payments for utilities	(3,472,424)	(3,483,279)
Payments to employees	(60,656,188)	(61,490,950)
Payments for benefits	(36,880,936)	(23,817,731)
Payments for scholarships and grants	(17,064,757)	(18,994,569)
Auxiliary enterprise charges - Net	4,131,453	4,165,445
Other	4,389,612	6,663,233
Net cash used in operating activities	(64,894,021)	(54,045,740)
Cash Flows from Noncapital Financing Activities		
Local property taxes	38,046,959	37,733,150
Noncapital contributions	6,850,000	625,000
Federal direct lending receipts	17,916,321	19,896,336
Federal direct lending disbursements	(17,916,321)	(19,896,336)
Federal Pell grant	16,049,435	18,087,416
State appropriations	26,720,685	24,328,903
Net cash provided by noncapital financing activities	87,667,079	80,774,469
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	(16,988,275)	(10,308,279)
Principal paid on long-term obligations including capital debt	(5,395,966)	(3,951,588)
Interest paid on capital debt	(980,598)	(1,308,006)
Net cash used in capital and related financing activities	(23,364,839)	(15,567,873)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	219,161,370	168,408,506
Purchase of investments	(212,220,316)	(177,517,217)
Interest on investments	488,804	364,614
Net cash provided by (used in) investing activities	7,429,858	(8,744,097)
Net Increase in Cash and Cash Equivalents	6,838,077	2,416,759
Cash and Cash Equivalents - Beginning of year	42,450,671	40,033,912
Cash and Cash Equivalents - End of year	**$ 49,288,748**	**$ 42,450,671**

Statement of Cash Flows (Continued)

	Year Ended June 30	
	2017	2016
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (69,344,859)	$ (72,380,740)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation expense	7,256,167	7,271,991
Change in assets and liabilities:		
Accounts receivable	(1,040,642)	974,867
Other assets	(6,480)	15,729
Accounts payable and accrued liabilities	(3,866,706)	(1,699,439)
Unearned revenue	(14,365)	504,540
Deposits held in custody for others	(6,505)	52,910
Interest payable	(31,562)	(58,850)
Net pension liability	2,160,931	11,273,252
Net cash used in operating activities	**$ (64,894,021)**	**$ (54,045,740)**

The College entered into capital leases totaling $414,762 in 2016. There were no noncash activities during 2017.

Discretely Presented Component Unit
Grand Rapids Community College Foundation

Statement of Financial Position

	June 30	
	2017	2016
Assets		
Cash and cash equivalents	$ 2,636,809	$ 6,159,025
Other current assets	66,472	68,552
Long-term investments	23,594,199	24,455,146
Contribution receivable - Net (Note 5)	760,173	1,580,721
Capital assets - Net	-	253,297
Total assets	**$ 27,057,653**	**$ 32,516,741**
Liabilities - Scholarships payable and related amounts	$ 266,805	$ 575,987
Net Assets		
Unrestricted	3,883,755	3,231,303
Temporarily restricted	16,360,115	22,162,473
Permanently restricted	6,546,978	6,546,978
Total net assets	26,790,848	31,940,754
Total liabilities and net assets	**$ 27,057,653**	**$ 32,516,741**

Statement of Activities and Changes in Net Assets

	Year Ended June 30	
	2017	2016
Revenue		
Investment income	$ 2,199,846	$ 891,166
Unrealized gain (loss) on investments	197,697	(681,762)
Gain on sale of property	171,113	-
Contributions	2,017,406	2,444,433
Total revenue	4,586,062	2,653,837
Expenses		
Scholarships and grants expense	8,852,897	2,097,615
General and administrative	521,762	565,557
Fundraising	361,309	368,530
Total expenditures	9,735,968	3,031,702
Change in Net Assets	(5,149,906)	(377,865)
Net Assets - Beginning of year	31,940,754	32,318,619
Net Assets - End of year	**$ 26,790,848**	**$ 31,940,754**

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 2017 includes property taxes that were levied on July 1, 2016 and generally collected before September 30, 2016, and revenue for fiscal year 2016 includes property taxes that were levied on July 1, 2015 and generally collected before September 30, 2015. 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 - 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, 2017 and 2016. 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 position. 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, 2017 and 2016, the College distributed $17,916,321 and $19,896,336, respectively, for direct lending through the U.S. Department of Education, which is not included as revenue and expenditures in the accompanying financial statements.

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, 2017 and 2016, the College's deferred outflows 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, 2017 and 2016, the College's deferred inflows of resources related to the net pension liability (see Note 10 for more information).

Adoption of New Standard - For the year ended June 30, 2017, the College implemented GASB Statement No. 77, *Tax Abatement Disclosures*, which improves disclosure of tax abatement information, such as how the tax abatements affect the College's financial statements, operations, and ability to raise resources in the future, by reporting (1) the College's own tax abatement agreements, and (2) those entered into by other governments that reduce the College's tax revenues. See Note 11 regarding the effect of this pronouncement on the College.

Reclassification - Certain 2016 amounts have been reclassified to conform to the 2017 presentation. This consists of cash equivalents totaling $5.7 million that were reclassified to long-term investments based on the original maturity of the security purchased.

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, 2017 and 2016, $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 $38,046,959 and $37,733,150 for the years ended June 30, 2017 and 2016, 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, 2017 and 2016:

	2017	2016
Cash and cash equivalents	$ 49,288,748	$ 42,450,671
Long-term investments	12,963,083	13,263,890
Total cash and investments	$ 62,251,831	$ 55,714,561

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, 2017, 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	$ 11,900,068	$ 11,900,068	$ -	$ -
Certificates of deposit	N/A	14,754,233	10,499,790	2,749,975	1,504,468
Commercial paper	A-1+	22,915,180	22,915,180	-	-
U.S. agency securities	AGY	12,682,350	3,973,710	3,489,590	5,219,050
Total		$ 62,251,831	$ 49,288,748	$ 6,239,565	$ 6,723,518

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	15,210,527	10,250,125	3,202,410	1,757,992
Commercial paper	A-1+	13,440,543	13,440,543	-	-
U.S. agency securities	AGY	14,298,397	5,994,909	1,998,280	6,305,208
Total		$ 55,714,561	$ 42,450,671	$ 5,200,690	$ 8,063,200

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, 2017 and 2016, the carrying amount of the College’s deposits was $19,865,083 and $20,183,442, respectively. Of that amount, $5,249,745 and $5,950,300 for 2017 and 2016, respectively, was insured by the Federal Deposit Insurance Corporation. The remaining $14,615,338 and $14,233,142 at June 30, 2017 and 2016, 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	2017	2016
Federal Home Loan Mortgage Corporation	10%	- %
Lake Michigan Credit Union	4%	7%
Michigan Class	7%	7%
PNC Bank	12%	13%
Federal Home Loan Bank	3%	8%
Federal National Mortgage Association	4%	8%
JPMorgan	4%	7%
Federal Farm Credit Bank	4%	7%

Investments at Grand Rapids Community College Foundation are as follows:

	June 30, 2017		June 30, 2016	
	Cost	Fair Value	Cost	Fair Value
Bonds	$ 8,494,698	$ 8,478,466	$ 8,532,836	$ 8,729,532
Common stock	10,530,990	15,115,733	11,551,496	15,725,614
Total	$ 19,025,688	$ 23,594,199	$ 20,084,332	$ 24,455,146

Net gains (losses) from security transactions for the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Unrealized appreciation (depreciation)	$ 197,697	$ (681,762)
Realized gains	1,734,202	441,853
Total	$ 1,931,899	$ (239,909)

Note 3 - Cash and Investments (Continued)

Total investment gains and losses on the statement of activities and changes in net assets for the Grand Rapids Community College Foundation are comprised of interest and dividend income of $465,644 at June 30, 2017 and $449,313 at June 30, 2016 and net realized gains of $1,734,202 at June 30, 2017 and $441,853 at June 30, 2016.

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 whereby 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, 2017 and 2016:

Assets Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2017	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	$ 8,708,640	$ 8,708,640	$ -	$ -
Total investments by fair value level	$ 8,708,640	$ 8,708,640	$ -	$ -

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	$ 8,303,488	$ 8,303,488	$ -	$ -
Total investments by fair value level	$ 8,303,488	$ 8,303,488	$ -	$ -

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.

Long-term investments on the statement of net position at June 30, 2017 and 2016 include certificates of deposit of $4,254,443 and $4,960,402, respectively. The investments in certificates of deposit are considered an interest-earning investment contract and are therefore not recorded at fair value.

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 1.55 percent and 0.71 percent for the years ended June 30, 2017 and 2016, respectively, and is expected to be collected as follows:

Years		2017	2016
2017		$ -	$ 666,249
2018		401,446	478,158
2019		350,340	440,198
2020		20,250	26,687
2021		3,750	4,000
	Total	775,786	1,615,292
	Less present value discount and reserve for uncollectible pledges	(15,613)	(34,571)
	Net present value	$ 760,173	$ 1,580,721

Note 6 - Accounts Receivable

Accounts receivable consist of the following:

	2017	2016
Tuition and other	$ 3,672,334	$ 2,882,646
Grants and contracts	1,247,193	1,722,000
State appropriations - Operating	4,717,280	4,608,112
Total accounts receivable	9,636,807	9,212,758
Less allowance for uncollectibles	(721,364)	(802,415)
Net accounts receivable	$ 8,915,443	$ 8,410,343

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, 2017 was as follows:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Land and improvements	$ 7,107,164	$ -	$ (177,630)	$ 6,929,534
Building and building improvements	190,448,300	11,247,003	-	201,695,303
Furniture, fixtures, and equipment	35,800,727	1,638,885	(1,051,800)	36,387,812
Subtotal - Depreciable assets	233,356,191	12,885,888	-	245,012,649
Construction in progress	4,841,438	8,283,404	(4,181,017)	8,943,825
Total	238,197,629	21,169,292	(4,181,017)	253,956,474
Less accumulated depreciation:				
Building and building improvements	(77,259,150)	(4,366,700)	-	(81,625,850)
Furniture, fixtures, and equipment	(23,905,227)	(2,889,466)	1,000,044	(25,794,649)
Total accumulated depreciation	(101,164,377)	$ (7,256,167)	$ 1,000,044	(107,420,499)
Capital assets - Net	$ 137,033,252			$ 146,535,975

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

At June 30, 2017, there was approximately $1.0 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, 2017 and 2016.

Note 8 - Long-term Obligations

Long-term obligation activity during the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Series bonds, 2016 series	$ 4,495,000	$ -	$ 1,380,000	$ 3,115,000	$ 1,500,000
Series bonds, 2013 series	3,095,000	-	575,000	2,520,000	550,000
Series bonds, 2012 series (facilities)	22,940,000	-	1,005,000	21,935,000	1,045,000
Series bonds, 2012 series	2,940,000	-	510,000	2,430,000	510,000
Series bonds, 2009 series	9,500,000	-	500,000	9,000,000	550,000
Series bonds, 2008 series	7,890,000	-	1,315,000	6,575,000	1,315,000
Leases Payable -					
Capital leases	362,577	-	110,966	251,611	94,377
Other Long-term Liabilities					
Unamortized bond premium	1,831,263	-	123,258	1,708,005	123,258
Kellogg Foundation Loan	1,500,000	-	-	1,500,000	-
Accrued employee leave	4,402,783	2,169,784	2,525,715	4,046,852	2,321,531
Michigan job training grants	952,529	1,110,500	305,018	1,758,011	-
Total	$ 59,909,152	$ 3,280,284	$ 8,349,957	$ 54,839,479	$ 8,009,166

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
Kellog 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

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. Defeased debt that remains on the 2006 Series Bonds was $3,115,000 at June 30, 2017. 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 $1,500,000 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 $2,780,000 at June 30, 2017. The principal and interest on the 2013 Series Bonds are paid primarily from property tax levies. The bonds bear interest at rates ranging from 0.9 percent to 3.0 percent and have remaining annual maturities ranging from $365,000 to $550,000. 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 $1,045,000 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 $2,485,000 at June 30, 2017. The principal and interest on the 2012 Series Bonds are paid primarily from property tax levies. The bonds bear interest at rates ranging from 3.0 percent to 4.0 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 4.8 percent to 6.5 percent and have remaining annual maturities ranging from $550,000 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 $6,875,000 at June 30, 2017. 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 1.0 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. The systems are included in capital assets at a cost of $572,090 and have recorded accumulated depreciation of $291,080 as of June 30, 2017.

Total principal and interest maturities on the bonds payable as of June 30, 2017 are as follows:

Years Ending	Debt Obligations			Lease Obligations		
June 30	Principal	Interest	Total	Principal	Interest	Total
2018	$ 5,470,000	$ 1,827,391	$ 7,297,391	$ 94,377	$ 9,864	$ 104,241
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	5,904,783	6,900	7	6,907
2022	4,255,636	1,070,757	5,326,393	-	-	-
2023-2027	11,520,000	3,489,563	15,009,563	-	-	-
2028-2032	10,615,000	1,191,257	11,806,257	-	-	-
Total	$ 47,075,000	$ 11,935,380	$ 59,010,380	$ 251,611	$ 14,885	$ 266,496

Cash Paid for Interest - Cash paid for interest was approximately $981,000 and $1,308,000 for the years ended June 30, 2017 and 2016, 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, 2017, the College has outstanding bonds payable to various employers of $1,758,011. 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 $1,350,000 and $1,167,000 for the years ended June 30, 2017 and 2016, 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.

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

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 is as follows:

October 1, 2014 - September 30, 2015	18.76% - 23.07%
October 1, 2015 - September 30, 2016	14.56% - 18.95%
October 1, 2016 - June 30, 2017	15.27% - 19.03%

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.

The College's required and actual contributions to the plan for the years ended June 30, 2017 and 2016 were $12,528,728 and $13,900,316, respectively. Contributions include $4,493,032 and $4,206,803 revenue received from the State of Michigan to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate for the years ended June 30, 2017 and 2016.

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 nonduty 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 who 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, 2017 and 2016, the College reported a liability of $148,003,350 and $145,842,419, respectively, for its proportionate share of the net pension liability. The net pension liability for fiscal year 2017 was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2015, which used updated procedures to roll forward the estimated liability to September 30, 2016. 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 updated procedures to roll forward the estimated liability to September 30, 2015. 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, 2016, the College's proportion was 0.59322 percent of MPSERS in total, a decrease of 0.6 percent from its proportion measured as of September 30, 2015. 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.

For the years ended June 30, 2017 and 2016, the College recognized pension expense of $13,268,300 and $11,615,712, respectively. At June 30, 2017 and 2016, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 2,313,917	$ -
Differences between expected and actual experience	1,844,512	(350,772)
Net difference between projected and actual earnings on pension plan assets	2,459,815	-
Changes in proportion and differences between college contributions and proportionate share of contributions	261,984	(2,654,972)
College contributions subsequent to the measurement date	10,540,099	-
Total	$ 17,420,327	$ (3,005,744)

	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)

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
2018		$ 327,249
2019		133,821
2020		2,923,721
2021		489,693
	Total	$ 3,874,484

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2018).

Actuarial Assumptions - The total pension liability as of September 30, 2016 and September 30, 2015 is based on the results of an actuarial valuation date as of September 30, 2015 and September 30, 2014, respectively, 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 to 12.30 percent, including wage inflation at 3.50 percent
Mortality basis	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB

Assumption changes as a result of an experience study for the periods from 2007 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation.

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, 2017		June 30, 2016	
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%	5.9%
Private Equity Pools	18.0%	9.2%	18.0%	9.2%
International Equity Pools	16.0%	7.2%	16.0%	7.2%
Fixed-income Pools	10.5%	0.9%	10.5%	0.9%
Real Estate and Infrastructure Pools	10.0%	4.3%	10.0%	4.3%
Real Return, Opportunistic, and Absolute Pools	15.5%	6.0%	15.5%	6.0%
Short-term Investment Pools	2.0%	0.0%	2.0%	0.0%
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:

2017	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	$ 190,591,060	$ 148,003,350	$ 112,097,814

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

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)

Changes Since the Measurement Date - On February 23, 2017, MPSERS approved a decrease in the discount rate for the September 30, 2016 annual actuarial valuation by 0.5 percent. The actuarial computed employer contributions and the net pension liability for the measurement period ended September 30, 2017 will increase as a result of this change.

Payable to the Pension Plan - At June 30, 2017, the College reported a payable of $2,003,911 for the outstanding amount of contributions to the pension plan required including the UAAL payments for July and August 2017. 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.

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 6.40 percent to 6.83 percent of covered payroll for the period from October 1, 2015 through September 30, 2016, and from 5.69 percent to 5.91 percent of covered payroll for the period from October 1, 2016 through June 30, 2017 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, 2017, 2016, and 2015 were $2,705,532, $2,680,920, and $1,535,717, respectively.

Note 11 - Tax Abatements

The College's property tax revenue is affected by tax abatements entered into by other governments. The College's property tax revenues were reduced as follows for the year ended June 30, 2017:

Government with Tax Abatement Agreement	Amount of Property Taxes Abated
Ada Township	$ 21,057
Algoma Township	484
Alpine Township	20,677
Byron Township	56,150
Caledonia Township	3,533
Chester Township	102
Gaines Township	959
Georgetown Township	2,934
Grand Rapids Township	223
Plainfield Township	8,731
Solon Township	808
Sparta Township	2,899
Tallmadge Township	3,319
Thornapple Township	3,009
Tyrone Township	185
Vergennes Township	38
Wright Township	1,481
City of Cedar Springs	2,521
City of Grand Rapids	135,123
City of Grandville l	6,984
City of Kentwood	73,778
City of Lowell l	2,602
City of Rockford	1,161
City of Walker	66,854
City of Wyoming	148,454
Total	$ 564,066

The College's property tax revenues reduced by abatements for the year ended June 30, 2016 were not available from the various tax units for disclosure for comparative purposes.

Note 12 - 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 13 - 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, the Main Building renovations with $3,000,000 of bonds issued by the SBA in April 2002, and Cook Hall renovations with $5,000,000 of bonds issued in August 2015. 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, the lease related to the Main Building expires in March 2037, and the lease related to Cook Hall expires in 2050.

Note 14 - Foundation Restricted Net Assets

Foundation net assets were restricted for the following purposes:

	June 30, 2017		June 30, 2016	
	Temporarily Restricted	Permanently Restricted	Temporarily Restricted	Permanently Restricted
Capital campaigns	$ 282,960	$ -	$ 337,522	$ -
Other capital related	787,612	-	8,458,563	-
Tech Center capital campaign	1,204,636	-	1,125,530	-
Scholarships and other	14,084,907	6,546,978	12,240,858	6,549,678
Total	$ 16,360,115	$ 6,546,978	$ 22,162,473	$ 6,549,978

Note 15 - 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 - Upcoming Pronouncements (Continued)

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The effect of applying the new lease guidance on the financial statements has not yet been determined. The new lease standard is not expected to have a significant effect on the College’s financial statements. The provisions of this statement are effective for the College’s financial statements for the year ending June 30, 2021.

Required Supplemental Information

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

	2016	2015	2014
College's proportion of the collective MPSERS net pension liability: As a percentage	0.59322%	0.59710%	0.61094%
Amount	$ 148,003,349	$ 145,842,419	$ 134,569,167
College's covered employee payroll	$ 48,505,242	$ 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	323.09%	296.85%	258.54%
MPSERS fiduciary net position as a percentage of the total pension liability	63.01%	62.92%	66.20%

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

	2017	2016	2015
Statutorily required contribution	$ 12,396,670	$ 13,751,793	$ 9,488,294
Contributions in relation to the actuarially determined contractually required contribution	$ 12,396,670	$ 13,751,793	$ 9,488,294
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employee payroll	$ 45,064,027	$ 48,088,254	$ 51,268,145
Contributions as a percentage of covered employee payroll	27.51%	28.60%	18.51%

Note to Required Supplemental Information

Changes of benefit terms - There were no changes of benefit terms for the plan year ended September 30, 2016.

Changes of assumptions - There were no changes to assumptions for the plan year ended September 30, 2016.

Other Supplemental Information

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	General Fund	Designated Fund	Retirement Fund	Auxiliary Fund
Assets				
Current assets:				
Cash and cash equivalents	$ 36,326,546	$ -	$ -	$ 6,105,992
Accounts receivable - Net	6,850,540	765,297	-	52,410
Prepaid expenses and other current assets	262,321	1,970	-	50,280
Due (to) from other funds	(25,320,922)	3,560,505	-	828,200
Total current assets	18,118,485	4,327,772	-	7,036,882
Noncurrent assets:				
Accounts receivable - Net	-	-	-	-
Long-term investments	12,963,083	-	-	-
Unamortized bond discounts	-	-	-	-
Capital assets - Net	-	-	-	-
Total noncurrent assets	12,963,083	-	-	-
Total assets	31,081,568	4,327,772	-	7,036,882
Deferred Outflow of Resources	-	-	17,420,327	-
Liabilities				
Current liabilities:				
Accounts payable	714,705	173,282	-	146,840
Accrued salaries and related amounts	7,184,594	47,776	-	14,629
Unearned revenue	5,488,291	-	-	-
Interest payable	-	-	-	-
Long-term obligations - Current	2,321,531	-	-	-
Deposits held in custody for others	-	-	-	-
Total current liabilities	15,709,121	221,058	-	161,469
Noncurrent liabilities:				
Long-term obligations - Net of current portion	1,725,321	-	-	-
Net pension liability	-	-	148,003,350	-
Total liabilities	17,434,442	221,058	148,003,350	161,469
Deferred Inflow of Resources	-	-	7,498,776	-
Net Position				
Net investment in capital assets	-	-	-	-
Unrestricted (deficit)	13,647,126	4,106,714	(138,081,799)	6,875,413
Total net position	**$ 13,647,126**	**$ 4,106,714**	**$ (138,081,799)**	**$ 6,875,413**

Combining Statement of Net Position
June 30, 2017

Expendable Restricted Fund	Agency Fund	Plant Fund	Total	Eliminations	Combined Total
$ -	$ 256,210	$ 6,600,000	$ 49,288,748	$ -	$ 49,288,748
51,314	-	-	7,719,561	-	7,719,561
-	-	-	314,571	-	314,571
306,392	102,635	20,523,190	-	-	-
357,706	358,845	27,123,190	57,322,880	-	57,322,880
-	-	1,195,882	1,195,882	-	1,195,882
-	-	-	12,963,083	-	12,963,083
-	-	231,109	231,109	-	231,109
-	-	146,535,975	146,535,975	-	146,535,975
-	-	147,962,966	160,926,049	-	160,926,049
357,706	358,845	175,086,156	218,248,929	-	218,248,929
-	-	-	17,420,327	-	17,420,327
278,060	4,608	1,376,500	2,693,995	-	2,693,995
79,646	-	-	7,326,645	-	7,326,645
-	-	-	5,488,291	-	5,488,291
-	-	333,813	333,813	-	333,813
-	-	5,687,635	8,009,166	-	8,009,166
-	354,237	-	354,237	-	354,237
357,706	358,845	7,397,948	24,206,147	-	24,206,147
-	-	45,104,992	46,830,313	-	46,830,313
-	-	-	148,003,350	-	148,003,350
357,706	358,845	52,502,940	219,039,810	-	219,039,810
-	-	-	7,498,776	-	7,498,776
-	-	99,209,364	99,209,364	-	99,209,364
-	-	23,373,852	(90,078,694)	-	(90,078,694)
$ -	**$ -**	**$ 122,583,216**	**$ 9,130,670**	**$ -**	**$ 9,130,670**

	General Fund	Designated Fund	Retirement Fund	Auxiliary Fund
Operating Revenue				
Tuition and fees - Net of scholarship allowance	$ 52,826,454	$ -	$ -	$ -
Federal grants and contracts	-	-	-	-
State grants and contracts	-	-	-	-
Private gifts, grants, and contracts	-	-	-	-
Sales and services of auxiliary activities	-	-	-	4,978,399
Seminars, workshops, and other revenue	1,780,623	2,608,989	-	-
Total operating revenue	54,607,077	2,608,989	-	4,978,399
Operating Expenses				
Instruction	52,975,324	1,149,589	(28,495)	-
Public service	1,316,638	39,949	(716)	-
Instructional support	14,329,554	-	(6,763)	-
Student services	9,705,973	540,549	(4,530)	3,254,421
Institutional administration	12,832,045	756,818	(4,996)	-
Physical plant operations	12,487,967	37,207	(4,245)	-
Depreciation	-	-	-	-
Total operating expenses	103,647,501	2,524,112	(49,745)	3,254,421
Operating (Loss) Income	(49,040,424)	84,877	49,745	1,723,978
Nonoperating Revenue (Expenses)				
State appropriations	26,388,813	-	-	-
Property taxes	30,151,274	-	-	-
Pell revenue	-	-	-	-
Interest income	487,372	-	-	-
Interest expense on bonds	-	-	-	-
Current fund expenditures for capital assets	-	-	-	-
Unrealized gain on investments	(43,086)	-	-	-
Contributions	-	-	-	-
Other (loss) revenue	-	-	(286,229)	-
Net nonoperating revenue (expenses)	56,984,373	-	(286,229)	-
Increase (Decrease) in Net Position - Before transfers	7,943,949	84,877	(236,484)	1,723,978
Transfers - Mandatory and nonmandatory	(6,220,082)	186,840	-	(1,180,000)
Increase (Decrease) in Net Position	1,723,867	271,717	(236,484)	543,978
Net Position - Beginning of year	11,923,259	3,834,997	(137,845,315)	6,331,435
Net Position - End of year	**$ 13,647,126**	**$ 4,106,714**	**$ (138,081,799)**	**$ 6,875,413**

Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2017
(with comparative totals for the year ended June 30, 2016)

Expendable Restricted Fund	Plant Fund	Total	Eliminations	2017	2016
$ -	$ -	$ 52,826,454	$ (11,109,577)	$ 41,716,877	$ 40,757,469
4,365,077	-	4,365,077	-	4,365,077	4,126,014
1,399,765	-	1,399,765	-	1,399,765	1,720,458
3,335,238	-	3,335,238	-	3,335,238	167,640
-	-	4,978,399	(846,946)	4,131,453	4,165,444
-	-	4,389,612	-	4,389,612	4,504,751
9,100,080	-	71,294,545	(11,956,523)	59,338,022	55,441,776
720,590	-	54,817,008	(367,333)	54,449,675	54,371,295
6,096,288	-	7,452,159	(2,465,417)	4,986,742	4,503,992
152,866	-	14,475,657	(118,248)	14,357,409	13,609,263
19,006,363	-	32,502,776	(11,351,188)	21,151,588	21,586,316
183,354	-	13,767,221	(85,229)	13,681,992	13,583,786
28,296	258,165	12,807,390	(8,082)	12,799,308	12,895,873
-	7,256,167	7,256,167	-	7,256,167	7,271,991
26,187,757	7,514,332	143,078,378	(14,395,497)	128,682,881	127,822,516
(17,087,677)	(7,514,332)	(71,783,833)	2,438,974	(69,344,859)	(72,380,740)
-	441,040	26,829,853	-	26,829,853	24,637,438
-	7,895,685	38,046,959	-	38,046,959	37,733,150
16,049,435	-	16,049,435	-	16,049,435	18,087,416
-	1,432	488,804	-	488,804	364,614
-	(980,598)	(980,598)	-	(980,598)	(1,308,006)
-	2,438,974	2,438,974	(2,438,974)	-	-
-	-	(43,086)	-	(43,086)	32,566
-	6,850,000	6,850,000	-	6,850,000	625,000
-	7,693,621	7,407,392	-	7,407,392	(402,441)
16,049,435	24,340,154	97,087,733	(2,438,974)	94,648,759	79,769,737
(1,038,242)	16,825,822	25,303,900	-	25,303,900	7,388,997
1,038,242	6,175,000	-	-	-	-
-	23,000,822	25,303,900	-	25,303,900	7,388,997
-	99,582,394	(16,173,230)	-	(16,173,230)	(23,562,227)
$ -	**$ 122,583,216**	**$ 9,130,670**	**$ -**	**$ 9,130,670**	**$ (16,173,230)**

Grand Rapids Community College

Schedule of General Fund Revenue, Expenses, and Transfers - Budget to Actual

	Actual	Final Authorized Budget	Variance Favorable (Unfavorable)
Revenue			
Student tuition and fees	$ 52,826,454	$ 52,462,819	$ 363,635
Property taxes	30,151,274	31,558,021	(1,406,747)
State operating appropriations	26,388,813	25,008,318	1,380,495
Interest income	487,372	200,000	287,372
Seminars, workshops, and other revenue	1,737,537	1,759,651	(22,114)
Total revenue	111,591,450	110,988,809	602,641
Expenditures and Transfers			
Instruction	52,975,324	54,863,809	1,888,485
Public service	1,316,638	1,363,574	46,936
Instructional support	14,329,554	14,840,380	510,826
Student services	9,705,973	10,051,975	346,002
Institutional administration	12,832,045	13,289,487	457,442
Physical plant operations	12,487,967	12,933,142	445,175
Total expenditures	103,647,501	107,342,368	3,694,867
Transfers from (to) General Fund			
Designated fund support	186,840	186,840	-
Auxiliary activity fund support	(1,180,000)	(1,180,000)	-
Expendable restricted fund support	1,038,242	1,043,350	5,108
Maintenance, equipment, and technology support	6,175,000	2,175,000	(4,000,000)
Total transfers	6,220,082	2,225,190	(3,994,892)
Total expenditures and transfers	109,867,583	109,567,558	(300,025)
Revenue over expenditures and transfers	**$ 1,723,867**	**$ 1,421,251**	**$ 302,616**

Grand Rapids Community College

Schedule of Changes in Designated Fund
Year Ended June 30, 2017

	Net Position at June 30, 2016	Revenue	Expenditures	Transfers In	Net Position at June 30, 2017
Training solutions	$ 213,959	$ 1,817,690	$ 1,671,484	$ -	$ 360,165
Diversity lecture series	26,698	31,360	24,694	-	33,364
Ford concessions	13,310	25,565	18,521	-	20,354
Ford equipment	206,065	43,799	6,341	-	243,523
HED Programs	207,019	46,694	44,039	-	209,674
Institutional research	58,393	87,523	73,768	-	72,148
Auto technologies	9,036	16,245	13,395	-	11,886
Occupational training	26,134	40,364	42,164	-	24,334
Older Learners Center	41,991	-	9,211	43,374	76,154
Precollege program	3,987	-	3,000	-	987
Strategic Leadership Team	194,601	-	129,910	73,000	137,691
Budget stabilization	1,937,762	-	-	-	1,937,762
Other designated programs	896,042	499,749	487,585	70,466	978,672
	$ 3,834,997	**$ 2,608,989**	**$ 2,524,112**	**$ 186,840**	**$ 4,106,714**

Grand Rapids Community College

Schedule of Changes in Auxiliary Fund
Year Ended June 30, 2017

	Bookstore	Food Service	Parking	Printing Services	Total
Revenue -					
Sales and fees	$ 515,907	$ 1,069,780	$ 2,494,601	$ 898,111	$ 4,978,399
Expenditures					
Cost of sales	-	819,391	363,124	355,506	1,538,021
Salaries, wages, and benefits	41,824	193,489	45,938	467,663	748,914
Capital outlay	25,062	32,657	710,889	-	768,608
Other operating expenses	198,878	-	-	-	198,878
Total expenditures	265,764	1,045,537	1,119,951	823,169	3,254,421
Transfers Out	-	-	1,180,000	-	1,180,000
Total expenditures and transfers out	265,764	1,045,537	2,299,951	823,169	4,434,421
Excess of Revenue Over Expenditures and Transfers Out	250,143	24,243	194,650	74,942	543,978
Net Position - July 1, 2016	2,473,610	291,694	3,412,844	153,287	6,331,435
Net Position - June 30, 2017	**$ 2,723,753**	**$ 315,937**	**$ 3,607,494**	**$ 228,229**	**$ 6,875,413**

Grand Rapids Community College

Schedule of Changes in Expendable Restricted Fund
Year Ended June 30, 2017

	Net Position at July 1, 2016	Revenue	Expenditures	Transfers In	Net Position at June 30, 2017
Specially funded:					
American Apprenticeship Initiative - DOL	$ -	$ 492,943	$ 492,943	$ -	$ -
America's Promise - DOL	-	104,718	104,718	-	-
Campus Suicide Prevention Grant	-	62,555	107,387	44,832	-
Early Childhood	-	513,523	558,300	44,777	-
Frey Foundation	-	856,537	856,537	-	-
Kellogg Foundation	-	2,203,173	2,203,173	-	-
Learning Corner	-	232,215	232,215	-	-
Michigan New Jobs Training	-	1,163,272	1,163,272	-	-
Motorcycle Safety Program	-	123,898	123,898	-	-
Older Learner	-	27,903	27,903	-	-
Student Support Services	-	406,140	429,150	23,010	-
DOL TAACCCT- MI Coalition for Advanced Manufacturing	-	581,493	581,493	-	-
Tassell Foundation	-	37,006	37,006	-	-
Title III Grant	-	80,736	80,736	-	-
Upward Bound	-	440,250	440,250	-	-
Vocational Education	-	774,510	1,571,424	796,914	-
Miscellaneous - Other	-	112,595	112,595	-	-
Total	-	8,213,467	9,123,000	909,533	-
Student financial aid:					
Federal Pell Grant Program	-	16,049,435	16,049,435	-	-
Federal Supplemental Education Opportunity Grant Program	-	403,197	468,978	65,781	-
Federal Work Study	-	483,416	546,344	62,928	-
Total	**$ -**	**$ 25,149,515**	**$ 26,187,757**	**$ 1,038,242**	**$ -**

Grand Rapids Community College

Schedule of Bonded Debt
Year Ended June 30, 2017

	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
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	**$ 3,115,000**	**$ 49,665**	**$ 6,575,000**	**$ 986,250**	**$ 9,000,000**	**$ 2,558,072**	**$ 2,430,000**	**$ 270,636**	**$21,935,000**	**$ 7,824,182**	**$ 2,520,000**	**$ 199,500**	**$ 1,500,000**	**$ 47,075**	**$47,075,000**	**$11,935,380**