

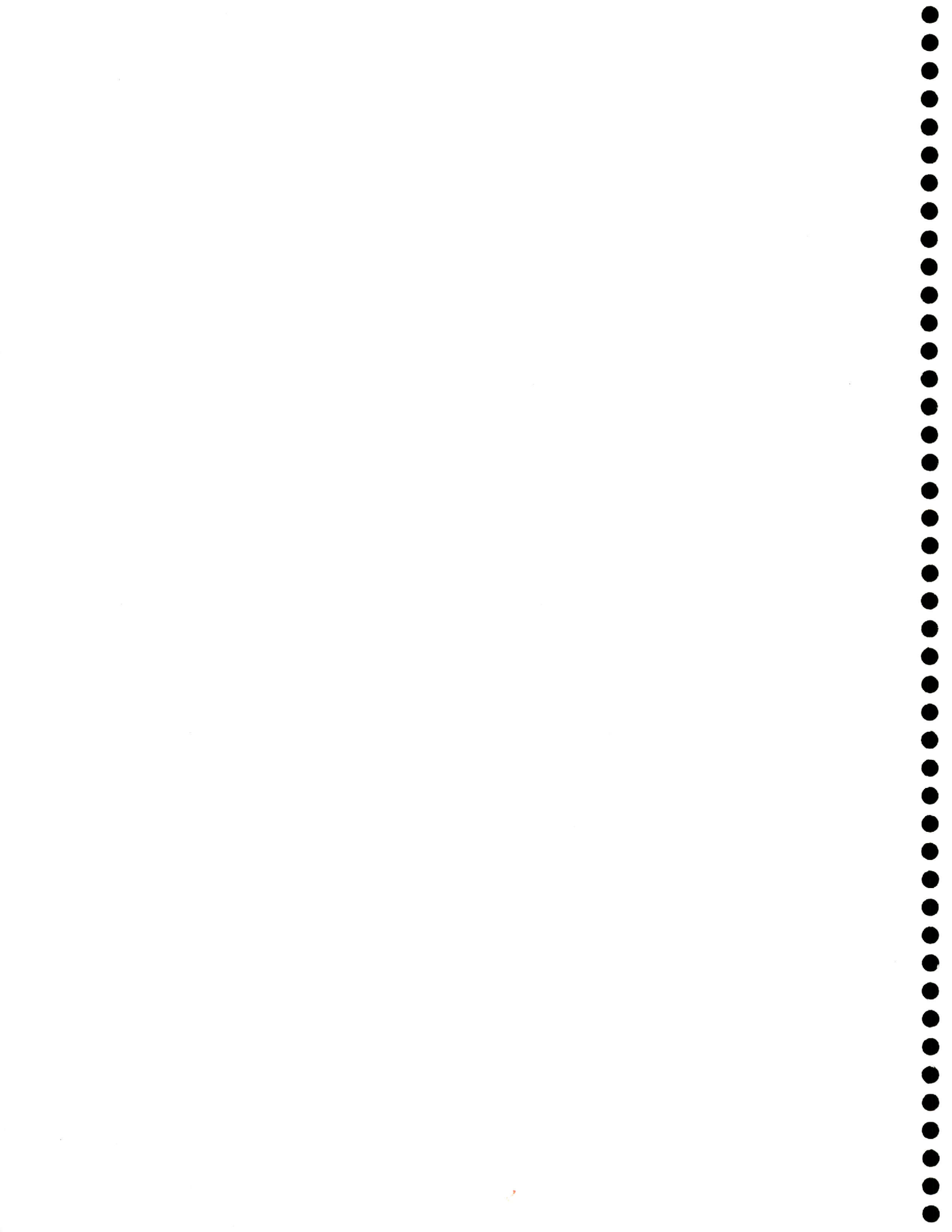


El Paso
County Community
College District
El Paso, Texas



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

for
**FISCAL YEAR ENDED
August 31, 2013**





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ANNUAL FINANCIAL
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FISCAL YEAR ENDED

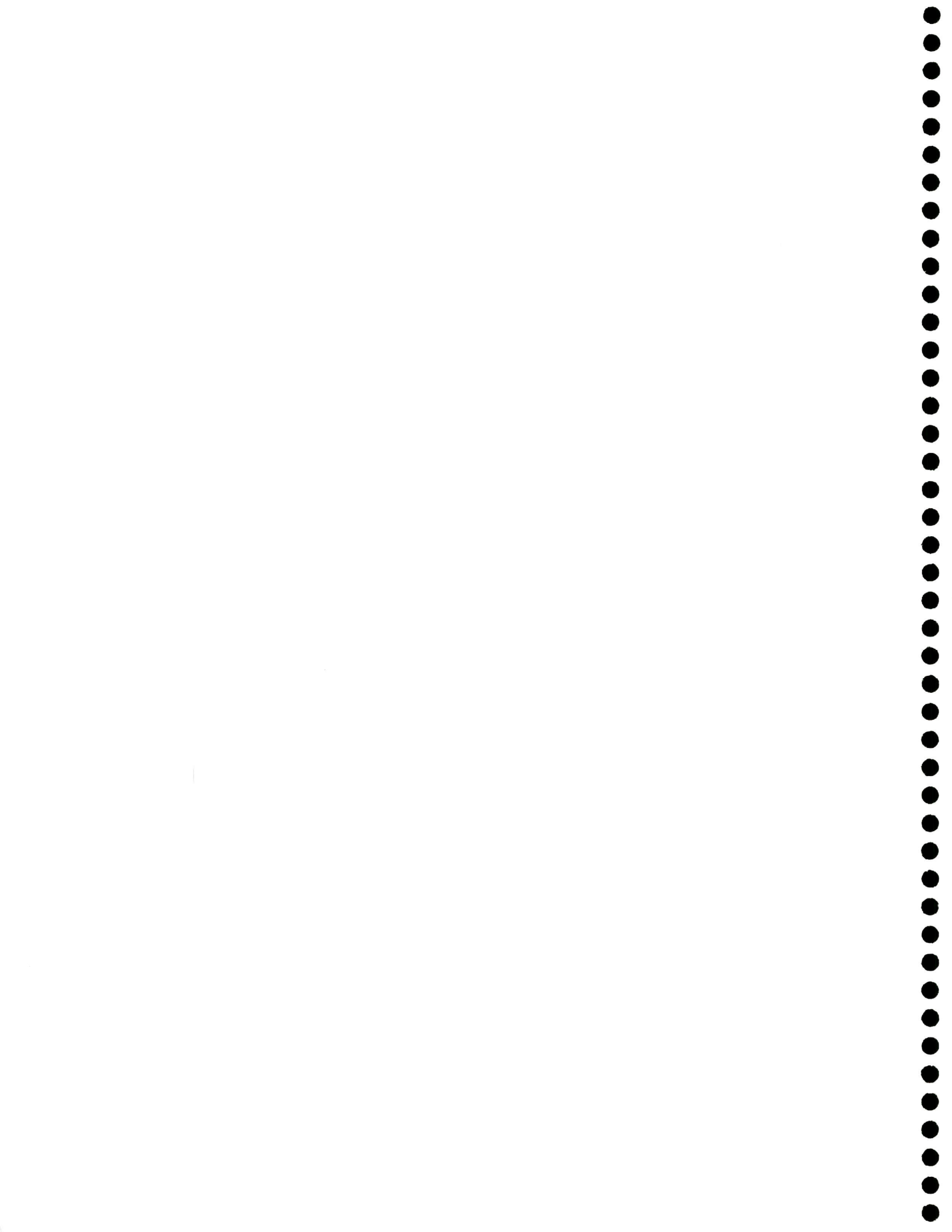
AUGUST 31, 2013

Prepared By:

Budget and Financial Services

El Paso County Community College District

El Paso, Texas



**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
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INTRODUCTORY SECTION



Northwest Campus







El Paso Community College

The Best Place to Start

February 28, 2014

To the Citizens of El Paso County Community College District:

The comprehensive annual financial report of the El Paso County Community College District ("the District" or "the College") for the fiscal year ended August 31, 2013, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District is reporting as a special purpose government engaged solely in business type activity (BTA). Adhering to Governmental Accounting Standards Board (GASB) Statements 34 (amended by GASB 63) and 35, this presentation of financial reporting combines all fund groups into a single column and includes the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. The Board of Trustees has no financial accountability over the El Paso Community College Foundation or any governmental unit, and, accordingly only the financial data for El Paso County Community College District are included in this report.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984; the U.S. Office of Management and Budget Circular A-133; and Government Auditing Standards issued by the Comptroller of the United States. Information related to this single audit, including the Schedule of Expenditures of Federal and State Awards and auditor's reports on the internal control and compliance with applicable laws and regulations, is included in the single audit section of this report.

El Paso County Community College District is committed to offering quality educational programs and services for the people of El Paso County at a reasonable cost as stated in the College mission statement. The District provides a wide range of programs, including general academic, technical-vocational, student development services, continuing education, and community service. The College also prides itself in pursuing economic initiatives through workforce and business development, community partnerships and global outreach.

In addition, the faculty, staff and students of El Paso Community College are committed to the philosophy and principles of a learning college. As such they affirm and embrace the core values of communication, competence, integrity, personal growth, respect, student success and trust.

PROFILE OF DISTRICT

El Paso County Community College District was established as a county junior college district in June 1969, when the citizens of El Paso County voted to create the District. The District encompasses all of El Paso County, an area of 1,058 square miles (with an estimated population of 846,175 as of 2013), which includes the City of El Paso and twelve other cities and towns. The District operates as a comprehensive junior college under the State of Texas laws, and is governed by a seven-member Board of Trustees elected to six-year terms from single-member districts. The Board has financial accountability and control over all District activities.

ECONOMIC CONDITION AND OUTLOOK

El Paso County is situated in the western most tip of Texas and, combined with Ciudad Juárez, Chihuahua, Mexico, represents one of the largest international border communities in the world. Outstanding weather, low cost of living, and competitive labor costs make El Paso an attractive location for businesses. El Paso County businesses have access to El Paso International Airport, which is located only 15 minutes from the central business district. The City of El Paso is currently the sixth largest city in the state of Texas and the 22nd largest city in the United States. In June 2010, the City of El Paso was named "All-America City" by the National Civic League for its outstanding civic accomplishments in innovation, civic engagement and special efforts to respond to local challenges. It was the first time in four decades that El Paso had received this honor. El Paso has also ranked #1 Safest U.S. city (population over 500,000) for three consecutive years and #18 as America's Best Performing Cities for growth in jobs, income and high tech GDP among 200 largest metropolitans.

El Paso has become the home of computer manufacturing, telecommunications, and consumer products. Other industries include copper refining, medical equipment processing, electrical component manufacturing, plastic injection molding, southwestern food products, and natural gas pipeline operations. El Paso Regional Economic Development Corporation (REDCo) is focusing on five primary targets for business development and relocation to the El Paso region:

- Defense & Homeland Security
- Life Sciences
- Clean Technologies
- Automotive
- High Tech Electronics

There are significant opportunities within each of those target industries for manufacturing, engineering and research/development. Other target industries include shared services, data & contact centers, and manufacturing/suppliers. El Paso is home to a youthful population whose labor force is diverse, bilingual and ready for an expanding economy. Coupled with a strong work ethic and situated in a right-to-work state with very low unionization, this rapidly growing labor force continues to attract a variety of industries to the region. Educational needs are provided by a variety of institutions to include the University of Texas at El Paso, Texas Tech University and El Paso Community College.

To accommodate El Paso's growth as a regional healthcare research and education center, the 2003 Texas legislative session approved the addition of the first- and second- year medical

studies to the third- and fourth-year medical program currently offered by the Texas Tech University Health Science Center Paul L. Foster School of Medicine campus. The school received accreditation as the newest four-year medical school in the nation and only the second U.S. medical school to receive accreditation in the last quarter of a century. The school opened its first class in August 2009 and offers significant opportunities for discovery, research and development efforts in healthcare issues associated with the border location and the growth and transformation of Fort Bliss. A Texas Tech study showed the school will have an economic impact of \$1.5 billion and will create more than 500 jobs. In addition, on April 2011, the Texas Higher Education Coordinating Board approved the establishment of the Gayle Greve Hunt School of Nursing in El Paso (GGHSON), followed by the Texas Board of Nursing's approval. In August 2012, the Texas Tech University System Board of Regents approved construction of a building on the Texas Tech University Health Science Center El Paso Campus to house the GGHSON's traditional Bachelor of Science Degree and the Second Degree Bachelor of Science in Nursing Programs. In April 2013, the Commission on Collegiate Nursing Education's Board of Commissioners granted accreditation to the Baccalaureate Degree Program in Nursing for five years, extending to June 2018. As of August 2013, the GGHSON has 103 students enrolled and expects to grow to 300 students by 2015.

On February 2012, the first El Paso Children's Hospital opened to the public. A separately licensed, non-taxing, independent, 501(c)3 not-for-profit hospital in the El Paso Region, the El Paso Children's Hospital at 225,000 square feet is the largest expansion of pediatric medical services in West Texas in recent history and the only dedicated pediatric hospital with a 200-mile radius of the county. The hospital features 122 private pediatric rooms designed and furnished with the comfort and the state-of-art technology to meet the needs of children and their families. Partnerships with the Medical Center of the Americas, the Paul L. Foster School of Medicine at Texas Tech University Health Sciences Center and University Medical Center of El Paso enhances the lives of children through its innovative pediatric research and education and serves as a teaching institution.

El Paso is also home to Fort Bliss, the Army's Air Defense Artillery Center and School and the integrated field-testing for the Army's Future Combat System (FCS) program. Fort Bliss, second largest Army installation, currently hosts more than 34,000 active military personnel, over 44,800 family members and employs nearly 10,800 civilians with a \$1.7 billion impact on the El Paso community. As a result from the concluded Base Closure and Realignment Commission (BRAC 2005) process and the relocation of the First Armored Division from Germany along with numerous new major units, Fort Bliss gained approximately 22,000 active duty troops with over 27,000 additional family members since 2005, representing a \$3.7 billion annual impact on the El Paso community. This gain represents the largest net gain of active duty troop strength of any military installation in America. In addition, Fort Bliss has been named the Army's Center for Renewable Energy. The goal has been set to produce enough energy from wind, sun and geothermal energy to power the post by 2025.

Based on its current partnership in providing educational services to the Fort Bliss soldiers, the District expects that the BRAC initiative along with the new Defense Department's projects and global repositioning will result in additional enrollment in the years to come, which is the basis for planning the construction of a new campus to be located on Fort Bliss adjacent to the upcoming \$1.5 billion Regional Medical Center. In the midst of the new economy, El Paso Community College is a major leader in providing the training and education necessary to prepare its students to enter the workforce.

GROWTH OF STUDENT POPULATION

In the fall of 1971, 901 students registered for the first classes. Since that humble start, the College District has served over a million people and has experienced a phenomenal growth in student enrollment. Unduplicated head count rose from 14,194 in the fall of 1985 to over 30,000 in the fall of 2012. Although fall 2013 enrollment slightly decreased mostly due to the decrease in unemployment rate from 10.3% in 2012 to 8.8% in 2013, demand for educational services at the College should remain strong. With the expectation of the Fort Bliss expansion, this trend is expected to continue while the economy is slowly recovering; the College will continue to serve business and industry with employee training in dozens of areas, from technical training to office skills to Basic English and Math.

Another growth factor has been the implementation of the Dual Credit program enticing students from the local high schools to enroll in college courses at no cost while finishing their secondary education. Under the Dual Credit program, El Paso Community College offers fundamental core courses to qualified high school seniors and juniors in the high school campuses during daytime periods. Students receive both high school credit and college credit for the courses they take in the dual credit program. This program grew from 396 students at inception in fall 2002 to 3,043 in fall 2013, and is expected to continue growing at a modest pace.

Another contributor to student enrollment growth is the very innovative Early College High School Program undertaken by the College in 2005 and that continues to grow with 1,540 students enrolled in fall 2013 at four college campuses and two rural high schools from eight different school districts. This program is further explained as a major initiative of the District.

MAJOR INITIATIVES:

Capital Projects:

To accommodate this increased enrollment and service to the community, the District initiated a financial plan in 1994, and has since then issued \$137,900,000 in combined fee revenue building bonds, part of which refinanced \$5,345,000 of the 1994 bonds, \$1,355,000 of the 1995 bonds, \$4,725,000 of the 1996 bonds, \$3,015,000 of the 1997 bonds and \$8,130,000 of the 2001 bonds. These funds have provided for the completion of various construction and renovation projects at all five campus locations and the Administrative Service Center. The most recent projects include:

- Renovation of softball and baseball fields at the Valle Verde Campus.
- Completion of the new student services facility to centralize critical enrollment services.
- District-wide improvements such as parking lot renovation.

Future projects include:

- Construction of a facility on the Valle Verde Campus to house the architectural program funded by a five-year grant from the Department of Education and in partnership with the Texas Tech University School of Architecture.
- Renovation of vacated Student Services Building to accommodate either expansion or relocation of current programs and services.

- Relocation of students services at the Rio Grande Campus to the Stanton Building.
- District-wide improvements such as roof repairs at the Transmountain Campus and restroom renovations at the Valle Verde Campus.
- Information Technology Data Center at the Administrative Service Center.
- District-wide projects identified by the District-wide Master Plan, and prioritized based on available funding.
- Construction of a new Eastside campus on Fort Bliss to accommodate the expected increase in enrollment as a result of the BRAC and other Department of Defense initiatives. The lease for 70 acres of undeveloped land from the Department of the Army has been approved. Master planning of the District's sixth campus is underway and is expected to take twelve months followed by construction with a projected campus opening of fall 2017.

All facilities construction and renovations are financed by student tuition and fees, unexpended bond proceeds, Plant Funds, and Auxiliary Fund reserves, and are not paid for by local taxes.

Academic:

El Paso Community College was one of fifty-eight colleges in nine states participating in the "Achieving the Dream: Community Colleges Count" initiative. This was a multi-year national initiative aimed at helping more community college students, particularly low-income, succeed. Each college is committed to examining data on student achievement; basing decisions on data; confronting and addressing achievement gaps; monitoring progress closely; and sharing findings broadly. The main focus is the four policy areas of accountability and data; developmental education; financial aid; and funding. The start-up funding for Achieving the Dream was provided by Lumina Foundation for Education for the original 27 colleges in five states, which were included in the initiative's initial launch. Additional funding was provided by the Knowledge Works Foundation, the Nellie Mae Education Foundation, Heinz Endowments, Houston Endowment Inc., and College Spark Washington. El Paso Community College was in the first cohort of community colleges to participate in the Achieving the Dream initiative with a proposal of a \$50,000 one-year planning grant and later with a proposal for an implementation grant of \$400,000 over a four-year period. El Paso Community College was recently recertified as a Leader College until the 2014-2015 academic year. This status recognizes the College for its work in enhancing student success through initiatives such as College Readiness, the Prep Program, Early College High Schools, Math Emporiums, and Summer Bridge (Project Dream). As a Leader College and mentor, the District participates on numerous national panels, webinars, presentations and hosts several visiting college teams who wish to know more about the Achieving the Dream initiatives.

As a joint effort by El Paso Community College, the University of Texas at El Paso and the area high schools superintendents, the El Paso area College Readiness Consortium was created to address the State's initiative to "Close the Gaps." The goals of this consortium are for the area schools to ensure that high school students can enter college-level courses after senior year and for EPCC and UTEP to progress freshman students successfully through core courses in their first semester of college. To ensure college readiness, juniors and seniors are tested on the Accuplacer Placement Test and students not passing one or more areas of Accuplacer receive interventions and are re-tested.

The Start Right Initiative has the potential of having the greatest impact on the lives and experiences of the students. This project is comprised of a Steering Committee and four Work Groups including the Entering New Student, Retention, Instructional Intervention, and Beyond. The goal is to ensure that each and every student enrolling at El Paso Community College is treated professionally and courteously throughout their time at EPCC, from being admitted at the College all the way to the achievement of a certificate or degree and using this achievement by transferring to a university or gaining employment.

El Paso Community College is one of five community colleges participating in the Texas Completes cadre, a state-wide initiative to significantly increase certificate and degree completion. The participating colleges account for two thirds of all students in Texas and are partnering together to make a significant impact on student completion rates. The strategies of the initiative include revising the curriculum to get students into programs of study and facilitate transfer to four-year institutions; creating a comprehensive student advising and management system that ensures students a strong start and consistent feedback along each step of their way through college; and restructuring developmental education to reduce time spent on pre-collegiate coursework.

In August of 2005, El Paso Community College and Socorro Independent School District jointly created the Mission Early College High School. This initiative is aimed at encouraging high school students to do serious college work while still getting their high school diploma. It enables highly motivated students to earn a high school diploma and an Associate's Degree in Teacher Education, Criminal Justice or General Studies upon graduation. The goals of the school are to reduce dropout rates, attract and better prepare more students for higher education, and assure students of the support necessary to be successful in college. This program started in July 2006 with the first 125 students. In its eighth year of operation, the Mission Early College High School has 427 students, has received Exemplary Status from the Texas Education Agency (TEA) each year and was recognized as a National Blue Ribbon School in 2012. So far, 334 early college high school students have been awarded associate's degrees.

During fiscal year 2006, the Ysleta Independent School District (YISD), the Canutillo Independent School District (CISD), and finally the El Paso Independent School District (EPISD) joined in the same initiative to create Early College High Schools at the Valle Verde, Northwest and Transmountain campuses respectively. The Valle Verde Early College High School started its first class in August 2007 and, in its seventh year of operation, has 363 students and also received Exemplary Status from TEA. As of spring 2013, 194 associate's degrees have been awarded.

The Northwest and Transmountain Early College High Schools opened their doors in August 2008 and January 2009 and, in fall 2013, had 186 and 321 students respectively. Both schools are considered T-STEM (Science, Technology, Engineering and Math) academies, which are part of the Texas High School Project. The Texas High School Project is a \$261 million public-private partnership dedicated to improving graduation and college-readiness rates. Efforts are underway in more than 600 classrooms reaching more than 200,000 students. Partners include the Texas Education Agency, the Governor's Office and the Texas Legislature, the Bill and Melinda Gates Foundation, the Michael and Susan Dell foundation, the Communities Foundation of Texas, the Wallace Foundation, and National Instruments. Both schools have received TEA Exemplary Status and 235 of their students have already graduated with an Associate's degree.

Funded by the Educate Texas, a public-private initiative of the Communities Foundation of Texas, the Cotton Valley Early College High School located in the rural communities of the far east side of the El Paso County opened its doors in fall 2010 with 68 students from the Fabens, Tornillo and Fort Hancock schools districts and, in its fourth year of operation, has 148 students in fall 2013. As of spring 2013, 13 students have graduated. Following this initiative, the Clint Independent School District, another rural Eastside school district, started the first class of the Clint Early College Academy in fall 2012, also with the support of Educate Texas in partnership with the Meadows Foundation and the Greater Texas Foundation, and, in its second year of operations has 116 students.

Technology:

The District utilizes a multi-module management system designed by SunGard Higher Education called SCT Banner as a fully integrated, Oracle-based, Internet-native technology solution. Specifically, SCT Banner: Finance; Financial Aid; General; Human Resources; Student; XtenderSolutions are used by the College to integrate its various processes for managing and delivering services to its many customers. In addition, the College is a member of the Texas Connection Consortium (TCC) whose primary purpose is to use Banner to develop software modules for members to comply with reporting requirements of the Texas Higher Education Coordinating Board. The TCC is an association comprised of 40 state universities, colleges, and community college districts that contract with the TCC to meet their state reporting needs by sharing the cost and effort. TCC works together with Ellucian to provide Texas specific solutions for reporting needs of members. In 2012, Ellucian was formed to combine two education technology leaders, Datatel and SunGard Higher Education.

The Department of Information Technology is committed to implementing and supporting technologies important to the mission of El Paso Community College. The latest initiatives include:

- **Desktop Virtualization Infrastructure (DVI)** will assist with increased remote access by students, faculty and staff. End users will connect to a remote desktop, but have a local experience. This will also increase user mobility which means the session moves with the end user. It will ensure for dynamic desktops, high endpoint management, increased layer of security and back-end user profile management. DVI will allow desktops to be refreshed to a pristine image to fix any problems, to change or upgrade applications without impacting other applications, and will allow operating systems to be efficiently changed. Virtualization will ensure for a reduction in operation costs, i.e., simplify support and reduction of images. The College will also experience a reduction in desktop computer purchases. DVI also allows for increased storage solution. The four-phase plan allows for planning for future. Currently, the IT Division is piloting Phase I with 200 computers and will proceed with Phase II of the Desktop Virtualization Project during 2014-2015 academic year.
- **Voice over Internet Protocol (VOIP)** - The IT Division will proceed aggressively with the VOIP Project during the summer 2014. Three campuses (MDP, RG and VV) remain to be upgraded to VOIP with Valle Verde being the largest campus. The cost to complete the remaining campuses and to upgrade existing equipment is estimated at \$1.9 million. Specifications for the new VOIP plan are being developed.

- **Wireless System Upgrade/Expansion Plan** - EPCC has exceeded the current District-wide wireless capabilities. With the increased use of mobile devices, i.e., smart phones, tablets, laptops, and mobile media carts in the classrooms, it is essential to increase the wireless capabilities for all of the users throughout the District. A wireless system upgrade and expansion plan has been developed and will be fully implemented by summer 2014.
- **Website Redesign** - The College's existing website is being redesigned and the public image and look will be changed. The platform will be upgraded to the latest SharePoint version and will provide additional features and functional capabilities for the users. Website Redesign is a major project and will require all existing layers of the website to be changed and ensure adherence to the new platform and design. The first layer or public face of the website has been redesigned and the projected timeline for the completion of the entire website is no later than spring 2015.

Financial Services:

The District continues to strive towards efforts to deliver financial related information in an electronic form leveraging technology to work in the most economical efficient manner. With the success of direct deposit whether related to paying employees, vendors or students in past years, the savings realized from such efforts also translates into other financial areas. Similarly, for 2013, employees were given the opportunity to opt out of receiving a paper W-2 form and receive their tax information electronically. Also, for 2013, for the first time via the web-based Marketplace capability donors may make on-line donations to the College Foundation; and, also using this same capability, students, faculty and staff may purchase and select parking stickers without having to come on campus.

SACS ACCREDITATION

El Paso County Community College District is accredited through the Commission on Colleges (COC) of the Southern Association of Colleges and Schools (SACS), which sets standards for admissions, instruction, faculty credentials, student and instructional support services, administrative organization, facilities and financial responsibility. Accredited through December 2013, the College prepared extensively for the reaffirmation of accreditation visit that took place on October 29 through November 1, 2012. In order to be accredited under the SACS standards, the College was required to conduct a comprehensive compliance audit prior to the filing of the Compliance Certification. The comprehensive compliance audit includes an assessment of all programs and courses offered by the institution. In preparation for the compliance audit, a Compliance Certification Officer was appointed and a team assembled to respond to all principles included in the Compliance Certification Report that was submitted on March 15, 2012 to the off-site SACSCOC reviewers. As a result of the review of the Compliance Certification report, a Focused Report was generated with recommendations to which the College submitted responses by September 2012. In addition to the Compliance Certification Report, the other requirement for SACS reaffirmation was to prepare the Quality Enhancement Plan (QEP), a five-year plan designed to enhance the quality of student learning by focusing on a theme and specific student outcomes. The approved theme for the QEP is "Learning about the Community as a Community." As a result of the on-site visit by the SACSCOC, the College

received recommendations for which it submitted responses along with supporting evidence on April 1, 2013. In June 2013, the College was denied reaffirmation of accreditation and placed on Warning for 12 months for not demonstrating compliance with Core Requirement 2.8 (Faculty), Comprehensive Standard 3.3.1.1 (Institutional Effectiveness: education programs), and Comprehensive Standard 3.3.1.2 (Institutional Effectiveness: administrative support services) of the Principles of Accreditation. The administration has taken steps to insure compliance with the above standards by (1) adding additional full-time faculty to address its policy target of 50% ratio of full-time to part-time faculty and (2) identifying and evaluating outcomes related to learning outcomes and administrative support services with evidence of improvement based on the analysis of results. The SACSCOC Board of Trustees will consider the accreditation status of the College upon review of a First Monitoring Report to be submitted by EPCC on April 15, 2014. The District is confident that reaffirmation will be granted in June 2014.

INSTITUTIONAL EFFECTIVENESS

Beginning as an effort to ensure an avenue was available for the discussion and resolution of problems and concerns, the Institutional Effectiveness process has become an important vehicle for assessing the performance of instructional and support service operations at the College. Through the guidance of the District-wide Institutional Effectiveness Committee and the six executive area IE teams, the comprehensive system ensures the effectiveness, including cost, of these operations. While Institutional Effectiveness is mandated for accreditation purposes, it has also become a tool for change management. By incorporating IE into a participatory management process, the District has been noted for having one of the best Institutional Effectiveness models in the state. Every year, the College planning process is linked to the Budget Development process with the use of the effectiveness planning guide. During this process, institutional budgets are linked with the District's strategic goals by the use of Area Effectiveness Plans, which consist of written objectives for improvement and focus on the District mission.

FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Refer to the Management's Discussion and Analysis for more information on the District's financial activity and position.

SINGLE AUDIT

As a recipient of federal, state, and local financial assistance, the District also is responsible for providing adequate internal control to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management, the independent auditors of the District, and during agencies' monitoring visits.

As a part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. Although the audit revealed a finding reported as a significant deficiency in the internal control over major programs section of the Schedule of Federal Findings and Questioned Costs, the overall results of the District's single audit for the fiscal year ended August 31, 2013, provided no instances of material weaknesses in the internal control, and the auditor's report was issued with an unmodified opinion on both financial statements and compliance with major programs.

BUDGETING CONTROLS

In addition, the District maintains budgetary controls through its automated system and procedures. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees. Activities of the Unrestricted and Restricted Funds, Auxiliary Enterprises Fund, and Plant Funds are included in the annual appropriated budget. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances are re-appropriated as part of the next year's budget.

DISTRICT FUNCTIONS

The financial results of the District's operations are reported in the Management's Discussion and Analysis report included in the Financial Section of this report. In compliance with GASB No. 35 standards, the Management's Discussion and Analysis is a component of the District's financial statements and provides an overview of the College's financial operations for the fiscal year ended August 31, 2013.

DEBT ADMINISTRATION

As of August 31, 2013, the District did not have any outstanding General Obligation Bonds. In order to finance building construction and renovation, the District has issued since December 1994, a total of \$137,900,000 in Combined Building Fee Revenue Bonds. As required by the various bond issue covenants, the retirement of these bonds is financed by general use fees and tuition charged to the students on a semester basis. As of August 31, 2013, the District's outstanding bond debt amounts to \$54,090,000 excluding any unamortized discount. Considering the growth of the District and the need for additional facilities as identified during the District's master planning process, issuing additional bonds within the next five years may be considered.

INTERNAL AUDIT SERVICES

As part of its internal audit program, the District contracts with the outside CPA firm of White+Samaniago+Campbell, LLP to perform certain agreed-upon procedures. During fiscal

year 2013, the firm concluded the evaluation of processes used by the District libraries in procuring its books collections and databases. The firm was also engaged to review the process of re-evaluation/reclassification of positions efforts conducted by the Department of Human Resources. This audit is in the process of being concluded.

As a mechanism to ensure that the administration is implementing auditors' recommendations, periodic meetings are held with the President of the College and the appropriate staff to review the status of recommendations on all previous audits. This practice emphasizes the importance of internal audits as a tool for the College to tighten its internal controls and a way to improve its processes.

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The public accounting firm of Moss Adams LLP was selected by the District's Board of Trustees. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Circular A-133. The auditor's reports related specifically to the single audit are included in the Single Audit Section.

AWARDS AND RECOGNITIONS

During fiscal year 2012/2013, the College was recognized for the following accomplishments:

- The Hispanic Outlook in Higher Education magazine ranked the District as number one in the nation's top community colleges in the following categories: Hispanic full-time enrollment; grantor of Associates' degrees to Hispanic students; and Hispanic faculty.
- Victory Media, the premier media entity for military personnel transitioning into civilian life, named El Paso Community College to the coveted Military Friendly Schools® list which honors the top 15 percent of colleges, universities and trade schools that are doing the most to embrace America's military service members, veterans, and spouses as students and ensure their success on campus.
- The Speech and Debate Team won the Sweepstakes Award at the Phi Rho Pi National Tournament.
- El Paso Community College Cross Country Team was named Academic Team of the Year by the National Junior College Cross Country Coaches Association.
- El Paso Community College Chrysalis Literary Journal won the Sweepstakes Award for Overall Excellence for a literary magazine in the State of Texas.

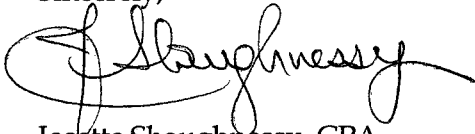
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to El Paso County Community College District for its comprehensive annual financial report for the fiscal year ended August 31, 2012. This was the seventeenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the hard work and diligence of the Budget and Financial Services staff, to include the Rio Grande Campus Instructional Service Center for the timely printing of this document. We would also like to thank the accounting firm of Moss Adams LLP, for their assistance in the completion of the audit. Each individual who contributed to this report has our genuine appreciation.

Sincerely,



Josette Shaughnessy, CPA
Associate Vice President, Budget and Financial Services



Fernando Flores, CPA
Comptroller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**El Paso County
Community College District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2012

Executive Director/CEO

El Paso Community College
Board of Trustees

President
William Serrata, Ph.D.

Vice President
Administration &
Financial Operations
Dr. Ernst E. Roberts II

Vice President
Information Technology/
Chief Information Officer
Jenny Girón, Ph.D.

Vice President
Student Services
Linda Gonzalez-Hensgen

Vice President
Workforce/Economic
Development & CE
Yolanda Chávez Ahner

Interim Vice President
Instruction
Steve Smith

Vice President
Research & Accountability
Saul Candelas

Associate Vice President
Budget & Financial Services
Josette Shaughnessy, CPA

Associate Vice President
Employee Relations
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Northwest
Lydia Tena, Ph.D.

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Mission Del Paso
Julie Penley, Ph.D.

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Math, Science and Career &
Technical Education
Ernest R. Webb

Dean (TM/FB)
Arts, Basic Skills,
Communications, & Social
Sciences
Jan Eveler

Dean (VV)
Architecture, Arts, Drafting,
Math, & Science
Maria A. Badillo

Dean (VV)
Americana Language Prgm,
Basic Skills, Communications,
& Performing Arts
Claude Mathis

Dean (VV)
English as a Second Language,
Reading, & Social Sciences
Susana Rodarte

Dean (VV)
Education and Career &
Technical Education
Jaime Farias, Ph.D.

Dean (RG)
Arts, Basic Skills,
Communications, Career &
Tech Ad., and Social Sciences
Eileen Conklin, Ph.D.

Dean (RG)
Health Career & Technical
Education, Math & Science
Paula Mitchell, Ph.D.

Dean (RG)
Nursing
P. Gail Meagher

El Paso County Community College District Leadership Organizational Chart



**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
PRINCIPAL OFFICIALS**

BOARD OF TRUSTEES

OFFICERS

TERM EXPIRES

Mr. Art Fierro, Chair	May 2019
Ms. Gracie Quintanilla, Vice Chair	May 2017
Ms. Selena N. Solis, Secretary	May 2019

MEMBERS

Dr. Carmen Olivas Graham	May 2019
Mr. Brian Haggerty	May 2015
Ms. Belen Robles	May 2015
Dr. John E. Uxer	May 2017

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. William Serrata	President
Mr. Steve Smith	Interim Vice President, Instruction
Mr. Saul Candelas	Vice President, Research and Accountability
Ms. Linda Gonzalez-Hensgen	Vice President, Student Services
Dr. Jenny M. Girón	Vice President, Information Technology/CIO
Ms. Yolanda Ahner	Vice President, Workforce/Economic Development and Continuing Education
Dr. Ernst E. Roberts, II	Vice President, Administration and Financial Operations
Ms. Josette Shaughnessy, CPA	Associate Vice President, Budget and Financial Services
Mr. Fernando Flores, CPA	Comptroller



FINANCIAL SECTION



Transmountain Campus





REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees
El Paso County Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities of El Paso County Community College District (“the College”) as of and for the years ended August 31, 2013 and 2012 and the related notes to the financial statements, which collectively comprise the 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 opinions on these financial statements based on our audit. 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 General 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.

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 College’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.

To the Board of Trustees
El Paso County Community College District

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 the business-type activities of the El Paso County Community College District as of August 31, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary 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 the El Paso County Community College District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, Non-Profit Organizations (Circular A-133) and the State of Texas Single Audit Circular are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, and Schedule of Net Position by Source and Availability are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

To the Board of Trustees
El Paso County Community College District

The Schedule of Expenditures of Federal Awards, Schedule of Expenditures of State Awards, Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, and Schedule of Net Position by Source and Availability are 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 Schedule of Expenditures of Federal Awards, Schedule of Expenditures of State Awards, Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, and Schedule of Net Position by Source and Availability are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013 on our consideration of the El Paso County Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 the El Paso County Community College District's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
December 20, 2013

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2013**

The following discussion and analysis of El Paso County Community College District's annual financial statements, prepared by the financial managers of the College, provides an overview of the College's financial operations for the years ended August 31, 2013 and 2012. The external audit firm of Moss Adams, LLP has prepared the financial statements and the related footnote disclosures. This section is designed to assist the reader in the interpretation of the financial statements and should be read in conjunction with the disclosure notes that accompany the basic financial statements. Responsibility for the completeness and fairness of the information rests with the management of the College.

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities." The College is reported as a special-purpose government engaged in business-type activities and uses the accrual method of accounting, which means that revenue is recognized when earned, and expenses are recorded when incurred regardless of when cash is received or paid. The core financial statements required by GASB 34 as amended by GASB 63 are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

Statement of Net Position

The purpose of the Statement of Net Position is to report at a point in time the total net assets available to finance future services, and to give the reader a snapshot of the financial condition of El Paso County Community College District. According to GASB 34, the classification of the components of the Statement of Net Position is as follows:

- Current Assets: assets available to satisfy current liabilities.
- Long-term Assets: include capital assets and other assets not classified as current.
- Current Liabilities: include obligations due within one year.
- Long-term Liabilities: include bonds payable and other long-term commitments.
- Net Position: difference between assets and liabilities and presented in three categories as follows:

- Invested in Capital Assets - Net of Related Debt represents the District's net investment in property, plant and equipment net of accumulated depreciation and amortization on the assets and the related outstanding debt used to construct, purchase or renovate them.
- Restricted Net Position is classified as expendable (available for expenditure in accordance with the restrictions of donors and other external entities) and nonexpendable (permanent endowment corpus only available for investment purposes).

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Unrestricted Net Position is available for any lawful purpose of the District and maintained to ensure sufficient reserve funds for long-term viability of the District.

Statement of Revenues, Expenses and Changes in Net Position

The intent of the Statement of Revenues, Expenses and Changes in Net Position is to report the burden of the government's functions on non-operating (general) revenues, defined as the amount of the functions that are not supported by charges to users (GASB 34, Par. 38). The statement is divided into Operating Revenues and Expenses, and Non-Operating Revenues and Expenses. Operating revenues are generated from the services provided to students and other customers of the District and represent an exchange for services. Operating expenses are incurred in the production of goods and services that result in operating revenues. Property taxes, state appropriations and Title IV funds represent non-exchange transactions and thus classified under Non-Operating Revenues, which means that Texas community colleges will generally report an operating deficit before taking into account other support. Therefore, revenue and expenses should be considered in total when assessing the change in the College's financial position.

Statement of Cash Flows

The primary purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and cash payments of the College during the fiscal period. This statement is intended to complement the accrual-basis financial statements by providing functional information about financing, capital and investing activities and reports the effects of the College's operations, capital and non-capital financing transactions, and investing transactions on the College's financial position. This statement also helps users to determine the entity's ability to meet its obligations as they come due and the potential need for external financing. The final portion of the statement reconciles the net income or loss from operations to be provided or used by operations. The statement is structured as follows:

- Cash flows from operating activities
- Cash flows from noncapital financing activities
- Cash flows from capital financing activities
- Cash flows from investing activities

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

CONDENSED COMPARATIVE FINANCIAL INFORMATION

To show the trends for the two years shown in the Statement of Net Position (Exhibit 1), a summary of three years of data for the years ended August 31, 2011 thru 2013 is presented below:

**Condensed Statement of Net Position
(In Millions)**

	August 31			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Assets					
Cash and Investments	\$ 85.4	\$ 84.2	\$ 82.0	\$ 1.2	\$ 2.2
Other Assets	41.9	40.5	43.9	1.4	(3.4)
Capital Assets	123.5	123.9	119.8	(0.4)	4.1
Total Assets	\$ 250.8	\$ 248.6	\$ 245.7	\$ 2.2	\$ 2.9
Liabilities					
Current Liabilities	\$ 59.9	\$ 60.9	\$ 61.7	\$ (1.0)	\$ (0.8)
Long-Term Liabilities	58.5	62.6	66.9	(4.1)	(4.3)
Total Liabilities	\$ 118.4	\$ 123.5	\$ 128.6	\$ (5.1)	\$ (5.1)
Net Position					
Invested in Capital Assets, Net of Related Debt	\$ 79.9	\$ 76.6	\$ 68.9	\$ 3.3	\$ 7.7
Restricted	24.6	22.2	27.6	2.4	(5.4)
Unrestricted	27.9	26.3	20.6	1.6	5.7
Total Net Position	\$ 132.4	\$ 125.1	\$ 117.1	\$ 7.3	\$ 8.0

Total Assets increased by \$2.2 million from fiscal year 2012 to fiscal year 2013 as compared to \$2.9 million from fiscal year 2011 to fiscal year 2012. This is due to a combination of factors:

As a major component of the Statement of Net Position, cash increased from fiscal year 2012 by \$1.2 million. This amount represents the net of the following activities:

Net Cash used by operating activities increased by \$3.6 million from fiscal year 2012 due to the increase in Payment to or on behalf of Employees of \$6.3 million offset by a decrease of \$1.7 million and \$4.4 million in Receipts from Students and Payments of Scholarships respectively. The increase in Payment to or on behalf of Employees is attributable to two factors: (1) the 3% salary increase and (2) the reimbursement to the State for the 2012 and 2013 for health insurance and retirement benefits not appropriated by the 82nd Legislature. The decrease in both Receipts from Students and Payment of Scholarships is attributable to the unexpected enrollment decline throughout the fiscal year. Net Cash provided by noncapital financing activities decreased by approximately \$2.2 million due a combination of factors: state appropriations, ad valorem taxes and non-operating state revenue increased by \$2.7 million mostly due to additional revenue from the State and local taxes; this increase was offset by the decrease of \$3.4 million in non-operating federal revenue related the drop in Pell awards due to the decrease in student enrollment. Finally the decrease of \$4.9 million

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

in Net Cash used in capital and related financing activities is directly related to the decrease in procurement of capital assets.

Other Assets increased by \$1.4 million from fiscal year 2012 mostly due to the increase in tuition effective fall 2013 that affected the following asset categories: (1) deferred charges related to the early disbursement of Pell Grant funds for fall 2013 increased by \$1.1 million, and (2) accounts receivables increased by \$1 million. These increases were offset by a decrease of \$718,000 in Notes Receivable directly related to the 5% decrease in student credit hours for fall 2013.

Capital Assets decreased by \$ 400,000 due to the completion of capital projects offset by (1) the disposition of capital assets through public sales and (2) depreciation expense of \$4.5 million.

When comparing fiscal years 2012 and 2011, total assets increased by \$2.9 million due to a combination of (1) increase in Cash of \$2.2 million, (2) decrease in Other Assets of \$3.4 million and (3) increase of \$4.1 million in Capital Assets.

Total liabilities decreased from the prior year by \$5.1 million, the combination of \$1 million and \$4.1 million decreases in Current Liabilities and Long-Term Liabilities, respectively. The decrease in Current Liabilities is mostly related to the \$1.8 decrease in Accounts Payable and Accrued Liabilities offset by the \$600,000 increase related to (1) Deferred Revenue accounting for the Pell Grant disbursements in the fall 2013 semester and (2) Bonds Payable-Current Portion that increased by \$165,000. The decrease in Accounts Payable and Accrued Liabilities is related mostly to a decrease in costs during fiscal year and the earlier payment of employee benefits to the State of Texas. The increase in Deferred Revenue is directly related to the increase in tuition rate effective fall 2013 combined with a decrease in student enrollment.

The \$4.1 million decrease in Long-Term Liabilities is mostly related to the following factors: (1) the payment of revenue bonds offset by the amortization of bond premium and (2) the decrease in the Notes Payable for the annual payment on the note to the State Comptroller's office for the energy efficiency project completed in fiscal year 2009.

The major impact on Net Position as a result of the implementation of GASB 34 is that capitalized expenses with a threshold of \$5,000 are now depreciated. Depreciation for the year ended August 31, 2013 was \$4.5 million or a decrease of \$327,000 over the 2012 depreciation. This decrease is mostly attributable to the disposition of furniture and equipment during the fiscal year.

Notwithstanding the impact of depreciation on the increase of Net Position, the College experienced an overall increase in Net Position of \$7.3 million, which represents a healthy increase for the District in light of the fiscal challenges imposed upon by the State Legislature during the biennium. This increase is related to the net increases in the various components of net position: the increase in Net Investment in Capital Assets of \$3.3 million is attributable to the principal payment of the related bonds; Restricted Net Position increased by \$2.4 million mostly due to additional funding available for student scholarships and capital projects; the increase in the Unrestricted Net Position of \$1.6 million represents the net of the \$2.6 million increase and the \$1 million decrease in the unrestricted fund and auxiliary fund balances respectively. The \$2.6 million increase in the unrestricted fund is a result of prudent budgeting and cost containment measures which generated staff and faculty salary savings. The decrease in the Auxiliary fund of \$1 million is directly related to the renovation of the softball field of the Intercollegiate Athletic program in compliance with Title IX.

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Increase in Net Position is affected by the revenues generated and the expenses incurred by the District. The following condensed financial information shows total revenues and expenses for fiscal years 2013, 2012 and 2011:

Condensed Statement of Revenue, Expenses, and Changes in Net Position
(In Millions)

	August 31			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Operating Revenues					
Tuition and Fees (net of Discounts)	\$ 22.2	\$ 20.4	\$ 19.9	\$ 1.8	\$ 0.5
Federal, State & Local Grants & Contracts	8.5	9.7	12.2	(1.2)	(2.5)
Auxiliary Enterprises	1.9	2.1	2.0	(0.2)	0.1
Other	2.2	2.0	0.8	0.2	1.2
Total Operating Revenues	<u>\$ 34.8</u>	<u>\$ 34.2</u>	<u>\$ 34.9</u>	<u>\$ 0.6</u>	<u>\$ (0.7)</u>
Operating Expenses					
Instruction	\$ 57.1	\$ 56.6	\$ 57.8	\$ 0.5	\$ (1.2)
Research	0.1	-	-	0.1	-
Public Service	6.0	5.7	5.6	0.3	0.1
Academic Support	18.0	18.0	18.7	0	(0.7)
Student Services	10.3	9.9	10.4	0.4	(0.5)
Institutional Support	19.9	20.0	20.2	(0.1)	(0.2)
Operation and Maintenance of Plant	9.2	9.6	8.9	(0.4)	0.7
Scholarships and Fellowships	39.9	44.0	50.7	(4.1)	(6.7)
Auxiliary Enterprises	4.8	3.0	2.2	1.8	0.8
Depreciation	4.5	4.8	4.0	(0.3)	0.8
Total Operating Expenses	<u>\$ 169.8</u>	<u>\$ 171.6</u>	<u>\$ 178.5</u>	<u>\$ (1.8)</u>	<u>\$ (6.9)</u>
Operating Loss	\$ (135.0)	\$ (137.4)	\$ (143.6)	\$ (2.4)	\$ (6.2)
Non-Operating Revenues (Expenses)					
State Appropriations	\$ 38.3	\$ 38.4	\$ 41.2	\$ (0.1)	\$ (2.8)
Maintenance Ad-Valorem Taxes	42.7	42.1	37.7	0.6	4.4
Federal Revenue - Non-Operating	63.1	67.4	72.6	(4.3)	(5.2)
Other State Revenue - Non-Operating	0.7	0.3	0.4	0.4	(0.1)
Investment Income (Net of Investment Expense)	0.2	0.1	0.4	0.1	(0.3)
Interest on Capital Related Debt	(2.7)	(2.9)	(3.1)	0.2	0.2
Net Non-Operating Revenues	<u>\$ 142.3</u>	<u>\$ 145.4</u>	<u>\$ 149.2</u>	<u>\$ (3.1)</u>	<u>\$ (3.8)</u>
Income Before Other Revenues, (Expenses), Gains (Losses)	\$ 7.3	\$ 8.0	\$ 5.6	\$ (0.7)	\$ 2.4
Increase in Net Position	\$ 7.3	\$ 8.0	\$ 5.6	\$ (0.7)	\$ 2.4
Net Position, Beginning of Year	125.1	117.1	111.5	8.0	5.6
Net Position, End of Year	<u>\$ 132.4</u>	<u>\$ 125.1</u>	<u>\$ 117.1</u>	<u>\$ 7.3</u>	<u>\$ 8.0</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Total operating revenues increased by \$600,000 due to the following factors: Tuition and Fees (net of discounts) had a net increase of \$1.8 million consisting of the tuition rate increase effective fall 2012 offset by a decrease in overall student enrollment. Federal, State, and Local Grants and Contracts decreased by \$1.2 million mostly due to either decreases in or expiration of existing federal and state grants such as Gear up, Upward Bound and HUD. Auxiliary revenue decreased by \$100,000 mostly related to the decrease in bookstore commissions due to the enrollment decrease. Other Income had an increase of \$200,000 over last fiscal year mostly due to increased overhead recovery.

Total operating expenses decreased by \$1.8 million due to a combination of factors: except for Scholarships and Fellowships that decreased by \$4.1 million due to the enrollment decrease, all elements of costs either remained comparable to last fiscal year or increased slightly due to the 3% salary increase approved by the Board of Trustees for all faculty and staff offset by a decrease in faculty salaries due to prudent enrollment management. Embedded in those modest increases are the salary savings generated by vacant positions in the respective elements of costs. Auxiliary Enterprises increased by \$1.8 million due to the renovation of the athletic fields and increase in bad debt expense associated with student loans and financial aid overpayments. It is important to note that all Texas community colleges reimbursed the State during fiscal year 2013 for retirement benefits not appropriated by the 82nd Legislature during the 12-13 biennium. Although the prior period potential liability was reserved in fund balance, the cost containment measures allowed for the 2013 budget to absorb the \$1.7 million reimbursement to the State for fiscal year 2012 in the 2013 fiscal year. The budgeted retirement expense for fiscal year 2013 not funded by the State was \$1.9 million.

Depreciation expense decreased by \$300,000 due to the disposition of furniture and equipment through public sales held during the fiscal year. Information regarding policies for depreciation is disclosed on page 8 of the Notes to the Financial Statements.

When comparing fiscal year 2012 to fiscal year 2011, total operating expenses had decreased by \$6.8 million mostly attributable to the decrease in Scholarships and Fellowships of \$6.7 million. This sharp decrease was directly related to decreased student enrollment for summer 2012 as a result of the elimination of the summer Pell award. As a result of drastic reductions in state appropriations for formula and benefits funding, the 2012 College budget was adopted without any salary increases to faculty and staff in addition to a hiring freeze of all vacant positions except for faculty. So with salaries and benefits representing over seventy-seven percent (77%) of the operating budget and with an enrollment decrease in summer 2012 due to the elimination of a separate summer Pell award for students, all other expenses remained comparable to or lower than the previous fiscal year.

Non-Operating Revenues and Expenses include State Appropriations, Maintenance Ad-Valorem Taxes, and Federal Revenues that now include Pell Grant receipts as non-operating revenue. Non-Operating Revenues also include Other State Revenue to account for state student aid.

Non-Operating Revenues decreased by \$3.1 million from fiscal year 2012 as compared to the decrease of \$3.8 million from 2011 to 2012. These decreases were caused in large part by decisions made during the 82nd Legislature that affected all Texas community colleges.

Fiscal year 2011/12 marked the first year of the biennium with many challenges facing Texas community colleges with no additional formula funding from the State while student enrollment

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

increased at record levels. While the College experienced a 17% increase in contact hours over the previous biennium, the 82nd Legislature responded to the economic crisis by reducing formula, health insurance and retirement funding by 8%, 41% and 52% respectively. In response to the unprecedented challenge of covering an \$8 million budget deficit in spite of the 12.6% and 14% tuition increases for resident and non-resident students respectively, the College implemented a combination of strategies to fund the 2011/12 budget. First, cost containment measures were evaluated and included freezing \$1.8 million in vacant positions, except for faculty; and postponing \$3.8 million in technology and instructional equipment purchases. The remaining deficit of \$3.1 million was covered by a tax rate increase of 8%, the first in six years, which generated the needed revenue to balance the budget.

Fiscal year 2012/13 represented the second year of the biennium and normally would not have benefited from any additional funding from the state. However, due to a rider attached to the House Appropriation Bill 1, the College received additional formula funding to the tune of \$1.6 million related to an increase in contact hours during the first year of the Biennium. This additional funding in concert with a 6% and 50% tuition increase for resident and non-resident students respectively allowed for a balanced budget that included a 3% salary increase for all faculty and staff. The \$1.6 million increase in formula funding was offset by a decrease in retirement benefits funding of \$1.8 million as a result of the various funding cuts approved during the 82nd Legislature.

Included in the \$3.1 million decrease in Non-Operating Revenue is the decrease in Federal Revenue of \$4.3 million, mostly due to the decrease in Pell Grant awards due to a decline in student enrollment during fiscal year 2013. This enrollment decrease is attributable to (1) a slight recovery in the El Paso economy and (2) the change in eligibility criteria for the Pell grant. A strategic enrollment task force has been created to address this unusual enrollment decline and is currently developing strategies to identify and reach all populations of the serving area.

Contrasting with the \$4.4 million increase in revenue in fiscal year 2012 over the prior year, revenue from Maintenance Ad-Valorem taxes slightly increased by \$600,000 related to additional revenue from new property added to the 2013 tax roll. Tax revenue for fiscal year 2013 is based on the tax rate of \$.114086 per \$100 valuation, which still represents the lowest tax rate of all major taxing entities in the El Paso County.

As a reflection of the challenging U.S. economy, the interest rate environment remains low. During fiscal year 2013, the College continued to invest in Repurchase Agreements with J.P. Morgan Chase Bank. As a result, interest income exceeded the annual budget by 5.05% for the year. In addition, with an annual average yield on investments of .1988% for the year, the benchmark (annual average 13-week T-Bill rate .0737%) was exceeded in compliance with the College's Investments Policy. In comparison to the prior year, interest income was higher by 8.73%. Although it is expected that the interest rates will continue to slowly increase as the economy recovers, the college administration continues to budget conservatively for interest income.

For the coming year, repurchase agreement rates will be reduced by 50% from 20 to 10 basis points. However, the investment strategy is to utilize through the bank depository contract the Earnings Credit Rate option that will earn 40 basis points and will help offset the decrease in repurchase agreement rates.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Description of significant capital asset and long-term debt activity

As the College continues to grow, the administration is in the process of developing a master plan to address capital improvement needs for its five campuses and the upcoming new campus on Fort Bliss military base property. Major completed projects include the new Student Enrollment Services building occupied in June 2013, and the renovation of the Softball and Baseball fields funded by the Intercollegiate Athletic Fund and a loan from the Auxiliary Fund. Upcoming projects include the renovation of facilities to either relocate services or accommodate instructional programs such as the joint architectural program with Texas Tech University. Beginning construction of the College's sixth campus on Fort Bliss is scheduled for 2015 after the district master planning has been completed. All facilities construction, renovation and improvements will be financed by a combination of funds coming from revenue bond proceeds, grant funds and plant fund reserves.

To accommodate increased enrollment since 1994, the District initiated a financial plan and has since then issued \$137,900,000 in Revenue Bonds, part of which refinanced the 1994, 1995, 1996, 1997, 1997B, 1998, 1999 and 2001 bond issues. This debt is currently covered by the general use fee of \$10 per credit hour and the state-mandated minimum tuition transfer of \$15 per student in the fall and spring semesters and \$7.50 per student for the summer sessions. The defeasance of the Building Use Fee and Tuition Refunding Revenue Bonds Series 1993 outstanding balance of \$1,750,000 in October 2003 will result in saving the College approximately \$220,000 in interest payments.

In January 2007, the District issued the Fee Revenue Building and Refunding Bonds in the amount of \$66,280,000 that accomplished (1) the refunding of \$37 million of current debt with expected present value savings of \$1.9 million and (2) generating additional funds of \$31.6 million for renovation and new construction. The refunding of some of the current debt created additional debt capacity for the District to issue additional revenue bonds at no additional cost to the student or the taxpayer.

On August 13, 2003, Fitch Ratings issued a press release announcing the upgrade of El Paso Community College credit rating from "A-" to "A." The rating revision upwards reflected the College's positive financial performance, growing enrollment, and favorable area demographics and market position. Also considered in the rating are the operational and financial pressures stemming from increasing enrollment and reductions in state funding and above average, although manageable, debt load. On December 18, 2006 and more recently June 17, 2013, this "A" rating was reaffirmed as an "A+" rating with a stable outlook supported by sound financial management practices and operating results, and an increasingly diverse revenue base. Fitch subscribers can see the complete report at www.fitchresearch.com.

On December 21, 2006, Moody's Investors Service issued a press release announcing the upgrade of the College's rating from "A2" to "A1" with a stable outlook. The upgrade was based on the College's rapidly growing tax base caused by healthy growth in the local economy, increasing enrollment, strong operating performance and a manageable debt profile. On August 6, 2009, Moody's reaffirmed the College District's "A1" long-term rating of \$69.2 million with a stable outlook that reflects Moody's expectation that the District will continue to generate positive operating margins, maintain or modestly increase enrollment, and generate sufficient coverage of debt service from pledged revenues.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

On November 15, 2012, Moody's affirmed the College's rating as Aa3 with a stable outlook. Moody's outlook reflects that the College will maintain a stable and growing enrollment along with stable to moderate revenue growth from tax revenues and tuition increases, as state appropriations are likely to decrease. Although the construction of a new campus will create additional debt, Moody's expects that the debt burden will be manageable given the current levels of operations and financial resources. The updated report can be found at www.moody.com.

On October 9, 2013, Moody's affirmed the College's rating of Aa3 but revised its outlook as negative as a result of the College being placed on warning by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). Although the College is still accredited, reaffirmation was denied during the October 2012 decennial review by SACSCOC. According to the SACSCOC Board of Trustees, the College failed to demonstrate compliance with Core Requirement 2.8 (faculty), and Comprehensive Standards 3.3.1.1 and 3.3.1.2 (Institutional Effectiveness: educational programs and administrative support services). The College has already taken measures to be in full compliance when it submits its First Monitoring Report due in April 2014, and expects reaffirmation in June 2014. At that time, Moody's will again evaluate the College's rating based on its accreditation status and financial position. It is important to note that the affirmation of the current Aa3 rating by Moody's reflects the college's stable market position as education provider for the region, with consistent positive operating performance and favorable revenue diversity.

On March 15, 2011, Standard & Poor's issued a press release upgrading its underlying rating of "A" to "A+" on the College's Series 2001 Combined Fee Revenue Building and Refunding Bonds with a stable outlook. This outlook reflected the College's essential role as the only community college in the El Paso area; good revenue diversity from tuition, property taxes and state appropriations; and history of consistently positive financial operations. The rating also cited significant growth pressures, limited revenue flexibility, moderate debt burden, and recent instability in state appropriations as challenges for the College. However, Standard & Poor's expectation is that the District will continue to sustain balanced operating results with stable enrollment and overall district financial resources as long as it can manage the potential significant cuts in state appropriations and issue additional revenue debt with the commensurate increase in financial resources or revenue.

Additional information on both capital assets and long-term debt can be found in notes 5 and 6 of the Notes to the Financial Statements.

Economic Outlook

Although the Texas economy was largely insulated from the nation's housing-induced slowdown with Texas average housing prices still rising, and the City of El Paso was no exception in benefiting from this strong economy, the State did experience a fiscal crisis with a large revenue deficit that affected the 2012/13 biennium. In response to this economic crisis, Governor Perry mandated a 5% reduction in funding for state agencies, including institutions of higher education at the end of fiscal year 2009/10 for both years of the biennium. In anticipation of the challenging upcoming biennium, the Board of Trustees approved a tuition increase of 12.6% and 14% for resident and non-residents students respectively, which was effective summer 2011.

The 82nd Legislature confirmed the reduction in funding for the 2012/13 biennium with an additional decrease of 2.8% in formula funding and a significant decrease in funding for health

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

insurance and retirement benefits to the tune of 41% and 52% respectively over the previous biennium. Like many Texas community colleges, El Paso Community College faced an unprecedented challenge in balancing its 2011/2012 budget that started with a deficit of \$8 million. The College responded to this challenge by implementing budget reduction strategies to include freezing vacant positions, postponing new technology and equipment purchases in concert with a tax rate increase, the first tax increase in six years.

However, in spite of the tuition and tax rate increases, the College has the lowest tuition rate in the region and the lowest tax rate of all major taxing entities of the El Paso County while still maintaining quantity and quality of service to its student population. This demonstrates the College's ability and flexibility for generating additional revenue, should state funding continue to be insufficient to fund its operations and innovative programs.

With the adoption of another conservative budget for the 2012/13 fiscal year, the College prepared for the 83rd Legislature that appropriated more funding not only in formula but also in benefits for the 2014-15 biennium. The outcome of the legislative session was a new and historical funding pattern for community colleges that allocated funding to three main areas: (1) core operations, (2) student success points and (3) traditional contact hour formula. In addition, the legislators passed Senate Bill 1812 that codified a cost share agreement of 50% for both health insurance and retirement benefits. Unless amended in future legislative sessions, the bill guarantees that the State will contribute 50% of benefits costs to community colleges.

Additional funding for both student enrollment and benefits in concert with a 7% tuition increase contributed greatly to balancing the 2013/2014 fiscal year budget without increasing the tax rate. The economic outlook for the state of Texas appears more optimistic for next biennium, and, as community colleges prepare for the 84th Legislature, El Paso Community College is focused on increasing not only student enrollment, but more importantly, student success as it is expected that the new funding pattern will continue to evolve at the Legislature.

In November 2010, the firm of EMSI issued a report summarizing the results of a study documented in "the Economic Contributions of El Paso Community College" detailing the role that the College plays in promoting economic development, enhancing students' careers, and improving quality of life. The main highlights of this study for the College are as follows:

- Due to EPCC operations and capital spending, the local economy receives roughly \$131.6 million in annual regional income.
- EPCC activities encourage new business, assist existing business and create long-term economic growth. The College enhances worker skills and provides customized training to local business and industry. Past and present skills acquired by EPCC students increase regional income by \$615.3 million.
- Related to students earning potential, studies demonstrate that education increases lifetime earnings. The average annual income of a student with an Associate Degree at the midpoint of his or her career is \$39,300 or 35% more than someone with a high school diploma. Over the course of a working lifetime, associate's degree graduates in the College service area earn \$395,600 more than someone with a high school diploma. As a result of their attending EPCC, students enjoy an attractive 16.9% annual rate of return on their EPCC educational investment with a payback period of 9 years.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- The estimated 95% of EPCC students remaining in Texas and entering the workforce enhance the economic growth and expand the tax base. Higher student earnings and associated increases in property income generate about \$10.3 million in added tax revenue per year.
- EPCC generates a return on public investment, as taxpayers will see a return of \$2.30 for every dollar appropriated by state and local governments to support the College, and state and local governments will receive a rate of return of 8% on their investments in EPCC.
- Most importantly, the state and local community will see \$8.2 million worth of social savings associated with improved health, reduced crime, and less welfare and unemployment claims as long as students stay in the workforce.

The above study demonstrates that El Paso Community College plays a critical role in its service area by stimulating the state and local economy, leveraging taxpayer dollars, generating a return on government investment and increasing students' earning potential. In addition to its current role, the College is facing additional demand from the growth at Fort Bliss, the Army's second largest installation. Fort Bliss currently hosts more than 34,000 active military personnel, over 44,800 family members and employs nearly 10,800 civilians with a \$1.7 billion impact on the El Paso community. El Paso Community College is gearing up for the challenges of providing educational services to the Fort Bliss community by addressing its facility needs with the construction of its sixth campus scheduled to open in 2016.

In summary, notwithstanding the impact of military growth in the El Paso area, the expected recovery in the state economy, the potential for enrollment growth, and the pending accreditation reaffirmation by the Southern Association of College and Schools Commission on Colleges, El Paso Community College is not aware of any currently known facts, decisions, or conditions that would have a significant effect on the financial position or results of operations during this fiscal year. The College's overall financial position is stable and demonstrated by its ability to generate consistent increases in net position through the efficient and effective use of its resources. The College will continue to monitor those resources to maintain its ability to react to changes from internal and external forces.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 STATEMENTS OF NET POSITION
 Years Ended August 31, 2013 and 2012

Exhibit 1

	2013	2012
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 85,427,311	\$ 84,172,806
Account receivable (net of allowance for doubtful accounts of \$7,114,620 in 2013 and \$6,268,268 in 2012)	11,373,158	10,353,337
Deferred charges	25,903,639	24,814,149
Notes receivable (net of allowance for doubtful accounts of \$3,406,298 in 2013 and \$3,245,809 in 2012)	3,242,436	3,961,425
Other assets	660,205	645,927
Total current assets	<u>126,606,749</u>	<u>123,947,644</u>
Noncurrent Assets		
Deferred charges	725,721	786,314
Capital assets, net	123,447,576	123,901,397
Total noncurrent assets	<u>124,173,297</u>	<u>124,687,711</u>
Total assets	<u>\$ 250,780,046</u>	<u>\$ 248,635,355</u>
LIABILITIES AND NET POSITION		
Liabilities		
Current Liabilities		
Accounts payable	\$ 2,239,629	\$ 3,152,107
Accrued liabilities	1,910,459	2,829,362
Accrued compensable balances - current portion	268,037	192,020
Workers' compensation reserve - current portion	553,000	526,913
Funds held for others	3,075,342	3,109,498
Deferred revenue	47,901,210	47,300,588
Notes payable - current portion	510,218	496,350
Bonds payable - current portion	3,430,000	3,265,000
Capital lease payable - current portion	-	3,310
Total current liabilities	<u>59,887,895</u>	<u>60,875,148</u>
Noncurrent Liabilities		
Accrued compensation balances	3,526,890	3,549,555
Workers' compensation reserve	347,000	373,087
Notes payable	1,771,847	2,276,807
Bonds payable including premium of \$2,206,293 in 2013 and \$2,383,982 in 2012)	52,866,293	56,473,982
Total noncurrent liabilities	<u>58,512,030</u>	<u>62,673,431</u>
Total liabilities	<u>118,399,925</u>	<u>123,548,579</u>
Net Position		
Net investment in capital assets	79,937,511	76,631,932
Restricted for		
Nonexpendable		
Student aid	737,449	740,985
Expendable		
Student aid	3,519,181	2,601,659
Loans	1,342,529	1,116,047
Renewals and replacement	679,897	336,941
Unexpended plant fund	10,512,325	9,831,418
Debt service	7,775,758	7,564,727
Unrestricted	27,875,471	26,263,067
Total net position	<u>132,380,121</u>	<u>125,086,776</u>
Total liabilities and net position	<u>\$ 250,780,046</u>	<u>\$ 248,635,355</u>

See Notes to Financial Statements.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended August 31, 2013 and 2012

Exhibit 2

	<u>2013</u>	<u>2012</u>
Revenues		
Operating revenue		
Tuition and fees (net of discounts of \$37,254,367 in 2013 and \$35,444,745 in 2012)	\$ 22,181,240	\$ 20,414,460
Federal grants and contracts	4,015,782	4,979,369
State grants and contracts	3,598,188	4,034,558
Non-governmental grants and contracts	889,024	637,984
Auxiliary enterprises	1,987,554	2,149,564
Other operating revenues	<u>2,156,824</u>	<u>1,956,063</u>
Total operating revenues	<u>34,828,612</u>	<u>34,171,998</u>
Expenses		
Operating expenses		
Instruction	57,143,086	56,569,373
Research	67,172	46,990
Public service	6,007,731	5,741,054
Academic support	18,006,899	18,022,725
Student services	10,275,524	9,899,398
Institutional support	19,932,692	20,028,102
Operation and maintenance of plant	9,163,297	9,554,646
Scholarships and fellowships	39,964,638	44,001,068
Auxiliary enterprises	4,755,196	3,008,770
Depreciation	<u>4,460,995</u>	<u>4,787,773</u>
Total operating expenses	<u>169,777,230</u>	<u>171,659,899</u>
Operating Loss	<u>(134,948,618)</u>	<u>(137,487,901)</u>
Non-operating revenues (expenses)		
State appropriations	38,284,946	38,364,441
Maintenance ad-valorem taxes	42,729,975	42,055,081
Federal revenue, non-operating	63,124,632	67,420,731
Other state revenue, non-operating	663,584	339,489
Investment income (net of investment expenses)	165,122	141,792
Interest on capital related debt	<u>(2,726,296)</u>	<u>(2,897,264)</u>
Total non-operating revenues	<u>142,241,963</u>	<u>145,424,270</u>
Increase in net position	7,293,345	7,936,369
Net position, beginning of year	<u>125,086,776</u>	<u>117,150,407</u>
Net position, end of year	<u>\$ 132,380,121</u>	<u>\$ 125,086,776</u>

See Notes to Financial Statements.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended August 31, 2013 and 2012

Exhibit 3

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Receipts from students and other customers	\$ 21,333,017	\$ 23,083,723
Receipts of grants and contracts	8,992,834	10,394,662
Other receipts	3,202,972	4,355,467
Payments to or on behalf of employees	(96,837,699)	(90,503,081)
Payments to suppliers for goods or services	(24,565,267)	(25,217,446)
Payments of scholarships	(39,964,638)	(44,001,068)
Loans to students and employees, net other cash payments	718,989	(1,611,397)
Net cash used by operating activities	<u>(127,119,792)</u>	<u>(123,499,140)</u>
Cash Flows From Noncapital Financing Activities		
Receipts from state appropriations	32,619,755	30,997,449
Receipts from ad valorem taxes	42,505,921	41,810,977
Receipts from non operating federal revenue	63,124,632	66,566,381
Receipts from non operating state revenue	663,584	227,654
Payments (to) from student organizations and other agency transactions	(34,156)	1,526,024
Net cash provided by noncapital financing activities	<u>138,879,736</u>	<u>141,128,485</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from sale of capital assets	-	75,081
Purchase of capital assets	(4,007,174)	(8,949,525)
Payments on capital debt and leases - principal	(3,937,091)	(3,818,392)
Payments on capital debt and leases - interest	(2,726,296)	(2,897,264)
Net cash used in capital and related financing activities	<u>(10,670,561)</u>	<u>(15,590,100)</u>
Cash Flows From Investing Activities		
Investment earnings	<u>165,122</u>	<u>141,794</u>
Increase in cash and cash equivalents	1,254,505	2,181,039
Cash and cash equivalents, beginning of year	<u>84,172,806</u>	<u>81,991,767</u>
Cash and cash equivalents, end of year	<u>\$ 85,427,311</u>	<u>\$ 84,172,806</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (134,948,618)	\$ (137,487,901)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	4,460,995	4,787,773
Payments made directly by state for benefits	5,665,191	7,366,992
Change in assets and liabilities		
Receivables, net	(1,019,821)	1,896,110
Deferred charges	(770,687)	1,563,037
Inventories	-	16,525
Other assets	(14,278)	228,623
Deferred revenue	600,622	(1,903,848)
Deposits held for others	(34,156)	1,526,024
Compensated absences	53,352	(131,513)
Notes receivable, net	718,989	(1,611,397)
Accounts payable	(912,478)	(411,532)
Accrued expenses	(918,903)	661,967
Net cash used in operating activities	<u>\$ (127,119,792)</u>	<u>\$ (123,499,140)</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity

El Paso County Community College District (the “College”), was established in 1969, in accordance with the laws of the State of Texas, to serve the educational needs of El Paso and the surrounding communities. The College is an unincorporated taxing entity governed by an elected seven-member board of trustees. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (“GASB”) Statement No. 14, as amended. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

Note 2 – Summary of Significant Accounting Policies

Report guidelines – The significant accounting policies followed by the College in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board’s Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges.

Tuition Discounting

Texas Public Education Grants – Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code § 56.033). When the award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV HEA Program Funds – Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue. When the student is awarded and uses these funds for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts – The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as tuition and fee revenue and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of accounting – The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

Budgetary data – Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and cash equivalents – The College's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The College pools most of its cash into one bank account. Pooled investments consist of cash in interest bearing accounts and repurchase agreements. The College considers cash equivalents to be all highly liquid deposits with original maturities of three months or less. The governing board has designated public funds investment pools, comprised of \$156,705 and \$3,052,824, to be cash equivalents at August 31, 2013 and 2012, respectively. Additionally, included in cash and cash equivalents at August 31, 2013 and 2012 are \$80,542,205 and \$73,573,574, respectively, in repurchase agreements.

Investments – In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase. The College had no short-term investments at August 31, 2013 and 2012, respectively.

Authorized investments – The Board of Trustees of the College has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act (Section 2256.001), Texas Government Code. Such investments include 1) obligations of the United States or its agencies, 2) direct obligations of the State of Texas or its agencies, 3) obligations of political subdivisions rated not less than A by a national investment rating firm, 4) certificates of deposit, and 5) other instruments and obligations authorized by statute. The College's investments are carried at fair value.

For the years ended August 31, 2013 and 2012, management of the College believes that they have substantially complied with the provisions of the Public Funds Investment Act and the College's investment policy.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Allowances for doubtful accounts and loans - Allowances for doubtful accounts and loans are established through charges to current year expenditures. Receivables and loans are reduced by the allowances for doubtful accounts or loans when management believes that the collectability of the receivables or loans is unlikely.

Inventories – Inventories are stated at the lower of cost or fair value. Cost is determined on a first-in, first-out basis. Fair value is based on net realizable value. Inventories consist primarily of prepaid postage.

Notes receivable – Notes receivable are for amounts advanced to students to pay for tuition, fees, and books. The notes are all due within one year.

Capital assets – Capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. The College's capitalization policy includes real or personal property with a value equal or greater than \$5,000 and has an estimated life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

The College reports depreciation under a single-line item as a business-type unit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention. The following lives are used:

Buildings	50 years
Land and improvements	20 years
Furniture, equipment, and vehicles	5-10 years
Library books	15 years

Deferred charges – Deferred charges consist of expenses paid in advance that pertain to the subsequent fiscal year and for bond issuance costs and original issue discounts related to various bond issues. The College amortizes these bond issuance costs and original issue discounts charges using the straight line method over the respective lives of the related bonds which is not materially different than the effective interest method. For the years ended August 31, 2013 and 2012, approximately \$60,593 and \$72,456, for each year, in related interest expense has been recognized.

For the years ended August 31, 2013 and 2012, \$24,157,695 and \$23,297,720 was for PELL awarded in August 2013 and August 2012, respectively, for the fall classes.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Deferred revenues - Revenues, consisting primarily of advance payments of tuition and fees, related to academic terms in the next fiscal year, are recorded as deferred revenues and recognized as revenue in the period when earned.

Compensable absences - The College accrues an estimated liability for compensable absences that vest in the period earned.

Tax exempt status - The College is a political subdivision of the State of Texas and exempt from federal income taxes under the purview of Section 115(1), Income of States, Municipalities, Etc., of the Internal Revenue Code ("IRC"), although unrelated business income may be subject to income taxes under Section 511(a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations, of the IRC. The College has no unrelated business income tax liability for the years ended August 31, 2013 and 2012.

Student property deposits - Students are required to pay the College a \$10 property deposit. The amount is refundable upon request when the student graduates or leaves the College. Unclaimed amounts are recognized as revenue after four years. Effective September 1, 1993, state law requires unclaimed student property deposits are for scholarship use only.

Funds held for others - Funds held for others represent refundable student property deposits and funds held by the College for various campus and community organizations.

Property taxes - Revenue from property taxes, including related penalties and interest, is recognized in the current year, net of allowances for taxes not collected. The College's ad valorem property tax is assessed each October 1 based upon the assessed value of the College as of January 1 of the same year for all real and business personal property located within the College's district. Taxes are due upon receipt of the tax bill and are delinquent if not paid by January 31 of the year following the year in which imposed. Tax liens on real property are executed generally within one month of receipt of notification of delinquency of tax payments.

The use of tax proceeds is restricted to maintenance and operations. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

Net position - Net position is classified based on the existence or absence of restrictions. Accordingly, net position of the College is classified and reported as follows:

Net investment in capital assets - Net Investment in capital assets is used to accumulate the net investment in property and equipment. The purchase (sale) of property and equipment, accumulated depreciation, and (increase) decrease in related debt and liabilities is recognized as an (addition) reduction of available net assets and is recorded as capital assets and as an addition (reduction) in net assets.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Restricted net position - Restricted net position include expendable and non-expendable net position. Non-expendable net position result from contributions whose use by the College is limited to the earnings thereon. Expendable net position are for amounts whose use is restricted by either granting agencies, debt requirements, or the Board of Trustees.

Unrestricted net position - Net position whose use is not restricted.

Operating and non-operating revenues and expenses policy - The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations, property tax collections and federal Title IV grant programs. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The major nonoperating expense is interest expense on capital related debt. The operation of the Bookstore is not performed by the College.

Concentration of credit risk - Financial instruments which potentially subject the College to a concentration of credit risk consist primarily of cash, repurchase agreements, TexPool, and accounts and taxes receivable. The College places its cash and investments in federally insured financial institutions which collateralize the College's deposits with securities issued by the United States Government and in United States Government Treasury notes. Concentration of credit risk with respect to the accounts receivable is limited due to the large number of accounts which are primarily government related.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Characterization of Title IV grant revenue - In response to guidance provided by the Government Accounting Standards Board (GASB) as question/answer 7.72.10 in the Implementation Guide, revenue received for federal Title IV grant programs (i.e., Pell grants) is now characterized as non-operating revenue as opposed to operating revenue.

Reclassifications - Certain amounts in the prior-year statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 3 - Deposits and Investments

At August 31, 2013 and 2012, the carrying amount of the College's deposits was \$4,728,401 and \$7,546,408, respectively, and total cash on hand and bank balances equaled \$5,082,710 and \$8,245,801, respectively.

Cash and deposits - Cash and deposits as reported on Exhibit 1, Statement of Net Position, consist of the items reported below:

	<u>2013</u>	<u>2012</u>
Bank deposits	\$ 4,708,501	\$ 7,528,008
Cash and cash equivalents		
Demand deposits	19,900	18,400
Repurchase agreements	80,542,205	73,573,574
TexPool	<u>156,705</u>	<u>3,052,824</u>
Total cash and deposits	<u>\$ 85,427,311</u>	<u>\$ 84,172,806</u>
	<u>Market Value</u>	<u>Market Value</u>
	<u>8/31/13</u>	<u>8/31/12</u>
Type of Security		
Total cash and deposits	<u>\$ 80,698,910</u>	<u>\$ 76,626,398</u>
Total deposits and investments	<u>\$ 80,698,910</u>	<u>\$ 76,626,398</u>

TexPool (the Pool) was established for local governments in Texas under the provisions of the Texas Interlocal Cooperation Act and is designed to comply with all of the Texas statutes, including the Public Funds Investment Act and other regulations for the allowable investments of public funds. The Pool is overseen by the Texas State Comptroller of Public Accounts. TexPool seeks to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA rated no load money market mutual funds.

Interest rate risk - In accordance with state law and the College's investment policy, the College purchases investments with maturities less than two years or invest bond proceeds for a period of time that coincides with the amount of time it takes to use bond proceeds. TexPool average weighted maturity was 43 days.

Credit risk - In accordance with state law and the College's investment policy, investments in investment pools must be rated at least AAA by at least one nationally recognized rating service.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 3 – Deposits and Investments (continued)

Custodial credit risk - For a deposit or investment, custodial 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 investment or collateral securities that are in the possession of an outside party. The College's policy requires deposits to be at least 100 percent secured by collateral valued at market value of the principal and accrued interest reduced by the amount of Federal Deposit Insurance Corporation insurance. As of August 31, 2013 and 2012, the College's \$80,542,205 and \$73,573,574 of repurchase agreements and \$5,062,810 and \$8,227,401 of bank deposits, respectively, had collateral of \$82,153,051 and \$75,045,050 of underlying securities which were held by the pledging financial institutions' trust departments or agent in the College's name.

Note 4 – Disaggregation of Receivables and Payables Balances

Receivables at August 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Student receivables	\$ 11,904,961	\$ 9,700,459
Taxes receivable	3,498,285	3,274,231
Federal receivables	825,447	1,154,176
Accounts receivable, agencies and local vendors	1,778,826	1,840,295
Contract and grant receivables	448,410	609,521
Other receivables	<u>31,849</u>	<u>42,923</u>
Total	18,487,778	16,621,605
Less: Allowance for doubtful accounts	<u>7,114,620</u>	<u>6,268,268</u>
Total receivables, net	<u>\$ 11,373,158</u>	<u>\$ 10,353,337</u>

Student receivables are due within three months.

	<u>2013</u>	<u>2012</u>
Accounts payable		
Vendor payable	\$ 2,117,690	\$ 2,924,928
Student payable	99,853	205,333
Other payable	<u>22,086</u>	<u>21,846</u>
Total accounts payable	<u>2,239,629</u>	<u>3,152,107</u>
Accrued liabilities		
Salaries and benefits	797,599	1,648,617
Accrued interest	<u>1,112,860</u>	<u>1,180,745</u>
Total accrued liabilities	<u>1,910,459</u>	<u>2,829,362</u>
Total payables	<u>\$ 4,150,088</u>	<u>\$ 5,981,469</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 5 - Capital Assets

Capital assets activity for the year ended August 31, 2013 was as follows:

	Balance September 1, 2012	Increases	Decreases	Balance August 31, 2013
Not Depreciated				
Land	\$ 7,912,974	\$ -	\$ -	\$ 7,912,974
Construction in progress	<u>3,804,958</u>	<u>111,467</u>	<u>(3,536,379)</u>	<u>380,046</u>
	<u>11,717,932</u>	<u>111,467</u>	<u>(3,536,379)</u>	<u>8,293,020</u>
Other Capital Assets				
Buildings	137,631,894	4,871,845	(92,209)	142,411,530
Land improvements	<u>14,641,016</u>	<u>1,898,930</u>	<u>-</u>	<u>16,539,946</u>
Total building and other real estate improvements	<u>152,272,910</u>	<u>6,770,775</u>	<u>(92,209)</u>	<u>158,951,476</u>
Furniture and equipment	22,393,901	471,284	(1,048,524)	21,816,661
Capital leases - vehicles	533,752	-	-	533,752
Library books	<u>5,080,807</u>	<u>294,042</u>	<u>(349,855)</u>	<u>5,024,994</u>
Total buildings and other capital assets	<u>191,999,302</u>	<u>7,647,568</u>	<u>(5,026,967)</u>	<u>194,619,903</u>
Accumulated Depreciation				
Buildings	39,372,096	2,839,016	-	42,211,112
Land improvements	<u>4,919,389</u>	<u>706,149</u>	<u>-</u>	<u>5,625,538</u>
Total building and other real estate improvements	<u>44,291,485</u>	<u>3,545,165</u>	<u>-</u>	<u>47,836,650</u>
Furniture and equipment	20,245,671	646,301	(1,036,718)	19,855,254
Capital leases - vehicles	533,752	-	-	533,752
Library books	<u>3,026,997</u>	<u>269,529</u>	<u>(349,855)</u>	<u>2,946,671</u>
Total buildings and other capital assets	<u>68,097,905</u>	<u>4,460,995</u>	<u>(1,386,573)</u>	<u>71,172,327</u>
Net capital assets	<u>\$123,901,397</u>	<u>\$ 3,186,573</u>	<u>\$ (3,640,394)</u>	<u>\$123,447,576</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 5 – Capital Assets (continued)

Capital assets activity for the year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Increases	Decreases	Balance August 31, 2012
Not Depreciated				
Land	\$ 7,912,974	\$ -	\$ -	\$ 7,912,974
Construction in progress	<u>1,829,453</u>	<u>3,189,594</u>	<u>(1,214,089)</u>	<u>3,804,958</u>
	<u>9,742,427</u>	<u>3,189,594</u>	<u>(1,214,089)</u>	<u>11,717,932</u>
Other Capital Assets				
Buildings	132,259,483	5,538,376	(165,965)	137,631,894
Land improvements	<u>13,994,374</u>	<u>646,642</u>	<u>-</u>	<u>14,641,016</u>
Total building and other real estate improvements	146,253,857	6,185,018	(165,965)	152,272,910
Furniture and equipment	24,448,966	722,393	(2,777,458)	22,393,901
Capital leases – vehicles	533,752	-	-	533,752
Library books	<u>4,994,556</u>	<u>260,774</u>	<u>(174,523)</u>	<u>5,080,807</u>
Total buildings and other Capital assets	<u>176,231,131</u>	<u>7,168,185</u>	<u>(3,117,946)</u>	<u>191,999,302</u>
Accumulated Depreciation				
Buildings	36,597,180	2,774,916	-	39,372,096
Land improvements	<u>4,290,561</u>	<u>628,828</u>	<u>-</u>	<u>4,919,389</u>
Total building and other real estate improvements	40,887,741	3,403,744	-	44,291,485
Furniture and equipment	21,833,948	1,085,902	(2,674,179)	20,245,671
Capital leases – vehicles	533,752	-	-	533,752
Library books	<u>2,903,393</u>	<u>298,127</u>	<u>(174,523)</u>	<u>3,026,997</u>
Total buildings and other Capital assets	<u>66,158,834</u>	<u>4,787,773</u>	<u>(2,875,702)</u>	<u>68,097,905</u>
Net capital assets	<u>\$119,814,724</u>	<u>\$ 5,570,006</u>	<u>\$ (1,483,333)</u>	<u>\$123,901,397</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 6 - Bonds Payable

General information related to bonds payable is summarized below:

Bond Issue Name	Series	Purpose	Issue Date	Source of Revenue for Debt Service	Amount Authorized	Amount Outstanding
Revenue	2001	Construction, Improvement, Maintenance, and Acquisition of Property, Building, and Equipment	02/01	General Use and Tuition Fee	\$ 9,365,000	\$ 625,000
Revenue	2007	Construction, Improvement, Maintenance, and Acquisition of Property, Building, and Equipment And Refunding of 1995, 1997, 1997-B bonds and Partial refunding of 1998, And 2001 bonds	02/07	General Use and Tuition Fee	66,280,000	53,465,000

Total bonds principal outstanding \$ 54,090,000

Bonds payable are due in annual installments varying from \$170,000 to \$3,260,000 with interest rates from 3.75% to 5.10% with the final installment due in 2025. Interest expense related to bonds recorded during fiscal year 2013 and 2012 was approximately \$2,726,000 and \$2,897,000, respectively. The principal for all bonds is paid annually on April 1 with semi-annual interest payable on April 1 and October 1.

At August 31, 2013 and 2012, the College had established reserves which hold cash sufficient to meet the requirements of the various bond indentures and to satisfy reserve requirements.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 6 – Bonds Payable (continued)

The escrow account assets and liability for the defeased bonds are not included in the College's financial statements. At August 31, 2012, \$2,235,000 of the Series 1991, \$1,750,000 of the Series 1993, \$5,345,000 of the Series 1994, \$1,355,000 of the Series 1995, \$4,725,000 of the Series 1996, \$3,015,000 of the Series 1997 and \$8,130,000 of the Series 2001 bonds were considered defeased, respectively.

Current refunding bonds - On February 8, 2007, the College issued \$28,150,000 of Revenue Bonds with an average interest rate of 4.785% to refund \$340,000 of Series 1995, \$9,985,000 of Series 1997, \$9,655,000 of Series 1997B, \$4,455,000 of Series 1998, and \$4,475,000 of Series 1999 bonds with an average interest rate of 5.0532%. Net proceeds from the Series 2007 Current Refunding were \$29,432,615; after payment of \$621,146 in underwriting fees, insurance and other issuance cost, these proceeds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments of the Current Refunding. Although the current refunding resulted in the recognition of an accounting loss of \$1,232,200 for the year ended August 31, 2007, the College in effect reduced its aggregate debt service payments over the next twelve years by approximately \$2,138,400 and obtained an economic gain (difference between the present value of the old and new debt service payments) of approximately \$1,655,400.

Advance refunding bonds - On February 8, 2007, the College issued \$8,020,000 of Revenue Bonds with an average interest of 5.00% to Advance refund \$8,130,000 of Series 2001 bonds with an average interest rate of 5.044%. Net proceeds from the Series 2007 Advance Refunding were \$8,581,209, after payment of \$185,619 in underwriting fees, insurance and other issuance cost. These proceeds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments of the Advance Refunding of \$8,130,000 of Series 2001. Although the advance refunding resulted in the recognition of an accounting loss of \$349,600 for the year ended August 31, 2007, the College in effect reduced its aggregate debt service payments over the next thirteen years by approximately \$362,800 and obtained an economic gain (difference between the present value of the old and new debt service payments) of approximately \$250,000.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 7 – Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2013 was as follows:

	Balance September 1, 2012	Additions	Reductions	Balance August 31, 2013	Current Portion
Long-term liabilities					
Leases	\$ 3,310	\$ -	\$ 3,310	\$ -	\$ -
Note payable	2,773,157	-	491,092	2,282,065	510,218
Revenue bonds	57,355,000	-	3,265,000	54,090,000	3,430,000
Compensated absences	3,741,575	235,493	182,141	3,794,927	268,037
Workers' compensation reserve	<u>900,000</u>	<u>516,634</u>	<u>516,634</u>	<u>900,000</u>	<u>553,000</u>
Total long-term liabilities	<u>\$ 64,773,042</u>	<u>\$ 752,127</u>	<u>\$ 4,458,177</u>	<u>\$ 61,066,992</u>	<u>\$ 4,761,255</u>

Long-term liability activity for the year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Additions	Reductions	Balance August 31, 2012	Current Portion
Long-term liabilities					
Leases	\$ 32,654	\$ -	\$ 29,344	\$ 3,310	\$ 3,310
Note payable	3,249,518	-	476,361	2,773,157	496,350
Revenue bonds	60,490,000	-	3,135,000	57,355,000	3,265,000
Compensated absences	3,873,088	134,706	266,219	3,741,575	192,020
Workers' compensation reserve	<u>900,000</u>	<u>480,410</u>	<u>480,410</u>	<u>900,000</u>	<u>526,913</u>
Total long-term liabilities	<u>\$ 68,545,260</u>	<u>\$ 615,116</u>	<u>\$ 4,387,334</u>	<u>\$ 64,773,042</u>	<u>\$ 4,483,593</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 8 - Debt Obligations

Debt service requirements at August 31, 2013 were as follows:

<u>Year Ended</u> <u>August 31,</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 3,430,000	\$ 2,671,050
2015	3,565,000	2,532,830
2016	3,745,000	2,354,880
2017	3,930,000	2,167,653
2018	4,130,000	1,963,460
2019-2023	23,950,000	6,552,300
2024-2025	<u>11,340,000</u>	<u>857,500</u>
Total	<u>\$ 54,090,000</u>	<u>\$ 19,099,673</u>

Note 9 - Notes Payable

The College has expended \$1,284,361 under the Revolving Loan Program of the Texas State Energy Conservation Office (the "Program") for the purpose of renovating and updating the College's energy conservation retrofit measure systems. Prior to funding under the Program, all expenditures and related project work were subject to review by the State. As of August 31, 2013 and 2012, \$397,813 and \$539,329 are outstanding, respectively.

The College has expended \$2,967,275 under another LoanSTAR Revolving Loan from the Texas State Energy Conservation Office (the "Program") for the purpose of energy conservation, such as window film, high efficiency lighting and control valves. Prior to funding under the Program, all expenditures and related project work were subject to review by the State. As of August 31, 2013 and 2012, \$1,884,252 and \$2,233,828 are outstanding, respectively.

Debt service requirements at August 31, 2013 were as follows:

<u>Year Ended</u> <u>August 31,</u>	<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 510,218	\$ 58,457
2015	524,627	44,049
2016	485,257	29,173
2017	395,421	17,173
2018	<u>366,541</u>	<u>5,569</u>
Total	<u>\$ 2,282,064</u>	<u>\$ 154,421</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 10 - Leases

The College leases vehicles under long-term capital leases. Vehicles include approximately \$0 and \$3,310, for lease obligations that have been capitalized as of August 31, 2013 and 2012, respectively. Interest paid for capital lease obligations was approximately \$0 and \$1,642 during the fiscal years ended August 31, 2013 and 2012, respectively. The College also leases various equipment and facilities under annually renewable agreements.

Rent expense under operating leases for the fiscal years ended August 31, 2013 and 2012 was as follows:

	<u>2013</u>	<u>2012</u>
Total	<u>\$ 96,975</u>	<u>\$ 22,130</u>

Future minimum payments for each of the five subsequent fiscal years for noncancellable operating leases is as follows:

<u>Year Ended</u> <u>August 31,</u>	<u>Total</u>
2014	\$ 118,019
2015	118,019
2016	116,590
2017	99,700
2018	<u>10,881</u>
Total	<u>\$ 463,209</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11 - Employees' Retirement Plans

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas (TRS).

Teacher Retirement System of Texas

Plan description - The College contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. The Teacher Retirement System does not separately account for each of its component government agencies because it bears sole responsibility for retirement commitments beyond contributions fixed by the Legislature. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefits provisions of the pension plan. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding policy - State law provides for fiscal years 2013 and 2012 state contribution rate of 6.00% and 6.00%, respectively, and a member contribution rate of 6.400%. In certain instances the reporting district (I.S.D., college, university, or state agency) is required to make all or a portion of the state's 2013 and 2012 contribution. The College makes the 100% required contribution which represents the employer's contribution. The State is the administrator and thereby funds the employer matching requirement. The College's contribution for these employees was \$126,036, \$115,280, and \$133,382 for fiscal years 2013, 2012, and 2011, respectively. During the 2011 legislative session, the Texas Legislature appropriated retirement funds for various types of educational institutions other than community and junior colleges in satisfaction of this requirement, but the community colleges appropriations restricted the State's contribution to TRS/ORP on behalf of community colleges to only six percent of each district's unrestricted general revenue appropriation for each year of the biennium state budget. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state contribution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 11 – Employees’ Retirement Plans (continued)

Optional Retirement Plan

Plan description - The State of Texas has also established a defined contribution plan, the Optional Retirement Program, for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The Optional Retirement Program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution Articles, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding policy - Contributions requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participants' salaries currently contributed by the State and each participant are 6.00% and 6.00%, respectively. The College makes the 100% required contribution which represents the employer's contribution. Benefits fully vest after one year plus one day of employment. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program. Currently the College contributes up to 2.50% of each participant's salary to the Optional Retirement Program under provisions of State law. The retirement expense to the College totaled \$326,364, \$335,828, and \$300,158 for 2013, 2012, and 2011, respectively. The State, through appropriations, reimbursed the College 1.31% of the 2.5% it contributed on behalf of certain employees.

The retirement expense to the State for the College totaled \$1,943,926 and \$3,645,727 for the fiscal years ended August 31, 2013 and 2012, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College which is recorded as revenue and expense in the restricted fund. The total payroll for all College employees was \$82,345,674 and \$82,976,927 for fiscal years 2013 and 2012, respectively. The total payroll of employees covered by the Teacher Retirement System was \$48,128,885 and \$47,072,170 and the total payroll of employees covered by the Optional Retirement System was \$17,492,993 and \$17,870,903 for fiscal years 2013 and 2012, respectively.

Tax Sheltered Annuity Plan for Part Time Employees

Plan description - The College has established a tax sheltered annuity plan for part time employees. An eligible employee is a part time employee who is not eligible for participation in the Teacher Retirement System of Texas or any other public or private retirement system within the meaning of Section 3121(b)(7)(F) of the Internal Revenue Code. The Tax Sheltered Annuity Plan provides for the purchase of annuity contracts. These annuity contracts are administered by Metropolitan Life Insurance for the participants. Certificates are issued to the participants evidencing their annuity contracts. A participant is 100% vested in the accumulated value of his annuity contract at all times.

Funding policy - A participant can elect to make salary reduction contributions equal to a percentage of 3.75% of his monthly compensation. The College makes contribution equal to 3.75% of participant's monthly compensation. Since these are individual annuity contracts, the College has no additional or unfunded liability for this program. The retirement expense to the College totaled \$71,295, \$82,790, and \$98,106 for 2013, 2012 and 2011, respectively. Total payroll of employees covered by the Tax Sheltered Annuity Plan for Part Time Employees was \$1,901,189, \$2,207,682, and \$2,616,118 for fiscal years 2013, 2012 and 2011, respectively.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 12 – Deferred Compensation Program

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. As of August 31, 2013 and 2012, the College had 413 and 471 employees participating in the program and \$1,828,920 and \$1,978,473, respectively, of payroll deductions had been invested in approved plans.

Note 13 – Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1990, the College established a Workers' compensation claim program to account for and finance its uninsured risks of loss related to employee injuries. Under this program, the College retains all risk of loss. The College purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The claims liability of \$900,000 reported at August 31, 2013, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is subject to change based on actual claim development. Estimated future payments for incurred claims are charged to current funds expenditures. Changes in the College's claims liability amount in fiscal 2013 and 2012 were:

	<u>Beginning-of- Fiscal Year Liability</u>	<u>Current-year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2012 – 2013	\$ 900,000	\$ 516,634	\$ (516,634)	\$ 900,000
2011 – 2012	\$ 900,000	\$ 480,410	\$ (480,410)	\$ 900,000

Note 14 – Compensated Absences

Annual leave - Full-time employees earn annual leave from 1 to 1.67 days per month depending on the number of years employed with the College and the employee's classification. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of days up to 40 for those employees who accrue 20 days leave per year. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated unused annual leave up to the maximum allowed. The College recognized an accrual for compensated absences of approximately \$2,541,282 and \$2,519,898 for the unpaid annual leave at August 31, 2013 and 2012, respectively.

Sick leave - The Board of Trustees has adopted a policy providing that ten percent (10%) of accrued unused sick leave (not to exceed 960 hours) shall be paid to an employee who has at least five years of continuous eligible full-time service, upon separation from employment for any reason other than by death. At August 31, 2013 and 2012, the estimated liability under this policy was approximately \$1,253,645 and \$1,221,677, respectively, which is accrued.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 15 – Post Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the State of Texas provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach early or normal retirement age while working for the State. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time active and retired employee was 100% of the premium cost plus 50% of their dependents premium cost for the years ended August 31, 2013 and 2012, and totaled \$3,922,902 and \$3,721,265 for the years. The cost of providing these benefits for 315 and 301 retirees was \$1,913,652 and \$1,667,348 and for 1,237 and 1,243 active employees was \$2,009,250 and \$2,053,917 at August 31, 2013 and 2012, respectively. The College's contribution for healthcare and life insurance benefits for its employees totaled \$7,320,707 and \$6,858,979 for 2013 and 2012, respectively.

Note 16 – Post Employment Benefits Other than Pensions

Plan description - The College participates in the State Retiree Health Plan (SRHP), a cost sharing, multiple-employer, defined benefit postemployment healthcare plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefits and contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature.

ERS issues a publicly available financial report that includes financial statements are required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

Funding policy - Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of the retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB Statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 16 - Post Employment Benefits Other than Pensions (continued)

The contributions to SRHP for the years ended August 31, 2013, 2012 and 2011 totaled \$1,913,652, \$1,667,348 and \$1,345,660 are paid by the State; no College contributions were required for the years. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College which is recorded as revenue and expense in the restricted fund.

Note 17 - Contract and Grant Awards

Grant funds are considered to be earned when all eligibility requirements have been met and to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received in advance, they are recorded as deferred revenue until earned. Contract and grant awards that are not yet funded and for which the College has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed under multi-year awards or for fiscal periods that differ from the College's fiscal year for which monies have not been received nor funds expended totaled \$65,290,394 and \$68,569,831 at August 31, 2013 and 2012, respectively. Of this amount, \$62,872,703 and \$67,473,404 were related to Federal Contract and Grant Awards, \$2,417,691 and \$1,096,427 were from State and other Contract and Grant Awards.

Note 18 - Related Party

The El Paso Community College Foundation (the Foundation) is governed by a nineteen member Board of Directors, independent of the College. At any given time the Foundation Board could have up to 25 members. Although the Foundation is not financially accountable to the College, the Foundation has received from the College both in-kind assistance in the form of donated services and use of facilities and equipment. The Foundation solicits donations for the benefit of the College. It remitted gifts of \$756,573 and \$403,601 to the College during the years ended August 31, 2013 and 2012, respectively. The College donated certain services, such as office space, utilities, supplies, and staff salaries and benefits to the Foundation with approximate value of \$60,000 for each year.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 19 - Property Taxes

The College's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business property located in the District.

At August 31, 2013

Assessed valuation of the College District	\$ 43,537,669,306
Less: exemptions and abatements	<u>(6,134,901,937)</u>
Net assessed valuation of the College District	<u>\$ 37,402,767,369</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized (maximum per enabling legislation)	\$ 0.15	\$ 0.50	\$ 0.65
Tax rate per \$100 valuation for assessed	0.114086	-	0.114086

At August 31, 2012

Assessed valuation of the College District	\$ 41,628,096,177
Less: exemptions and abatements	<u>(5,592,871,383)</u>
Net assessed valuation of the College District	<u>\$ 36,035,224,794</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized (maximum per enabling legislation)	\$ 0.15	\$ 0.50	\$ 0.65
Tax rate per \$100 valuation for assessed	0.115442	-	0.115442

Taxes levied for the years ended August 31, 2013 and 2012, were \$42,721,143 and \$41,649,974, respectively, which includes any penalty and interest assessed, if applicable. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

<u>Tax Collected</u>	<u>Current Operations</u>	
	<u>2013</u>	<u>2012</u>
Current taxes collected	\$ 41,493,921	\$ 40,875,908
Delinquent taxes	770,529	724,944
Penalties and interest collected	<u>465,525</u>	<u>454,229</u>
Total collections	<u>\$ 42,729,975</u>	<u>\$ 42,055,081</u>

Tax collections for the years ended August 31, 2013 and 2012, were 98% of the current tax levy. Allowances for uncollectible taxes for the years ended August 31, 2013 and 2012, respectively, of \$490,002 and \$455,229, are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to local maintenance and operations.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 20 - Pending Lawsuits and Claims

On August 31, 2013, various lawsuits and claims involving the College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, management believes that this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

Note 21 - Commitments

Encumbrances, primarily construction and technology related, outstanding at August 31, 2013 and 2012, respectively, that were provided for in the subsequent year's budget aggregated approximately \$1,192,971 and \$1,863,656.

Note 22 - Fund Balance

Net position reclassified in fund balance formatted for the internal purposes at August 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Current funds		
Fund balance, unrestricted	\$ 25,810,989	\$ 23,139,056
Fund balance, auxiliary enterprises	2,064,482	3,124,011
Fund balance, restricted	<u>3,519,181</u>	<u>2,601,659</u>
Total current fund balance	31,394,652	28,864,726
Fund balance, loan funds	1,342,529	1,116,047
Fund balance, endowment and similar funds	737,449	740,985
Fund balance, plant funds	<u>98,905,491</u>	<u>94,365,018</u>
Total fund balance (net position)	<u>\$132,380,121</u>	<u>\$125,086,776</u>

SUPPLEMENTARY INFORMATION

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
Year Ended August 31, 2013
(With Memorandum Totals for the Year Ended August 31, 2012)

Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2013 Total	2012 Total
Tuition:						
State-funded credit courses:						
In-district resident tuition	\$ 39,528,044	\$ -	\$ 39,528,044	\$ -	\$ 39,528,044	\$ 37,505,058
Non-resident tuition	4,551,890	-	4,551,890	-	4,551,890	3,989,465
TPEG - credit (set aside)*	2,108,373	-	2,108,373	-	2,108,373	2,074,478
State-funded continuing education	1,726,748	-	1,726,748	-	1,726,748	1,596,894
Non-state funded educational programs	1,462,443	-	1,462,443	-	1,462,443	1,465,844
Total Tuition	49,377,498	-	49,377,498	-	49,377,498	46,631,739
Fees:						
General use fee	6,017,187	-	6,017,187	-	6,017,187	6,151,760
Student fee	3,281,178	-	3,281,178	20,195	3,301,373	2,630,057
Laboratory fee	698,959	-	698,959	-	698,959	400,154
Other fees	60,785	-	60,785	918,007	978,792	1,016,364
Total Fees	10,058,109	-	10,058,109	938,202	10,996,311	10,198,335
Scholarships Allowances and Discounts:						
Bad debt allowance	(599,037)	-	(599,037)	-	(599,037)	(504,923)
Remissions and exemptions - local	(290,248)	-	(290,248)	-	(290,248)	(270,393)
Remissions and exemptions - state	(7,492,492)	-	(7,492,492)	-	(7,492,492)	(6,311,720)
Federal grants to students	(25,581,613)	-	(25,581,613)	-	(25,581,613)	(25,333,549)
TPEG awards	(1,052,698)	-	(1,052,698)	-	(1,052,698)	(730,549)
State grants to students	(2,238,279)	-	(2,238,279)	-	(2,238,279)	(2,293,611)
Total Scholarship Allowances	(37,254,367)	-	(37,254,367)	-	(37,254,367)	(35,444,745)
Total Net Tuition and Fees	22,181,240	-	22,181,240	938,202	23,119,442	21,385,329
Additional Operating Revenues:						
Federal grants and contracts	108,360	3,907,422	4,015,782	-	4,015,782	4,979,369
State grants and contracts	-	3,598,188	3,598,188	-	3,598,188	4,034,558
Non-governmental grants and contracts	-	889,024	889,024	-	889,024	637,984
General operating revenues	1,700,270	456,554	2,156,824	-	2,156,824	1,956,063
Total Additional Operating Revenues	1,808,630	8,851,188	10,659,818	-	10,659,818	11,607,974
Auxiliary Enterprises:						
Bookstore**	-	-	-	654,018	654,018	795,721
Other	-	-	-	395,334	395,334	382,974
Total Net Auxiliary Enterprises	-	-	-	1,049,352	1,049,352	1,178,695
Total Operating Revenues	\$ 23,989,870	\$ 8,851,188	\$ 32,841,058	\$ 1,987,554	\$ 34,828,612 (Exhibit 2)	\$ 34,171,998 (Exhibit 2)

* In accordance with Education code 56.033, \$2,108,373 and \$2,074,478 for the years August 31, 2013 and 2012, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

** The College bookstore is outsourced to an independent third-party.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF OPERATING EXPENSES BY OBJECT
 Year Ended August 31, 2013
 (With Memorandum Totals for the Year Ended August 31, 2012)

Schedule B

	Operating Expenses				2013 Total	2012 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 40,437,613	\$ -	\$ 6,803,456	\$ 2,452,565	\$ 49,693,634	\$ 47,580,812
Research	36,045	-	6,064	25,063	67,172	46,990
Public Service	3,372,561	-	540,948	1,345,532	5,259,041	4,886,220
Academic Support	12,180,540	-	2,049,324	1,475,854	15,705,718	15,265,818
Student Services	7,055,419	-	1,187,044	757,384	8,999,847	8,339,741
Institutional Support	12,261,248	-	2,062,903	4,705,510	19,029,661	18,853,803
Operation and Maintenance of Plant	2,248,543	-	493,217	6,421,537	9,163,297	9,554,646
Scholarships and Fellowships	-	-	-	2,062,737	2,062,737	2,023,145
Total Unrestricted Educational Activities	<u>77,591,969</u>	<u>-</u>	<u>13,142,956</u>	<u>19,246,182</u>	<u>109,981,107</u>	<u>106,551,175</u>
Restricted - Educational Activities						
Instruction	\$ 2,545,606	\$ 3,072,799	\$ 371,245	\$ 1,459,802	\$ 7,449,452	\$ 8,988,561
Research	-	-	-	-	-	-
Public Service	287,407	253,801	41,915	165,567	748,690	854,834
Academic Support	804,740	915,495	117,361	463,585	2,301,181	2,756,907
Student Services	468,063	520,065	68,261	219,288	1,275,677	1,559,657
Institutional Support	-	903,031	-	-	903,031	1,174,299
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	-	-	-	37,901,901	37,901,901	41,977,923
Total Restricted Educational Activities	<u>4,105,816</u>	<u>5,665,191</u>	<u>598,782</u>	<u>40,210,143</u>	<u>50,579,932</u>	<u>57,312,181</u>
Total Educational Activities	81,697,785	5,665,191	13,741,738	59,456,325	160,561,039	163,863,356
Auxiliary Enterprises	452,087	-	80,538	4,222,571	4,755,196	3,008,770
Depreciation Expense - Buildings and other real estate improvements	-	-	-	3,545,166	3,545,166	3,701,595
Depreciation Expense - Equipment, furniture, and library books	-	-	-	915,829	915,829	1,086,178
Total Operating Expenses	<u>\$ 82,149,872</u>	<u>\$ 5,665,191</u>	<u>\$ 13,822,276</u>	<u>\$ 68,139,891</u>	<u>\$ 169,777,230</u> (Exhibit 2)	<u>\$ 171,659,899</u> (Exhibit 2)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
Year Ended August 31, 2013
(With Memorandum Totals for the Year Ended August 31, 2012)

Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	2013 Total	2012 Total
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 32,619,755	\$ -	\$ -	\$ 32,619,755	\$ 30,997,449
State group insurance	-	3,721,265	-	3,721,265	3,721,265
State retirement matching	-	1,943,926	-	1,943,926	3,645,727
Total State Appropriations	<u>32,619,755</u>	<u>5,665,191</u>	<u>-</u>	<u>38,284,946</u>	<u>38,364,441</u>
Maintenance ad valorem taxes	42,729,975	-	-	42,729,975	42,055,081
Federal Revenue, Non Operating	222,333	62,902,299	-	63,124,632	67,420,731
Other State Revenue, Non Operating	-	663,584	-	663,584	339,489
Investment income	155,718	7,252	2,152	165,122	141,792
Total Non-Operating Revenues	<u>75,727,781</u>	<u>69,238,326</u>	<u>2,152</u>	<u>144,968,259</u>	<u>148,321,534</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	2,726,296	-	-	2,726,296	2,897,264
Loss on disposal of capital assets	-	-	-	-	-
Total Non-Operating Expenses	<u>2,726,296</u>	<u>-</u>	<u>-</u>	<u>2,726,296</u>	<u>2,897,264</u>
Net Non-Operating Revenues	<u>\$ 73,001,485</u>	<u>\$ 69,238,326</u>	<u>\$ 2,152</u>	<u>\$ 142,241,963</u> (Exhibit 2)	<u>\$ 145,424,270</u> (Exhibit 2)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 Year Ended August 31, 2013
 (With Memorandum Totals for the Year Ended August 31, 2012)

Schedule D

	Detail by Source					Available for Current Operations	
	Restricted			Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
	Unrestricted	Expendable	Non- Expendable				
Current:							
Unrestricted	\$ 25,810,989	\$ -	\$ -	\$ -	\$ 25,810,989	\$ 25,810,989	\$ -
Restricted	-	3,519,181	-	-	3,519,181	3,519,181	-
Auxiliary Enterprises	2,064,482	-	-	-	2,064,482	2,064,482	-
Loan	-	1,342,529	-	-	1,342,529	-	1,342,529
Endowment:							
Quasi:							
Restricted	-	-	737,449	-	737,449	-	737,449
Plant:							
Unexpended	-	10,512,325	-	-	10,512,325	-	10,512,325
Renewals	-	679,897	-	-	679,897	679,897	-
Debt Service	-	7,775,758	-	-	7,775,758	-	7,775,758
Investment in Plant	-	-	-	79,937,511	79,937,511	-	79,937,511
Total Net Position, August 31, 2013	27,875,471	23,829,690	737,449	79,937,511	132,380,121 (Exhibit 1)	32,074,549	100,305,572
Total Net Position, August 31, 2012	26,263,067	21,450,792	740,985	76,631,932	125,086,776 (Exhibit 1)	29,201,667	95,885,109
Net Increase (Decrease) in Net Position	\$ 1,612,404	\$ 2,378,898	\$ (3,536)	\$ 3,305,579	\$ 7,293,345 (Exhibit 2)	\$ 2,872,882	\$ 4,420,463



STATISTICAL SECTION



Rio Grande Campus





STATISTICAL SECTION

This part of the El Paso County Community College District's Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources - tuition and fees, state appropriations and ad valorem taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Reports for the relevant years.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 Net Position by Component and Changes in Net Position
 Last Ten Fiscal Years
 (unaudited)

Net Position by Component

	For the Year Ended August 31,			
	2013	2012	2011	2010
Invested in capital assets, net of related debt	\$ 79,937,511	\$ 76,631,932	\$ 68,925,159	\$ 61,606,183
Restricted - expendable	23,829,690	21,450,792	26,857,747	30,331,430
Restricted - nonexpendable	737,449	740,985	738,681	736,950
Unrestricted	27,875,471	26,263,067	20,628,820	18,838,065
Total primary government net position	\$ 132,380,121	\$ 125,086,776	\$ 117,150,407	\$ 111,512,628

Changes in Net Position

	For the Year Ended August 31,			
	2013	2012	2011	2010
Net position at beginning of year	\$ 125,086,776	\$ 117,150,407	\$ 111,512,628	\$ 106,542,874
Total revenues - page 48	179,796,871	182,493,532	187,197,068	175,032,116
Total expenses - page 50	(172,503,526)	(174,557,163)	(181,559,289)	(170,062,362)
Change in accounting principle - library books				
Change in net position	7,293,345	7,936,369	5,637,779	4,969,754
Net position at end of year	\$ 132,380,121	\$ 125,086,776	\$ 117,150,407	\$ 111,512,628

For the Year Ended August 31,

2009	2008	2007	2006	2005	2004
\$ 55,023,820	\$ 51,700,504	\$ 49,438,653	\$ 44,280,868	\$ 40,677,566	\$ 39,263,263
32,767,631	32,232,699	30,504,859	28,334,228	26,887,278	23,341,049
669,942	590,395	483,119	381,197	285,270	198,682
18,081,481	18,326,504	17,503,082	17,031,343	15,260,160	13,125,864
<u>\$ 106,542,874</u>	<u>\$ 102,850,102</u>	<u>\$ 97,929,713</u>	<u>\$ 90,027,636</u>	<u>\$ 83,110,274</u>	<u>\$ 75,928,858</u>

For the Year Ended August 31,

2009	2008	2007	2006	2005	2004
\$ 102,850,102	\$ 97,929,713	\$ 90,027,636	\$ 83,110,274	\$ 75,928,858	\$ 71,636,853
150,822,825	146,763,963	145,641,249	141,311,359	140,433,912	134,024,877
(147,130,053)	(141,843,574)	(137,739,172)	(134,393,997)	(133,252,496)	(127,918,223)
					(1,814,649)
<u>3,692,772</u>	<u>4,920,389</u>	<u>7,902,077</u>	<u>6,917,362</u>	<u>7,181,416</u>	<u>4,292,005</u>
<u>\$ 106,542,874</u>	<u>\$ 102,850,102</u>	<u>\$ 97,929,713</u>	<u>\$ 90,027,636</u>	<u>\$ 83,110,274</u>	<u>\$ 75,928,858</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 Revenues by Source
 Last Ten Fiscal Years
 (unaudited)

	For the Year Ended August 31,			
	2013	2012	2011	2010
Tuition and Fees (Net of Discounts)	\$ 22,181,240	\$ 20,414,460	\$ 19,907,092	\$ 15,418,488
Federal Grants and Contracts	4,015,782	4,979,369	6,405,026	6,033,833
State Grants and Contracts	3,598,188	4,034,558	5,417,936	4,855,728
Non-Governmental Grants and Contracts	889,024	637,984	359,296	659,293
Auxiliary enterprises	1,987,554	2,149,564	2,004,136	1,498,348
Other Operating Revenues	2,156,824	1,956,063	822,643	922,665
Total Operating Revenues	34,828,612	34,171,998	34,916,129	29,388,355
State Appropriations	38,284,946	38,364,441	41,206,833	41,592,662
Ad Valorem Taxes	42,729,975	42,055,081	37,689,872	36,967,294
Federal Grants, Non Operating	63,124,632	67,420,731	72,591,478	65,793,408
Other State Grants, Non Operating	663,584	339,489	431,302	508,434
Investment income	165,122	141,792	361,454	781,963
Total Non-Operating Revenues	144,968,259	148,321,534	152,280,939	145,643,761
Total Revenues	\$ 179,796,871	\$ 182,493,532	\$ 187,197,068	\$ 175,032,116

	For the Year Ended August 31,			
	2013	2012	2011	2010
Federal Grants and Contracts	12.34%	11.19%	10.63%	8.81%
State Grants and Contracts	2.23%	2.73%	3.42%	3.45%
Non-Governmental Grants and Contracts	2.00%	2.21%	2.89%	2.77%
Auxiliary enterprises	0.49%	0.35%	0.19%	0.38%
Other Operating Revenues	1.11%	1.18%	1.07%	0.86%
Total Operating Revenues	1.20%	1.07%	0.44%	0.53%
State Appropriations	19.37%	18.73%	18.65%	16.80%
Ad Valorem Taxes	21.29%	21.02%	22.01%	23.76%
Federal Grants, Non Operating	23.77%	23.04%	20.13%	21.12%
Other State Grants, Non Operating	35.11%	36.94%	38.78%	37.59%
Investment income	0.37%	0.19%	0.23%	0.28%
Total Non-Operating Revenues	0.09%	0.08%	0.19%	0.45%
Total Revenues	80.63%	81.27%	81.35%	83.20%
	100.00%	100.00%	100.00%	100.00%

For the Year Ended August 31,

2009	2008	2007	2006	2005	2004
\$ 13,822,341	\$ 14,338,875	\$ 17,118,772	\$ 16,324,468	\$ 15,146,645	\$ 13,569,330
4,726,771	4,706,659	6,457,049	5,189,490	6,762,681	6,946,258
4,998,735	4,695,813	3,959,783	3,969,766	3,173,756	3,679,429
1,130,573	1,429,620	826,044	245,295	943,120	415,981
1,436,108	1,374,179	1,210,024	1,332,378	1,221,403	1,217,417
1,006,828	923,500	1,211,511	780,103	1,253,261	1,093,240
27,121,356	27,468,646	30,783,183	27,841,500	28,500,866	26,921,655
43,234,190	43,380,018	41,211,968	40,770,870	36,879,349	36,551,753
36,182,641	34,817,839	33,209,749	31,670,769	30,499,159	28,044,498
42,661,948	37,727,176	36,616,080	38,473,626	43,214,021	42,019,761
39,944					
1,582,746	3,370,284	3,820,269	2,554,594	1,340,517	487,210
123,701,469	119,295,317	114,858,066	113,469,859	111,933,046	107,103,222
\$ 150,822,825	\$ 146,763,963	\$ 145,641,249	\$ 141,311,359	\$ 140,433,912	\$ 134,024,877

For the Year Ended August 31,

2009	2008	2007	2006	2005	2004
9.16%	9.77%	11.75%	11.55%	10.79%	10.12%
3.13%	3.21%	4.43%	3.67%	4.82%	5.18%
3.31%	3.20%	2.72%	2.81%	2.26%	2.75%
0.75%	0.97%	0.57%	0.17%	0.67%	0.31%
0.95%	0.94%	0.83%	0.94%	0.87%	0.91%
0.67%	0.63%	0.83%	0.55%	0.89%	0.82%
17.97%	18.72%	21.14%	19.70%	20.29%	20.09%
28.67%	29.56%	28.30%	28.85%	26.26%	27.27%
23.99%	23.72%	22.80%	22.41%	21.72%	20.92%
28.29%	25.71%	25.14%	27.23%	30.77%	31.35%
0.03%	0.00%	0.00%	0.00%	0.00%	0.00%
1.05%	2.30%	2.62%	1.81%	0.95%	0.36%
82.03%	81.28%	78.86%	80.30%	79.71%	79.91%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 Program Expenses by Function
 Last Ten Fiscal Years
 (unaudited)

For the Year Ended August 31,

	2013	2012	2011	2010
Instruction	\$ 57,143,086	\$ 56,569,373	\$ 57,782,436	\$ 54,335,517
Research	67,172	46,990	46,835	41,360
Public service	6,007,731	5,741,054	5,623,512	6,243,089
Academic support	18,006,899	18,022,725	18,684,484	18,410,143
Student services	10,275,524	9,899,398	10,409,484	10,562,151
Institutional support	19,932,692	20,028,102	20,167,121	20,029,700
Operation and maintenance of plant	9,163,297	9,554,646	8,907,338	9,487,154
Scholarships and fellowships	39,964,638	44,001,068	50,636,516	41,962,679
Auxiliary enterprises	4,755,196	3,008,770	2,180,466	1,753,830
Depreciation	4,460,995	4,787,773	4,033,896	4,121,401
Total Operating Expenses	169,777,230	171,659,899	178,472,088	166,947,024
Interest on capital related debt	2,726,296	2,897,264	3,087,201	3,115,338
Loss on disposal of capital assets	-	-	-	-
Total Non-Operating Expenses	2,726,296	2,897,264	3,087,201	3,115,338
Total Expenses	\$ 172,503,526	\$ 174,557,163	\$ 181,559,289	\$ 170,062,362

For the Year Ended August 31,

	2013	2012	2011	2010
Instruction	31.13%	32.41%	31.83%	31.95%
Research	0.04%	0.03%	0.03%	0.02%
Public service	3.48%	3.29%	3.10%	3.67%
Academic support	10.44%	10.32%	10.29%	10.83%
Student services	5.96%	5.67%	5.73%	6.21%
Institutional support	11.55%	11.47%	11.11%	11.78%
Operation and maintenance of plant	5.31%	5.47%	4.91%	5.58%
Scholarships and fellowships	23.17%	25.21%	27.89%	24.68%
Auxiliary enterprises	2.76%	1.72%	1.20%	1.03%
Depreciation	2.59%	2.74%	2.22%	2.42%
Total Operating Expenses	98.42%	98.34%	98.30%	98.17%
Interest on capital related debt	1.58%	1.66%	1.70%	1.83%
Loss on disposal of capital assets	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	1.58%	1.66%	1.70%	1.83%
Total Expenses	100.00%	100.00%	100.00%	100.00%

For the Year Ended August 31,

2009	2008	2007	2006	2005	2004
\$ 49,992,432	\$ 48,394,133	\$ 48,799,237	\$ 47,099,097	\$ 44,666,792	\$ 43,345,737
47,745	15,247	14,593	20,938	22,257	17,219
5,616,027	6,395,334	5,235,682	3,930,285	4,466,088	3,995,905
17,503,474	16,744,629	14,383,334	15,940,956	14,830,152	12,562,184
10,218,770	10,199,098	10,040,659	10,210,118	8,806,432	8,298,219
19,142,647	19,922,834	18,676,469	18,119,480	17,167,489	16,239,200
9,597,425	8,953,714	8,171,961	7,754,674	8,487,256	6,928,409
26,276,049	22,123,458	21,189,381	23,906,774	27,229,139	28,926,384
1,462,846	1,773,241	2,748,508	1,367,399	1,130,926	1,070,970
4,056,430	3,986,591	4,125,838	3,327,339	3,563,410	3,870,706
143,913,845	138,508,279	133,385,662	131,677,060	130,369,941	125,254,933
3,216,208	3,335,295	4,341,880	2,457,840	2,538,765	2,663,290
-	-	11,630	259,097	343,790	-
3,216,208	3,335,295	4,353,510	2,716,937	2,882,555	2,663,290
\$ 147,130,053	\$ 141,843,574	\$ 137,739,172	\$ 134,393,997	\$ 133,252,496	\$ 127,918,223

For the Year Ended August 31,

2009	2008	2007	2006	2005	2004
33.98%	34.12%	35.43%	35.05%	33.52%	33.89%
0.03%	0.01%	0.01%	0.02%	0.02%	0.01%
3.82%	4.51%	3.80%	2.92%	3.35%	3.12%
11.90%	11.80%	10.44%	11.86%	11.13%	9.82%
6.95%	7.19%	7.29%	7.60%	6.61%	6.49%
13.01%	14.05%	13.56%	13.48%	12.88%	12.69%
6.52%	6.31%	5.93%	5.77%	6.37%	5.42%
17.86%	15.60%	15.38%	17.79%	20.43%	22.61%
0.99%	1.25%	2.00%	1.02%	0.85%	0.84%
2.76%	2.81%	3.00%	2.48%	2.67%	3.03%
97.81%	97.65%	96.84%	97.98%	97.84%	97.92%
2.19%	2.35%	3.15%	1.83%	1.91%	2.08%
0.00%	0.00%	0.01%	0.19%	0.26%	0.00%
2.19%	2.35%	3.16%	2.02%	2.16%	2.08%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Tuition and Fees
Last Ten Academic Years
(unaudited)

Resident

Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	General Use Fees	Cost for 12 SCH In- District	Increase from Prior Year In-District
2012-13	\$ 71.00	\$ 10.00	972.00	5.19%
2011-12	67.00	10.00	924.00	10.79%
2010-11	59.50	10.00	834.00	0.00%
2009-10	59.50	10.00	834.00	17.46%
2008-09	49.17	10.00	710.00	0.00%
2007-08	49.17	10.00	710.00	0.00%
2006-07	49.17	10.00	710.00	6.61%
2005-06	45.50	10.00	666.00	0.00%
2004-05	45.50	10.00	666.00	7.42%
2003-04	41.67	10.00	620.00	5.26%

Non - Resident

Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out of State	General Use Fees	Cost for 12 SCH Out of State	Increase from Prior Year Out of State
2012-13	\$ 141.00	\$ 10.00	\$ 1,812.00	45.19%
2011-12	94.00	10.00	1,248.00	12.43%
2010-11	82.50	10.00	1,110.00	0.00%
2009-10	82.50	10.00	1,110.00	12.92%
2008-09	71.88	10.00	983.00	0.00%
2007-08	71.88	10.00	983.00	0.00%
2006-07	71.88	10.00	983.00	8.86%
2005-06	65.25	10.00	903.00	5.99%
2004-05	61.00	10.00	852.00	1.43%
2003-04	60.00	10.00	840.00	5.00%

Note: In addition students may incur course related fees such as laboratory fees, testing fees and certification fees.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 Assessed Value and Taxable Assessed Value of Property
 Last Ten Fiscal Years
 (unaudited)

Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2012-13	\$ 43,537,669,306	\$ 6,134,901,937	\$ 37,402,767,369	85.91%	\$ 0.114086		0.114086
2011-12	41,628,096,177	5,592,871,383	36,035,224,794	86.56%	0.115442		0.115442
2010-11	39,804,189,607	4,884,780,918	34,919,408,689	87.73%	0.107329		0.107329
2009-10	39,632,229,396	5,027,414,797	34,604,814,599	87.31%	0.105670		0.105670
2008-09	35,630,552,158	2,007,078,657	33,623,473,501	94.37%	0.106841		0.106841
2007-08	32,624,942,441	1,870,233,510	30,754,708,931	94.27%	0.111967		0.111967
2006-07	28,812,089,203	1,760,436,222	27,051,652,981	93.89%	0.120998		0.120998
2005-06	25,344,113,551	1,756,306,687	23,587,806,864	93.07%	0.132844		0.132844
2004-05	23,727,788,205	1,671,213,052	22,056,575,153	92.96%	0.136637		0.136637
2003-04	22,064,903,682	1,666,280,236	20,398,623,446	92.45%	0.136357		0.136357

Source: Local Appraisal District

Notes: Property is assessed at full market value.
 (a) per \$100 Taxable Assessed Valuation

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years

(unaudited)

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			
		FTSE	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tec Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2012-13	\$ 32,619,755	19,793	\$ 1,648	8,755,212	2,408,360	11,163,572	\$ 2.92
2011-12	30,977,449	20,199	1,534	8,925,088	2,477,978	11,403,066	2.72
2010-11	31,155,773	20,483	1,521	8,944,096	2,575,676	11,519,772	2.70
2009-10	31,479,078	19,724	1,596	8,782,224	2,274,155	11,056,379	2.85
2008-09	33,356,208	17,471	1,909	7,780,464	2,063,535	9,843,999	3.39
2007-08	33,356,211	16,800	1,985	7,418,400	2,000,018	9,418,418	3.54
2006-07	31,677,300	17,324	1,829	7,612,480	2,051,690	9,664,170	3.28
2005-06	31,786,315	18,202	1,746	7,920,912	2,165,121	10,086,033	3.15
2004-05	29,319,940	17,973	1,631	7,906,384	2,067,372	9,973,756	2.94
2003-04	29,083,108	17,360	1,675	7,378,272	2,267,425	9,645,697	3.02

Notes:

FTSE is calculated by the number of funded SCH for Fall, Spring & Summer divided by 30 plus the funded non-credit contact hours for all 4 qtrs divided by 480.

(a) Source CBM004

(b) Source CBM00C



EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

Principal Taxpayers

Last Ten Tax Years

(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)		
		2013	2012	2011
Western Refining Company LP	Refining	\$ 474,080	\$ 910,434	\$ 422,701
El Paso Electric Company	Utility	286,055	264,012	257,067
Tenet Hospitals	Hospital	218,264	231,585	236,237
Simon Property Group	Properties	195,509	195,371	195,470
River Oaks Properties LTD	Properties	169,519	159,706	162,192
El Paso Outlet Center Holding Co	Properties	89,948	92,013	82,502
Walmart	Retail	87,331	77,495	86,063
Southwestern Bell Telephone	Utility	84,111	92,762	103,544
Texas Gas Service	Utility	84,076	75,576	73,393
Cardinal Health 5 LLC	Hospital	79,833	81,411	70,601
Freeport-McMoRan	Refining			
E I Du Pont De Nemours & Co	Manufacturing			
El Paso Natural Gas Co	Utility			
Ranchos Real IV LTD	Properties			
Hoover Company	Manufacturing			
Texas & Kansas City Cable Partners LP	Utility			
Chevron USA Inc.	Refining			
Refining Holding Co LP	Refining			
Southern Union Gas Co	Utility			
	Totals	<u>\$ 1,768,726</u>	<u>\$ 2,180,365</u>	<u>\$ 1,689,770</u>
	Total Taxable Assessed Value	<u>\$ 37,402,767</u>	<u>\$ 36,035,225</u>	<u>\$ 34,919,409</u>

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year		
		2013	2012	2011
Western Refining Company LP	Refining	1.27%	2.53%	1.21%
El Paso Electric Company	Utility	0.76%	0.73%	0.74%
Tenet Hospitals	Hospital	0.58%	0.64%	0.68%
Simon Property Group	Properties	0.52%	0.54%	0.56%
River Oaks Properties LTD	Properties	0.45%	0.44%	0.46%
El Paso Outlet Center Holding Co	Properties	0.24%	0.26%	0.24%
Walmart	Retail	0.23%	0.22%	0.25%
Southwestern Bell Telephone	Utility	0.22%	0.26%	0.30%
Texas Gas Service	Utility	0.22%	0.21%	0.21%
Cardinal Health 5 LLC	Hospital	0.21%	0.23%	0.20%
Freeport-McMoRan	Refining	0.00%	0.00%	0.00%
E I Du Pont Nemours & Co	Manufacturing	0.00%	0.00%	0.00%
El Paso Natural Gas Co	Utility	0.00%	0.00%	0.00%
Ranchos Real IV LTD	Properties	0.00%	0.00%	0.00%
Hoover Company	Manufacturing	0.00%	0.00%	0.00%
Texas & Kansas City Cable Partners LP	Utility	0.00%	0.00%	0.00%
Chevron USA Inc.	Refining	0.00%	0.00%	0.00%
Refining Holding Co LP	Refining	0.00%	0.00%	0.00%
Southern Union Gas Co	Utility	0.00%	0.00%	0.00%
	Totals	<u>4.73%</u>	<u>6.05%</u>	<u>4.84%</u>

Source: Local County Appraisal District

Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)

2010	2009	2008	2007	2006	2005	2004
\$ 365,474	\$ 437,864	\$ 551,898	\$ 484,121	\$ 316,643	\$ 143,958	\$ -
229,477	209,436	190,725	182,205	170,657	177,996	199,850
235,065	77,542	145,766	90,943	70,640	65,084	59,867
182,874	181,907	183,991	183,343	164,602	89,539	84,318
189,984	200,917	166,102	144,938	95,677	66,616	58,266
50,922	54,640					
118,810	127,810	139,570	160,329	148,508	144,808	172,497
65,351	58,937	56,089	54,424	48,837	49,719	
53,890	71,978					
52,294	54,871	50,394	64,418	61,055	65,627	67,174
		47,086				
		44,163	44,217			
			48,564			
				59,999	67,815	63,090
				50,512	47,587	
						91,275
						53,358
						51,172
<u>\$ 1,544,141</u>	<u>\$ 1,475,902</u>	<u>\$ 1,575,784</u>	<u>\$ 1,457,502</u>	<u>\$ 1,187,130</u>	<u>\$ 918,749</u>	<u>\$ 900,867</u>
<u>\$ 34,604,815</u>	<u>\$ 33,623,474</u>	<u>\$ 30,754,709</u>	<u>\$ 27,051,653</u>	<u>\$ 23,587,807</u>	<u>\$ 22,056,575</u>	<u>\$ 20,398,623</u>

% of Taxable Assessed Value (TAV) by Tax Year

2010	2009	2008	2007	2006	2005	2004
1.06%	1.30%	1.79%	1.79%	1.34%	0.65%	
0.66%	0.62%	0.62%	0.67%	0.72%	0.81%	0.98%
0.68%	0.23%	0.47%	0.34%	0.30%	0.30%	0.29%
0.53%	0.54%	0.60%	0.68%	0.70%	0.41%	0.41%
0.55%	0.60%	0.54%	0.54%	0.41%	0.30%	0.29%
0.15%	0.16%					
0.34%	0.38%	0.45%	0.59%	0.63%	0.66%	0.85%
0.19%	0.18%	0.18%	0.20%	0.21%	0.23%	
0.16%	0.21%					
0.15%	0.16%	0.16%	0.24%	0.26%	0.30%	0.33%
0.00%		0.15%				
0.00%		0.14%	0.16%			
0.00%			0.18%			
0.00%				0.25%	0.31%	0.31%
0.00%				0.21%	0.22%	
0.00%						0.45%
0.00%						0.26%
0.00%						0.25%
<u>4.46%</u>	<u>4.39%</u>	<u>5.12%</u>	<u>5.39%</u>	<u>5.03%</u>	<u>4.17%</u>	<u>4.42%</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Property Tax Rates per \$100 of Assessed Value
Direct and Overlapping
Last Ten Fiscal Years
(unaudited)

Fiscal Year	College District			Other El Paso County Taxable Entities				
	Current Operations	(1) Debt Service	Total	El Paso County	City of El Paso	(2) ISD's Average	University Medical Center	Totals
2012-13	\$ 0.114086	-	\$ 0.114086	\$ 0.408870	\$ 0.658404	\$ 1.277033	\$ 0.192363	\$ 2.650756
2011-12	0.115442	-	0.115442	0.361196	0.658404	1.269678	0.192363	\$ 2.597083
2010-11	0.107329	-	0.107329	0.363403	0.653700	1.256527	0.182124	2.563083
2009-10	0.105670	-	0.105670	0.338258	0.633000	1.258298	0.179405	2.514631
2008-09	0.106841	-	0.106841	0.342437	0.633000	1.252089	0.181504	2.515871
2007-08	0.111967	-	0.111967	0.360267	0.671097	1.244282	0.020133	2.407746
2006-07	0.120998	-	0.120998	0.391390	0.672326	1.560854	0.186000	2.931568
2005-06	0.132844	-	0.132844	0.432259	0.696677	1.670035	0.187128	3.118943
2004-05	0.136637	-	0.136637	0.432259	0.696677	1.675405	0.187128	3.128106
2003-04	0.136357	-	0.136357	0.410817	0.719833	1.615674	0.187128	3.069809

Source: City of El Paso - Consolidated Tax Office - Property Tax History

Notes: (1) 1975 General Obligation Bonds were paid off in 1995. Therefore, the Debt Service portion was allocated to Current Operations.
(2) Independent School Districts (ISD's)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

Property Tax Levies and Collections

Last Ten Tax Years

(unaudited)

(amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections-Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2012-13	\$ 42,884,204	(163,061)	\$ 42,721,143	\$ 41,705,331	97.62%	\$ -	\$ -	41,705,331	97.62%
2011-12	41,810,318	(160,344)	\$ 41,649,974	40,618,634	97.52%	-	724,660	41,343,294	99.26%
2010-11	37,798,762	(265,896)	37,532,866	36,538,292	97.35%	-	-	36,538,292	97.35%
2009-10	37,047,109	(409,155)	36,637,954	35,677,909	97.38%	-	-	35,677,909	97.38%
2008-09	36,092,639	(252,412)	35,840,227	34,800,092	97.10%	-	555,780	35,355,872	98.65%
2007-08	34,603,395	(221,089)	34,382,306	33,562,299	97.62%	421,198	104,278	34,087,775	99.14%
2006-07	32,692,682	(61,433)	32,631,249	31,820,331	97.51%	565,840	33,004	32,419,175	99.35%
2005-06	31,387,627	(70,283)	31,317,344	30,481,027	97.33%	609,950	29,052	31,120,029	99.37%
2004-05	30,227,391	(138,841)	30,088,550	29,203,806	97.06%	676,317	14,843	29,894,966	99.36%
2003-04	27,817,738	(228,921)	27,588,817	26,854,279	97.34%	572,439	10,485	27,437,203	99.45%

Source: Local Tax Assessor/Collector's and District records.

(a) As reported in notes to the financial statements for the year of the levy.

(b) As of August 31st of the current reporting year.

(c) Property tax only - does not include penalties and interest.

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.

(e) Represents current year collections of prior years levies.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

Ratios of Outstanding Debt

Last Ten Fiscal Years

(unaudited)

	For the Year Ended August 31,			
	2013	2012	2011	2010
<u>General Bonded Debt</u>				
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -
Less: Funds Restricted for Debt Service				
Net General Bonded Debt	\$ -	\$ -	\$ -	\$ -
Per Capita	\$ -	\$ -	\$ -	\$ -
Per Student				
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%
<u>Other Debt</u>				
Revenue Bonds	\$ 54,090,000	\$ 57,355,000	\$ 60,490,000	\$ 63,500,000
Notes	2,282,065	2,773,157	3,249,518	3,696,627
Capital Lease Obligations	-	3,310	32,654	89,863
Total Outstanding Debt	\$ 56,372,065	\$ 60,131,467	\$ 63,772,172	\$ 67,286,490
<u>Total Outstanding Debt Ratios</u>				
Per Capita	\$ 66.62	\$ 72.89	\$ 77.73	\$ 83.62
Per Student	2,848	2,977	3,113	3,411
As a percentage of Taxable Assessed Value	0.15%	0.17%	0.18%	0.19%

Notes: Ratios calculated using population and TAV from current year.

Debt per student calculated using full-time-equivalent enrollment.

For the Year Ended August 31,

2009	2008	2007	2006	2005	2004
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 66,390,000	\$ 69,165,000	\$ 71,835,000	\$ 46,480,000	\$ 48,425,000	\$ 50,240,000
1,480,129	1,037,700	1,150,023	1,258,018	1,284,361	452,484
157,619	228,497	240,037	279,461	154,221	77,025
<u>\$ 68,027,748</u>	<u>\$ 70,431,197</u>	<u>\$ 73,225,060</u>	<u>\$ 48,017,479</u>	<u>\$ 49,863,582</u>	<u>\$ 50,769,509</u>
\$ 85.91	\$ 90.41	\$ 95.36	\$ 63.59	\$ 67.16	\$ 70.79
3,894	4,192	4,177	2,638	2,774	2,925
0.20%	0.23%	0.27%	0.20%	0.23%	0.25%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

Legal Debt Margin Information

Last Ten Fiscal Years

(unaudited)

	For the Year Ended August 31,			
	2013	2012	2011	2010
Taxable Assessed Value	\$ 37,402,767,369	\$ 36,035,224,794	\$ 34,919,408,689	\$ 34,604,814,599
General Obligation Bonds				
Statutory Tax Levy Limit for Debt Service	187,013,837	180,176,124	174,597,043	173,024,073
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-
Net Statutory Tax Levy Limit for Debt Service	187,013,837	180,176,124	174,597,043	173,024,073
Current Year Debt Service Requirements	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 187,013,837	\$ 180,176,124	\$ 174,597,043	\$ 173,024,073
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

For the Year Ended August 31,

2009	2008	2007	2006	2005	2004
<u>\$ 33,623,473,501</u>	<u>\$ 30,754,708,931</u>	<u>\$ 27,051,652,981</u>	<u>\$ 23,587,806,864</u>	<u>\$ 22,056,575,153</u>	<u>\$ 20,398,623,446</u>
168,117,368	153,773,545	135,258,265	117,939,034	110,282,876	101,993,117
-	-	-	-	-	-
<u>168,117,368</u>	<u>153,773,545</u>	<u>135,258,265</u>	<u>117,939,034</u>	<u>110,282,876</u>	<u>101,993,117</u>
-	-	-	-	-	-
<u>\$ 168,117,368</u>	<u>\$ 153,773,545</u>	<u>\$ 135,258,265</u>	<u>\$ 117,939,034</u>	<u>\$ 110,282,876</u>	<u>\$ 101,993,117</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

Fiscal Year	Pledged Revenues				Debt Service Requirements			Coverage Ratio
	(a) Tuition	General Use Fee	Interest Income	Total	Principal	Interest	Total	
2012-13	\$ 12,344,375	\$ 6,017,187	\$ 122,109	18,483,671	\$ 3,430,000	\$ 2,671,050	6,101,050	3.03
2011-12	11,657,934 ⁽¹⁾	6,151,759	95,371	17,905,064	3,265,000	2,833,800	6,098,800	2.94
2010-11	9,654,356 ⁽¹⁾	6,288,519	98,245	16,041,120	3,135,000	2,964,745	6,099,745	2.63
2009-10	9,368,777 ⁽¹⁾	5,905,681	129,087	15,403,545	3,010,000	3,088,967	6,098,967	2.53
2008-09	7,491,999 ⁽¹⁾	5,162,768	302,837	12,957,604	2,890,000	3,208,188	6,098,188	2.12
2007-08	7,424,058 ⁽¹⁾	4,994,683	1,526,546	13,945,287	2,775,000	3,321,825	6,096,825	2.29
2006-07	7,715,701 ⁽¹⁾	5,101,453	2,367,736	15,184,890	2,670,000	3,429,690	6,099,690	2.49
2005-06	831,855	5,270,972	1,894,409	7,997,236	2,065,000	2,283,636	4,348,636	1.84
2004-05	820,133	5,291,746	953,831	7,065,710	1,945,000	2,378,753	4,323,753	1.63
2003-04	766,013	5,031,126	339,558	6,136,697	1,815,000	2,471,263	4,286,263	1.43

⁽¹⁾ Effective February 2007, pledge coverage ratio includes 25% of gross tuition

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years

(unaudited)

<u>Calendar Year</u>	<u>(1) District Population</u>	<u>(3) District Personal Income (thousands of dollars)</u>	<u>(3) District Personal Income Per Capita</u>	<u>(2) District Unemployment Rate</u>
2013	846,175	25,076,766	\$ 30,186	8.80%
2012	824,994	24,695,912	30,088	10.30%
2011	820,425	24,104,907	29,381	10.60%
2010	804,655	22,587,471	28,071	10.20%
2009	791,854	22,127,568	27,944	9.60%
2008	779,052	20,688,505	26,556	6.70%
2007	767,886	18,751,776	24,420	5.80%
2006	755,085	17,884,943	23,686	7.10%
2005	742,416	16,908,524	22,775	6.00%
2004	717,211	15,655,999	21,829	7.80%

- Sources:**
- (1) City of El Paso Department of Planning, Research and Development (estimate)
 - (2) Texas Workforce Commission
 - (3) Bureau of Economic Analysis (estimate)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Principal Employers
Fiscal Years 2006-2013
(unaudited)

Employer	2013		2012		2011	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Fort Bliss Civilian Employees	10,720	3.64%	10,804	3.60%	8,000	2.51%
El Paso Independent School District	9,000	3.06%	9,000	3.00%	9,000	2.83%
Ysleta Independent School District	8,000	2.72%	8,000	2.67%	7,155	2.25%
Socorro Independent School District	5,805	1.97%	7,000	2.33%	7,000	2.20%
City of El Paso	5,545	1.88%	6,390	2.13%	6,500	2.04%
T & T Staff Management LP	5,020	1.71%	5,020	1.67%	4,687	1.47%
El Paso County Community College District	3,192	1.08%	3,194	1.06%	3,252	1.02%
Tenet Hospital Ltd	3,053	1.04%	3,053	1.02%	3,053	0.96%
Wal-Mart	2,948	1.00%	2,095	0.70%	3,078	0.97%
County of El Paso	2,771	0.94%	2,771	0.92%		
University of Texas at El Paso	2,718	0.92%	3,770	1.26%	2,867	0.90%
University Medical Center	2,455	0.83%	2,455	0.82%		
Clint Independent School District	2,150	0.73%	2,150	0.72%		
VF JeansWear						
Total	63,377	21.53%	65,702	21.90%	54,592	17.15%

Sources: El Paso City Development/Economic Development
El Paso Regional Economic Development Corporation REDCO
Texas Workforce Commission
Fort Bliss Public Information Office

Notes: Percentages are calculated using total employment figures from the Texas Workforce Commission.
The College previously did not present this schedule and chose to implement prospectively.

2010		2009		2008		2007		2006	
Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
14,750	4.75%	10,200	3.71%	10,000	3.64%	6,500	2.34%	6,500	2.34%
9,000	2.90%	8,505	3.10%	8,505	3.10%	8,500	3.06%	8,500	3.06%
7,155	2.31%	6,066	2.21%	6,066	2.21%	8,241	2.97%	8,241	2.97%
7,000	2.26%	4,488	1.63%	4,488	1.63%	2,800	1.01%	2,800	1.01%
6,500	2.10%	6,400	2.33%	6,400	2.33%	5,409	1.95%	5,409	1.95%
5,587	1.80%	6,100	2.22%	6,100	2.22%				
3,152	1.02%	2,971	1.08%	2,897	1.05%	2,967	1.04%	2,990	1.04%
3,053	0.98%	6,587	2.40%	6,587	2.40%	4,000	1.44%	4,000	1.44%
3,205	1.03%	4,050	1.47%	4,050	1.47%	3,000	1.08%	3,000	1.08%
2,681	0.86%	4,000	1.46%	4,000	1.46%	3,686	1.33%	3,686	1.33%
						4,600	1.66%	4,600	1.66%
<u>62,083</u>	<u>20.01%</u>	<u>59,367</u>	<u>21.61%</u>	<u>59,093</u>	<u>21.51%</u>	<u>49,703</u>	<u>17.88%</u>	<u>49,726</u>	<u>17.88%</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 Faculty, Staff, and Administrators Statistics
 Last Ten Fiscal Years
 (unaudited)

	For the Year Ended August 31,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Faculty										
Full-Time	470	419	417	405	400	372	391	350	313	290
Part-Time	988	1,043	1,113	1,045	976	851	1,002	1,563	1,274	1,984
Total	1,458	1,462	1,530	1,450	1,376	1,223	1,393	1,913	1,587	2,274
Percent										
Full-Time	32.2%	28.7%	27.3%	27.9%	29.1%	30.4%	28.1%	18.3%	19.7%	12.8%
Part-Time	67.8%	71.3%	72.7%	72.1%	70.9%	69.6%	71.9%	81.7%	80.3%	87.2%
Staff and Administrators										
Full-Time	748	761	799	804	793	791	786	837	765	740
Part-Time	986	971	923	898	802	889	978	1,349	1,101	1,110
Total	1,734	1,732	1,722	1,702	1,595	1,680	1,764	2,186	1,866	1,850
Percent										
Full-Time	43.1%	43.9%	46.4%	47.2%	49.7%	47.1%	44.6%	38.3%	41.0%	40.0%
Part-Time	56.9%	56.1%	53.6%	52.8%	50.3%	52.9%	55.4%	61.7%	59.0%	60.0%
FTSE per Full-Time Faculty	42.11	48.21	49.12	48.70	43.68	45.16	44.31	52.01	57.42	59.86
FTSE per Full-Time Staff Member	26.46	26.54	25.64	24.53	22.03	21.24	22.04	21.75	23.49	23.46
Average Annual Full-Time Faculty Salary	\$56,660	\$55,660	\$54,275	\$54,564	\$53,829	\$52,977	\$51,163	\$50,558	\$49,039	\$46,875



Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
14,383	55.70%	13,186	52.70%	14,070	53.90%	14,619	54.82%	14,924	57.23%	14,985	60.99%
8,226	31.86%	8,496	33.95%	8,653	33.15%	8,749	32.81%	7,891	30.26%	6,401	26.05%
3,214	12.45%	3,341	13.35%	3,382	12.96%	3,299	12.37%	3,263	12.51%	3,183	12.96%
25,823	100.00%	25,023	100.00%	26,105	100.00%	26,667	100.00%	26,078	100.00%	24,569	100.00%

Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
230	0.89%	120	0.48%	108	0.41%	133	0.50%	109	0.42%	108	0.44%
4,828	18.70%	4,561	18.23%	5,074	19.44%	4,575	17.16%	4,401	16.88%	4,272	17.39%
6,418	24.85%	6,463	25.83%	6,448	24.70%	6,388	23.95%	6,065	23.26%	5,600	22.79%
4,530	17.54%	4,321	17.27%	4,448	17.04%	4,813	18.05%	4,714	18.08%	3,984	16.22%
7,342	28.43%	7,169	28.65%	7,510	28.77%	8,081	30.30%	8,159	31.28%	8,120	33.04%
1,580	6.12%	1,509	6.03%	1,561	5.98%	1,623	6.09%	1,581	6.06%	1,444	5.88%
895	3.47%	880	3.52%	956	3.66%	1,054	3.95%	1,049	4.02%	1,041	4.24%
25,823	100.00%	25,023	100.00%	26,105	100.00%	26,667	100.00%	26,078	100.00%	24,569	100.00%

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Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
24,558	95.10%	23,818	95.18%	24,977	95.68%	25,119	94.20%	24,574	94.23%	23,033	93.75%
1,265	4.90%	1,205	4.82%	1,128	4.32%	1,548	5.80%	1,504	5.77%	1,536	6.25%
25,823	100.00%	25,023	100.00%	26,105	100.00%	26,667	100.00%	26,078	100.00%	24,569	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

Student Profile

Last Ten Fiscal Years

(unaudited)

Gender	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	18,407	57.29%	17,645	57.43%	17,177	57.43%	16,325	57.96%	15,371	59.52%
Male	13,720	42.71%	13,078	42.57%	12,732	42.57%	11,843	42.04%	10,452	40.48%
Total	32,127	100.00%	30,723	100.00%	29,909	100.00%	28,168	100.00%	25,823	100.00%

Ethnic Origin	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,619	8.15%	2,560	8.33%	2,648	8.85%	2,167	7.69%	2,094	8.11%
Hispanic	27,571	85.83%	26,253	85.46%	25,444	85.08%	24,196	85.90%	22,095	85.56%
African American	727	2.26%	684	2.23%	701	2.34%	645	2.29%	544	2.11%
Asian	298	0.93%	291	0.95%	271	0.91%	257	0.91%	222	0.86%
Native American	115	0.36%	115	0.37%	102	0.34%	88	0.31%	66	0.26%
Other	797	2.48%	820	2.67%	743	2.48%	815	2.89%	802	3.11%
Total	32,127	100.00%	30,723	100.00%	29,909	100.00%	28,168	100.00%	25,823	100.00%

Age	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	4,585	14.27%	2,656	8.64%	2,474	8.27%	2,433	8.64%	2,030	7.86%
18 -21	13,743	42.78%	13,570	44.17%	13,174	44.05%	12,506	44.40%	11,478	44.45%
22 - 24	4,610	14.35%	4,630	15.07%	4,549	15.21%	4,280	15.19%	4,028	15.60%
25 - 35	5,857	18.23%	6,203	20.19%	5,974	19.97%	5,530	19.63%	5,148	19.94%
36 - 50	2,688	8.37%	2,935	9.55%	3,001	10.03%	2,778	9.86%	2,594	10.05%
51 & over	644	2.00%	729	2.37%	737	2.46%	641	2.28%	545	2.11%
Total	32,127	100.00%	30,723	100.00%	29,909	100.00%	28,168	100.00%	25,823	100.00%

Average Age	23.8	24.5	24.7	24.5	24.6
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Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
15,141	60.51%	15,813	60.57%	16,300	61.12%	16,064	61.60%	15,218	61.94%
9,882	39.49%	10,292	39.43%	10,367	38.88%	10,014	38.40%	9,351	38.06%
25,023	100.00%	26,105	100.00%	26,667	100.00%	26,078	100.00%	24,569	100.00%

Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
2,028	8.10%	2,212	8.47%	2,253	8.45%	2,285	8.76%	2,368	9.64%
21,383	85.45%	22,246	85.22%	22,690	85.09%	22,246	85.30%	20,744	84.43%
555	2.22%	565	2.16%	670	2.51%	591	2.27%	628	2.56%
227	0.91%	222	0.85%	230	0.86%	216	0.83%	205	0.83%
65	0.26%	66	0.25%	67	0.25%	73	0.28%	94	0.38%
765	3.06%	794	3.04%	757	2.84%	667	2.56%	530	2.16%
25,023	100.00%	26,105	100.00%	26,667	100.00%	26,078	100.00%	24,569	100.00%

Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
690	2.76%	1,106	4.24%	701	2.63%	878	3.37%	959	3.90%
11,289	45.11%	11,259	43.13%	11,242	42.17%	10,558	40.49%	9,413	38.32%
4,223	16.88%	4,229	16.20%	4,457	16.71%	4,374	16.77%	4,004	16.30%
5,370	21.46%	5,765	22.08%	6,244	23.41%	6,150	23.58%	6,040	24.58%
2,906	11.61%	3,167	12.13%	3,428	12.85%	3,485	13.36%	3,528	14.36%
545	2.18%	579	2.22%	595	2.23%	633	2.43%	625	2.54%
25,023	100.00%	26,105	100.00%	26,667	100.00%	26,078	100.00%	24,569	100.00%

25.3

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25.9

26.1

26.4

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

Transfers to Senior Institutions

(Includes only public senior colleges in Texas)

	2010 Fall Students as of Fall 2012					2009 Fall Students as of Fall 2011				
	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Angelo State University	14	1	4	19	0.37%	14		1	15	0.29%
2 Lamar University	3			3	0.06%	2			2	0.04%
3 Midwestern State University	3			3	0.06%	2			2	0.04%
4 Prairie View A&M University	2			2	0.04%	1			1	0.02%
5 Sam Houston State University	8			8	0.15%	3		1	4	0.08%
6 Stephen F. Austin State University	1			1	0.02%	0		3	3	0.06%
7 Sul Ross State University	33	1		34	0.66%	49	1		50	0.97%
Sul Ross State University - Rio Grande College	1			1	0.02%					
8 Tarleton State University	3			3	0.06%	3			3	0.06%
9 Texas A&M International University	2			2	0.04%	3			3	0.06%
10 Texas A&M University - College Station	40	2	1	43	0.83%	40	1		41	0.80%
11 Texas A&M University - Central Texas	0	1		1	0.02%	1			1	0.02%
12 Texas A&M University - Commerce	3			3	0.06%	4			4	0.08%
13 Texas A&M University - Corpus Christi	7			7	0.14%	4			4	0.08%
14 Texas A&M University - Galveston	2			2	0.04%	3			3	0.06%
15 Texas A&M University - Kingsville	2			2	0.04%	0			0	0.00%
16 Texas A&M University - San Antonio	4			4	0.08%	2			2	0.04%
17 Texas A&M University - Texarkana	0			0	0.00%	0			0	0.00%
18 Texas A&M University - Health Science Center	1			1	0.02%	2			2	0.04%
19 Texas Southern University	1			1	0.02%	4			4	0.08%
20 Texas State University - San Marcos	75	5	3	83	1.61%	61	2	2	65	1.27%
21 Texas Tech University	145	4	6	155	3.00%	145	4	2	151	2.94%
22 Texas Tech University - Health Science Center	69		2	71	1.37%	53		3	56	1.09%
23 Texas Women's University	10			10	0.19%	18			18	0.35%
24 University of Houston	11			11	0.21%	17			17	0.33%
25 University of Houston - Downtown	1			1	0.02%	1			1	0.02%
26 University of Houston - Clear Lake	0			0	0.00%	1			1	0.02%
27 University of Houston - Victoria	0			0	0.00%	1			1	0.02%
28 University of North Texas	30	2	2	34	0.66%	24	1	1	26	0.51%
29 University of North Texas Health Science Center - Ft Worth	2			2	0.04%	0			0	0.00%
30 University of Texas - Arlington	30		2	32	0.62%	24		1	25	0.49%
31 University of Texas - Austin	162	8	1	171	3.31%	157	4	3	164	3.20%
32 University of Texas - Brownsville	4			4	0.08%	2			2	0.04%
33 University of Texas - Dallas	6			6	0.12%	6	1		7	0.14%
34 University of Texas - El Paso	4,125	87	131	4343	84.10%	4,200	69	76	4345	84.65%
35 University of Texas - Pan American	2			2	0.04%	2			2	0.04%
36 University of Texas - Permian Basin	12			12	0.23%	24		2	26	0.51%
37 University of Texas - San Antonio	64	2	1	67	1.30%	60		1	61	1.19%
38 University of Texas - Tyler	1	1		2	0.04%	0			0	0.00%
39 University of Texas Health Science Center - Houston	1			1	0.02%	3			3	0.06%
40 University of Texas Health Science Center - San Antonio	5			5	0.10%	2			2	0.04%
41 University of Texas Medical Branch - Galveston	0			0	0.00%	3			3	0.06%
42 University of Texas M.D. Anderson Cancer Center	0			0	0.00%	1			1	0.02%
43 University of Texas Southwestern Medical Center - Dallas	3			3	0.06%	0			0	0.00%
44 West Texas A&M University	8		1	9	0.17%	12			12	0.23%
Totals	4,896	114	154	5,164	100.00%	4,954	83	96	5,133	100.00%

2008 Fall Students as of Fall 2010

2007 Fall Students as of Fall 2009

2006 Fall Students as of Fall 2008

2008 Fall Students as of Fall 2010					2007 Fall Students as of Fall 2009					2006 Fall Students as of Fall 2008				
Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
Academic	Technical	Tech-Prep			Academic	Technical	Tech-Prep			Academic	Technical	Tech-Prep		
17		2	19	0.35%	7			7	0.16%	6		1	7	0.18%
1			1	0.02%				0	0.00%	1			1	0.03%
4			4	0.07%	2		1	3	0.07%	1	1		2	0.05%
3			3	0.06%	1			1	0.02%	0			0	0.00%
3			3	0.06%	3			3	0.07%	1			1	0.03%
1			1	0.02%				0	0.00%	2			2	0.05%
34	1	1	36	0.67%	30		2	32	0.75%	16		4	20	0.52%
1			1	0.02%	3			3	0.07%	3			3	0.08%
1			1	0.02%				0	0.00%	0			0	0.00%
42		1	43	0.80%	35			35	0.82%	23			23	0.59%
1			1	0.02%										
1			1	0.02%	1			1	0.02%	1	1		2	0.05%
6		1	7	0.13%	1	1		2	0.05%	3			3	0.08%
6			6	0.11%	1			1	0.02%	2			2	0.05%
1			1	0.02%	2			2	0.05%	1			1	0.03%
1			1	0.02%	1			1	0.02%					
1			1	0.02%	0			0	0.00%	2			2	0.05%
1			1	0.02%	1			1	0.02%	1			1	0.03%
3			3	0.06%	2			2	0.05%	0			0	0.00%
55	1	1	57	1.06%	39		1	40	0.93%	29			29	0.75%
140	3		143	2.67%	101	4	1	106	2.47%	82		5	87	2.25%
43			43	0.80%	14			14	0.33%	3			3	0.08%
12			12	0.22%	4			4	0.09%	1	1	1	3	0.08%
10			10	0.19%	7		1	8	0.19%					
1		1	2	0.04%	1			1	0.02%	1			1	0.03%
2			2	0.04%	2			2	0.05%	1			1	0.03%
			0	0.00%	1			1	0.02%	9			9	0.23%
28	3		31	0.58%	18			18	0.42%	16			16	0.41%
1			1	0.02%				0	0.00%	0			0	0.00%
20	1	1	22	0.41%	10		1	11	0.26%	9		1	10	0.26%
154	1	1	156	2.91%	130	3		133	3.10%	100	1	2	103	2.66%
			0	0.00%				0	0.00%	0			0	0.00%
12	1		13	0.24%	7			7	0.16%	6			6	0.16%
4,496	55	78	4,629	86.41%	3,623	50	102	3,775	88.06%	3,305	49	131	3,485	90.12%
6		2	8	0.15%	7	1		8	0.19%	2			2	0.05%
14	1	1	16	0.30%	12			12	0.28%	4			4	0.10%
60		3	63	1.18%	40		1	41	0.96%	32			32	0.83%
1			1	0.02%	1			1	0.02%			1	1	0.03%
3			3	0.06%				0	0.00%	2			2	0.05%
1			1	0.02%	2			2	0.05%	2			2	0.05%
1			1	0.02%	3			3	0.07%	0			0	0.00%
3			3	0.06%				0	0.00%	0			0	0.00%
6			6	0.11%	6			6	0.14%	1			1	0.03%
5,197	67	93	5,357	100.00%	4,118	59	110	4,287	100.00%	3,668	53	146	3,867	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Capital Asset Information
Last Ten Fiscal Years
(unaudited)

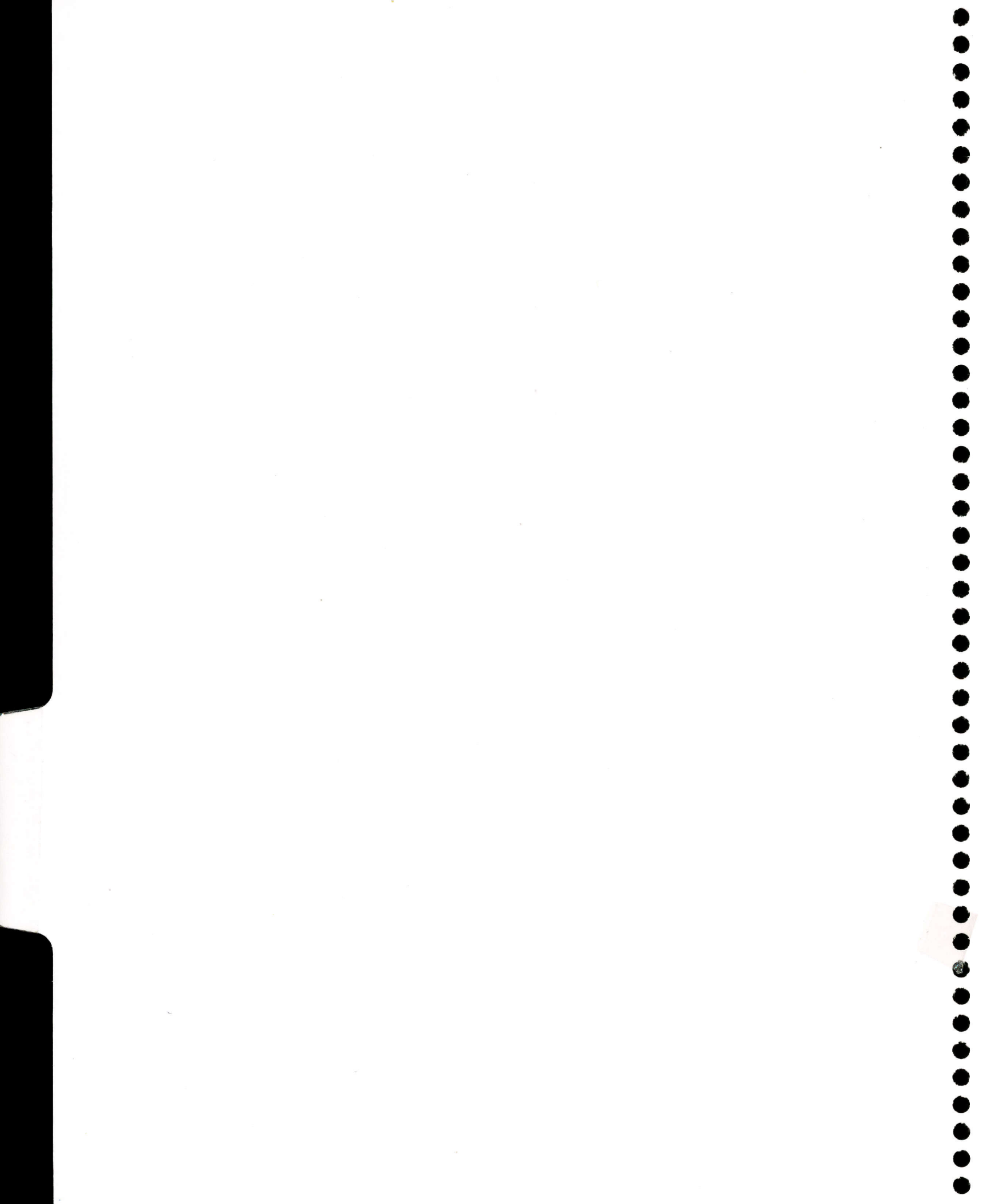
	For the Year Ended August 31,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Academic buildings	25	25	25	23	23	21	21	21	21	21
Square footage	994,344	985,927	985,927	899,857	893,069	862,709	828,218	796,051	796,051	777,367
Libraries			5	5	5	5	5	5	5	5
Square footage	93,801	93,801	93,801	88,501	58,704	58,704	58,704	58,704	58,704	58,704
Number of Volumes <i>(in thousands)</i>	180,748	179,432	177,750	176,955	173,437	169,963	167,941	161,719	155,014	148,111
Admin/support buildings	9	8	8	7	7	7	7	7	7	7
Square footage	625,401	596,034	596,034	584,627	378,494	378,494	378,494	378,497	378,494	428,946
Athletic Facilities	7	7	7	7	7	7	7	7	7	7
Square footage	296,906	296,906	296,906	296,906	295,800	295,800	295,800	295,800	295,800	295,800
Baseball/softball fields	204,059	204,059	204,059	204,059	204,059	204,059	204,059	204,059	204,059	205,059
Gymnasiums	33,807	33,807	33,807	33,807	32,701	32,701	32,701	32,701	32,701	32,701
Tennis Court	59,040	59,040	59,040	59,040	59,040	59,040	59,040	59,040	59,040	59,040
Plant facilities	6	6	6	6	6	6	6	6	6	6
Square footage	19,609	19,609	19,609	19,609	19,609	19,609	19,609	19,609	19,609	19,609
Transportation										
Cars	53	54	52	60	60	63	51	49	45	40
Light Trucks/Vans	68	74	78	84	84	88	83	82	70	66
Buses	3	3	1	2	3	3	3	3	3	3

SINGLE AUDIT SECTION



Mission del Paso Campus





INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULES OF EXPENDITURES OF
FEDERAL AND STATE AWARDS

See page 1 of the Financial Section

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended August 31, 2013

Schedule E

	Federal CFDA Number	Pass-through Grantor's Numbers	Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION:</u>			
Direct Programs:			
Student Financial Assistance Cluster			
Supplemental Education Opportunity Grants	84.007		\$ 1,002,906
Federal College Work study Program	84.033		877,339
Federal Pell Grant Program	84.063		60,612,740
Federal Direct Student Loans	84.268		10,454,378
Total Student Financial Assistance Cluster			<u>72,947,363</u>
TRIO Cluster:			
TRIO Student Support Services	84.042A		631,570
TRIO Upward Bound - Office of Postsecondary Education	84.047A		77
Total TRIO Cluster			<u>631,647</u>
Higher Education Institutional Aid	84.031		363,914
Migrant Education-High School Equivalency Program	84.141A		446,763
Gaining Early Awareness and Readiness for Undergraduate Prog.	84.334A		146,255
Pass Through From:			
Texas Higher Education Coord. Board			
Career and Technical Education -- Basic Grants to States			
Formula Allocation	84.048	134230	569,448
CTE Marketing Project FY 11	84.048	P11105	679
Texasgenuine CTE Strategic Plan 12	84.048	121105	(679)
Texasgenuine CTE Strategic Plan 13	84.048	131107	216,954
Total Career and Technical Education - Basic Grants to States			<u>786,402</u>
Total U.S. Department of Education:			<u>75,322,344</u>
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
Pass Through From:			
Texas Workforce Commission			
State Administrative Matching Grants for the Supplemental Nutrition			
Apprenticeship Program FY 12 12.64%	10.561	1012ATP000	(101)
Apprenticeship Program FY 13 10.70%	10.561	1013ATP000	21,333
Total State Administrative Matching Grants			<u>21,232</u>
Upper Rio Grande Workforce Development Board			
Supplemental Nutrition Assistance Program, Outreach			
Participation Program - Accelerated ESL/GED	10.580	PY12-206-100-00	2,110
Total U.S. Department of Agriculture			<u>23,342</u>
<u>U.S. DEPARTMENT OF DEFENSE:</u>			
Direct Program:			
Procurement Technical Assistance for Business Firms	12.002		302,819
Total U.S. Department of Defense:			<u>302,819</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 Year Ended August 31, 2013

Schedule E (continued)

	Federal CFDA Number	Pass-through Grantor's Numbers	Federal Expenditures
<u>U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT:</u>			
Pass Through From:			
City of El Paso			
Community Development Block Grants/Entitlement Grants	14.218	N/A	28,596
TVP Non-Profit Corporation			
Community Development Block Grants/Entitlement Grants	14.218	N/A	18,099
Project Vida Community Development Corporation			
Community Development Block Grants/Entitlement Grants	14.218	N/A	14,000
Total Community Development Block Grants/Entitlement Grants			<u>60,695</u>
Total U.S. Dept. of Housing & Urban Development:			<u>\$ 60,695</u>
<u>U.S. DEPARTMENT OF LABOR:</u>			
Direct Program:			
Youthbuild	17.274		<u>\$ 221,924</u>
Pass Through From:			
Texas Workforce Commission			
WIA Dislocated Worker Formula Grants			
Apprenticeship Program FY 12 (33.60%)	17.278	1012ATP000	(269)
Apprenticeship Program FY 13 (31.63%)	17.278	1013ATP000	63,043
Upper Rio Grande Workforce Development Board			
WIA Adult Program			
Accelerated ESL/GED Occupancy Training	17.258	PY12-206-100-00	2,110
WIA Youth Activities			
Accelerated ESL/GED Occupancy Training	17.259	PY12-206-100-00	2,110
WIA Dislocated Workers			
Accelerated ESL/GED Occupancy Training	17.260	PY12-206-100-00	<u>2,110</u>
Total U.S. Department of Labor:			<u>291,028</u>
<u>INSTITUTE OF MUSEUMS AND LIBRARY SERVICES:</u>			
Pass Through From:			
Texas State Library and Archives Commission			
Grants to States			
Texas State Library Special Project	45.310	478-12003	660
TSLAC Special Project 2012	45.310	478-13004	42,256
Library Mobile Project	45.310	N/A	<u>13,560</u>
Total Institute of Museums and Library Services:			<u>56,476</u>
<u>NATIONAL SCIENCE FOUNDATION:</u>			
Direct Program:			
Geosciences	47.050		60,660
Education and Human Resources	47.076		134,601
Total Direct Program:			<u>195,261</u>
Pass Through From:			
University of Texas at El Paso			
Education and Human Resources			
UTEP Alliance for Minority Participants	47.076	HRD0703584	(1,095)
UTEP/LSAMP 2011	47.076	HRD0703584	14,855
UTEP/LSAMP 2013	47.076	HRD1202008	11,337
Total Education and Human Resources:			<u>25,097</u>
Total National Science Foundation:			<u>220,358</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 Year Ended August 31, 2013

Schedule E (continued)

	Federal CFDA Number	Pass-through Grantor's Numbers	Federal Expenditures
<u>U.S. SMALL BUSINESS ADMINISTRATION:</u>			
Pass Through From:			
University of Texas at San Antonio			
Small Business Development Centers			
UTSA SBDC JOBS ACT 2011	59.037	1-603001-Z-0155-EPCC	4,541
UTSA SBDC SBA 2012	59.037	2-603001-Z-0049-26-EPCC	36,340
UTSA SBDC SBA 2013	59.037	3-603001-Z-0049-27-EPCC	208,140
Total Small Business Development Centers			<u>249,021</u>
Total U.S. Small Business Administration:			<u>249,021</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Direct Programs:			
National Institutes of Health			
Biomedical Research and Research Training	93.859		430,632
Pass Through From:			
National Institutes of Health			
University of Texas at El Paso			
Biomedical Research and Research Training			
UTEP/NIH Bridges to the Future 2010	93.859	2R25GM049011-10	3,477
UTEP Bridges to the Future 2011	93.859	2R25GM049011-11	184
UTEP Bridges to the Future 2013	93.859	5R25GM049011-13	34,656
UTEP Bridges to the Future 2014	93.859	5R25GM049011-14	12,367
Total Biomedical Research and Research Training			<u>\$ 481,316</u>
The University of Texas at El Paso			
Minority Health and Health Disparities Research			
UTEP Community Health Worker Prog. Yr, 5	93.307	5-R24-MD001785-08	\$ 6,056
Texas Workforce Commission			
Temporary Assistance for Needy Families			
Apprenticeship Program FY 2013 (7.66%)	93.558	1013ATP000	15,260
Total U.S. Dept. of Health and Human Services:			<u>502,632</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Direct Programs:			
Scientific Leadership Awards	97.062		97,371
Total U.S. Department of Homeland Security			<u>97,371</u>
<u>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:</u>			
Pass Through From:			
Georgetown University			
USAID Foreign Assistance for Programs Overseas			
CASS 2012	98.001	EP-RX2050-852-11-A1	142,051
SEED Cycle 2012	98.001	EP-RX2050-705-12-E	268,762
SEED I 2013	98.001	EP-RX2050-705-13-D	57,893
Total USAID Foreign Assistance for Programs Overseas			<u>468,706</u>
Total Federal Financial Assistance:			<u><u>\$ 77,594,792</u></u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of El Paso County Community College District under programs of the federal government for the year ended August 31, 2013. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This schedule has been prepared on the accrual basis of accounting. Revenues are recorded for financial reporting purposes when the College has met the qualifications for the respective program.

NOTE 3. STUDENT LOANS PROCESSED AND ADMINISTRATIVE COST RECOVERED

Federal Grantor CFDA Number/Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed and Administrative Cost Recovered
U. S. Department of Education 84.268 Federal Direct Student Loans	<u>\$10,454,378</u>	<u>\$ -</u>	<u>\$10,454,378</u>

NOTE 4. AMOUNTS PASSED THROUGH BY THE COLLEGE

None

NOTE 5. FEDERAL ASSISTANCE RECONCILIATION

Federal Revenue - Per Schedule E	
Per Schedule of Expenditures of Federal Awards	\$ 77,594,792
Direct Student Loans	(10,454,378)
Non Operating Federal Revenue from Schedule C	<u>(63,124,632)</u>
Total Federal Revenue per Schedule A	<u>\$ 4,015,782</u>

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
 IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
 El Paso County Community College District

We have audited, in accordance with the 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 General of the United States, the financial statements of the business-type activities of El Paso County Community College District as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise El Paso County Community College District's basic financial statements, and have issued our report thereon dated December 20, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered El Paso County Community College District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of El Paso County Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of El Paso County Community College District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Trustees
El Paso County Community College District

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Paso County Community College District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Texas Public Funds Investment Act

We also performed tests of the College's compliance with the requirements of the Texas Public Funds Investment Act (the "Act"). The results of our tests disclosed no instances of non-compliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit and, accordingly, we do not express such an opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
December 20, 2013

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Trustees
El Paso County Community College District

Report on Compliance for Each Major Federal Program

We have audited the El Paso County Community College District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the El Paso County Community College District's major federal programs for the year ended August 31, 2013. The El Paso County Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the El Paso County Community College District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the El Paso County Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the El Paso County Community College District's compliance.

To the Board of Trustees
El Paso County Community College District

Opinion on Each Major Federal Program

In our opinion, El Paso County Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-01. Our opinion on each major federal program is not modified with respect to this matter.

The El Paso County Community College District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The El Paso County Community College District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the El Paso County Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the El Paso County Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the El Paso County Community College District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency,

To the Board of Trustees
El Paso County Community College District

or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2013-01 that we consider to be a significant deficiency.

The El Paso County Community College District's response to the internal control over compliance finding identified in our audit also is described in the accompanying Schedule of Findings and Questioned Costs. The El Paso County Community College District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
December 20, 2013

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
 Year Ended August 31, 2013**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported
- Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Various	Student Financial Assistance Cluster

Dollar threshold used to distinguish between type A and type B programs \$ 300,000

Auditee qualified as low-risk auditee? Yes No

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2013

B. FINDINGS - FINANCIAL STATEMENTS

NONE

C. FINDINGS - FEDERAL AWARD

13-01 Student Financial Assistance- Return of Title IV Funds (Significant Deficiency, Noncompliance)

Federal program information:

Funding agency: U.S. Department of Education
Title: Student Financial Assistance Cluster
CFDA Number: 84.007, 84.033, 84.063, 84.268

CONDITION

During testing, it was noted that the College did not return funds within the required timeframe for 7 of the 25 students tested.

CRITERIA

Per 34 CFR section 668.173(b), an institution returns unearned Title IV, HEA program funds timely if - (1) The institution deposits or transfers the funds into the bank account it maintains under §668.163 no later than 45 days after the date it determines that the student withdrew; (2) The institution initiates an electronic funds transfer (EFT) no later than 45 days after the date it determines that the student withdrew; (3) The institution initiates an electronic transaction, no later than 45 days after the date it determines that the student withdrew, that informs a FFEL lender to adjust the borrower's loan account for the amount returned; or (4) The institution issues a check no later than 45 days after the date it determines that the student withdrew.

QUESTIONED COSTS

This error resulted in a net late payment to the Department of Education of \$2,833. This error was not extrapolated to the entire population as the error was limited to the students tested.

EFFECT

Failure to ensure these funds were returned resulted in an underpayment to the Department of Education.

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2013**

C. FINDINGS - FEDERAL AWARD (CONTINUED)

CAUSE

The personnel responsible for completing the R2T4 calculation was gone for a portion of the end of the fall semester and spring semester which caused the lag time in returning the funds.

RECOMMENDATION

We recommend the College consider training more than one personnel to complete the R2T4 calculations to prevent the College from having any funds being not returned within 45 days.

MANAGEMENT RESPONSE

Management agrees with the finding. This was as a result of a unique situation, due to the abrupt departure of staff with no formal notification to Management. Although other staff are cross trained, it took time for management to determine what work was pending; using up some of the time allotted to return funds (45 days). Consequently, some funds were not returned within the required 45 days. However, all calculations were completed and appropriate funds returned. Since then, current staff have been reassigned duties while the vacancy is filled and all required deadlines are being met.

D. PRIOR YEAR FINDINGS

NONE

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended August 31, 2013**

Schedule F

	State Grantor's Number	State Expenditures
TEXAS WORKFORCE COMMISSION:		
Apprenticeship Program FY 12 (53.76%)	1012ATP000	\$ (430)
Apprenticeship Program FY 13 (50.01%)	1013ATP000	99,690
TWC-Skills for Small Business Program	1012SSD000	200
Total Texas Workforce Commission:		<u>99,460</u>
TEXAS HIGHER EDUCATION COORDINATING BOARD:		
Adult Basic Education		
ABE-IG Adult Basic ED Innovation Grant	02776	67,148
ABE-IG Adult Basic Education Year 3	06752	163,153
Total Adult Basic Education:		<u>230,301</u>
Nursing Innovations		
Complete College America	5690	38,267
Puente	02776/08820/10809	46,620
Texas Grant	02776/08820/10809	128,865
Texas Grant Initial (DC429)	N/A	1,187,960
Texas Grant Renewal (DC324)	N/A	576,279
Total Texas Grant:		<u>1,764,239</u>
TEOG Grant		
TEOG Init'l (DC354)-Formerly TXGrt2	N/A	251,958
TEOG Renw'l (DC457)-Formerly TXGrt2	N/A	222,082
Total TEOG Grants		<u>474,040</u>
State Workstudy 2012-2013		
Top 10 Percent Scholarship	N/A	110,833
TOP 10 RENEWAL SCHOLARSHIP	N/A	217,307
Total Top 10		<u>45,592</u>
Comm College Development Ed Initiative Prg.		
T-STEM Scholarships	CMS 2431	1,963
T-STEM 2012 Scholarships	9259	262,352
T-STEM 2013 Scholarships	11272	27,500
Total T-STEM Scholarships:		<u>289,852</u>
SGPD		
Tuition Assistance - Military Forces	N/A	15,468
Total Texas Higher Education Coordinating Board:		<u>802,108</u>
TEXAS DEPT. OF ASSISTIVE & REHABILITATIVE SERVICES:		
DARS Interpretative Services	538-08-001-000000000540	12,325
Total State Financial Assistance:		<u>\$ 4,277,240</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
August 31, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes the state grant activity of El Paso County Community College District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the State of Texas Single Audit. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. AMOUNTS PASSED THROUGH THE COLLEGE

None

NOTE 3. STATE ASSISTANCE RECONCILIATION

State Revenue - Per Schedule F	
Per Schedule of Expenditures of State Awards	\$ 4,277,240
SGPD Awards from prior period set-asides	(15,468)
Non Operating State Revenue from Schedule C	(663,584)
Total State Revenue per Schedule A	<u>\$ 3,598,188</u>

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Board of Trustees
 El Paso County Community College District

Report on Compliance for Each Major State Program

We have audited the El Paso County Community College District's compliance with the types of compliance requirements described in the State of Texas Single Audit Circular that could have a direct and material effect on each of the El Paso County Community College District's major state programs for the year ended August 31, 2013. The El Paso County Community College District's major state programs are identified in the summary of auditor's results section of the accompanying State Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of El Paso County Community College District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of Texas Single Audit Circular. Those standards and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the El Paso County Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Board of Trustees
El Paso County Community College District

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of El Paso County Community College District's compliance.

Opinion on Each Major State Program

In our opinion, the El Paso County Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of each major state program for the year ended August 31, 2013.

Report on Internal Control Over Compliance

Management of The El Paso County Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the El Paso County Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over state compliance. Accordingly, we do not express an opinion on the effectiveness of the El Paso County Community College District's internal control over state compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over state compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over state compliance, yet important enough to merit attention by those charged with governance.

To the Board of Trustees
El Paso County Community College District

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over state compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over state compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over state compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
December 20, 2013

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
 Year Ended August 31, 2013**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?

Yes No

- Significant deficiency(ies) identified?

Yes None Reported

Non-compliance material to financial statements noted?

Yes No

State Awards

Internal control over major programs:

- Material weakness (es) identified?

Yes No

- Significant deficiency (ies) identified?

Yes None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State of Texas Single Audit Circular?

Yes No

Identification of Major Programs:

Grant Number Name of State Program or Cluster

None TEXAS GRANTS

Dollar threshold used to distinguish between type A and type B programs

\$ 300,000

Auditee qualified as low-risk auditee?

Yes No

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2013

B. FINDINGS - FINANCIAL STATEMENTS

NONE

C. FINDINGS - STATE AWARD

NONE

D. PRIOR YEAR FINDINGS

NONE



