

Tacoma Community College

**FINANCIAL REPORTS**

For Fiscal Year Ended  
June 30, 2014



September 2014

# TACOMA COMMUNITY COLLEGE

## TABLE OF CONTENTS 2013 - 2014 FINANCIAL REPORTS

<u>DESCRIPTION</u>	<u>PAGE</u>
SCHEDULE OF FUND GROUPS .....	1
CONSOLIDATED BALANCE SHEET .....	2
SOURCES OF FUNDS and APPLICATION by ALL FUND GROUPS .....	3
SOURCES AND USES OF FUNDS - OPERATING BUDGET .....	4
CHART: OPERATING BUDGET REVENUE SOURCES .....	5
CHART: EXPENDITURES by CATEGORY and PROGRAM .....	6
CHART: REVENUE SOURCES - 3 YR COMPARISON .....	7
RESERVES AVAILABLE FOR COLLEGE OPERATIONS .....	8
LOCAL FUNDS ACTIVITY.....	9
OPERATING BUDGET STATUS REPORT .....	10
CHART: OPERATING EXPENDITURES by PROGRAM .....	11
NOTES TO FINANCIAL REPORTS .....	12-13

# TACOMA COMMUNITY COLLEGE

## SCHEDULE OF FUND GROUPS

<u>TITLE OF FUNDS</u>	<u>Current Funds</u>	<u>Loan Funds</u>	<u>Plant Funds</u>	<u>Agency Funds</u>
<b><u>GOVERNMENTAL</u></b>				
General Funds	001			
Education Legacy Trust Account	08A			
Special Revenue Funds				
Grants and Contracts	145			
Capital - Local			147	
Dedicated Local	148			
Operating Fees	149			
CTC Innovation	561			
Capital Project Funds				
State Building Construction			057	
Community / Technical College Capital Projects			060	
Education Construction Account			253	
<b><u>PROPRIETARY FUNDS</u></b>				
Internal Service Funds				
Campus Stores	440			
CIS - Equipment Reserve	443			
Printing / Mail Services	448			
Motor Pool	460			
Enterprise Funds				
Associated Students	522			
Bookstore	524			
Parking	528			
Dining Services	569			
Other Auxiliary Enterprises	570			
<b><u>FIDUCIARY (TRUST / AGENCY) FUNDS</u></b>				
Expendable Trust Funds				
Grants in Aid	846			
Work Study	850			
Student Loans		849		
Institutional Financial Aid		860		
Agency				
Community & Technical College Clearing				790
Agency and Suspense				840
Community & Technical College Cash Control				841
<b><u>GENERAL CAPITAL ASSET AND LONG TERM OBLIGATIONS</u></b>				
General Fixed Asset Subsidiary	997			
Long Term Obligations Subsidiary	999			

# TACOMA COMMUNITY COLLEGE

## Consolidated Balance Sheet by All Fund Groups For Fiscal Year Ending June 30, 2014

	Current Funds	Loan Funds	Plant Funds	Agency Funds	Total All Funds
<b><u>ASSETS</u></b>					
Cash and Investment	\$ 179,349			\$ 27,768,711	\$ 27,948,060
Due fr Other Funds Pooled Cash	24,725,593	\$ (115,893)	\$ 193,387	1,861,186	26,664,273
Accounts Receivable (net allowance)	514,940	755,681		343,783	1,614,404
Due fr Federal Government	628,303			89,623	717,926
Due fr Other Gov't (county/school dist)	834,528				834,528
Due fr Other Funds	238,585		8,140		246,725
Due fr Other State Agencies	513,871			21,026	534,897
Inventories	512,645				512,645
Pre-Paid Expenses	45,012				45,012
Vendor Payment Advance	279,200		117,997	326,859	724,056
Long Term Obligations	4,548,254				4,548,254
Land	1,450,071				1,450,071
Buildings	87,282,467				87,282,467
Other than Bldgs	4,424,056				4,424,056
Library	2,879,539				2,879,539
Furniture & Equipment	8,181,098				8,181,098
Net Depreciation	(40,412,328)				(40,412,328)
Construction in Progress	29,625,871				29,625,871
<b>TOTAL ASSETS</b>	<b>\$ 126,451,054</b>	<b>\$ 639,788</b>	<b>\$ 319,525</b>	<b>\$ 30,411,188</b>	<b>\$ 157,821,554</b>
<b><u>LIABILITIES</u></b>					
Due Other Funds-Pooled Cash				\$ 26,664,273	\$ 26,664,273
Accounts Payable	\$ 766,531		\$ 46,169	122,736	935,436
Due Federal Government	56,482				56,482
Due Other Funds	26,416		209,969	10,340	246,725
Due Other State Agencies	100,145				100,145
Accrued Salaries Payable	959,510	\$ 696	1,562		961,768
Accrued Leave Payable	2,902,072				2,902,072
Deferred Revenue	338,360			3,030,521	3,368,881
Other Accrued Liabilities	43,294			446,181	489,475
Vender Pay Advance Payable	259,172		67,687	397,197	724,056
Loans - State COP's / Local	2,233,000				2,233,000
<b>TOTAL LIABILITIES</b>	<b>\$ 7,684,982</b>	<b>\$ 696</b>	<b>\$ 325,387</b>	<b>\$ 30,671,248</b>	<b>\$ 38,682,313</b>
<b><u>RESERVES</u></b>					
Fund Balance	\$ 11,658,745	\$ 639,092	\$ (5,862)	\$ (260,060)	\$ 12,031,915
Retained Earnings	18,100,480				18,100,480
Investment in Fixed Assets	89,006,846				89,006,846
<b>TOTAL RESERVES</b>	<b>\$ 118,766,072</b>	<b>\$ 639,092</b>	<b>\$ (5,862)</b>	<b>\$ (260,060)</b>	<b>\$ 119,139,241</b>
<b>TOTAL LIABILITIES and RESERVES</b>	<b>\$ 126,451,054</b>	<b>\$ 639,788</b>	<b>\$ 319,525</b>	<b>\$ 30,411,188</b>	<b>\$ 157,821,554</b>

# TACOMA COMMUNITY COLLEGE

## Sources of Funds and Application by All Fund Groups For Fiscal Year Ending June 30, 2014

	<u>Current Funds</u>	<u>Loan Funds</u>	<u>Plant Funds</u>	<u>Total All Funds</u>
<b><u>SOURCE OF FUNDS</u></b>				
State Treasury	\$ 18,157,723		\$ 16,924,171	\$ 35,081,894
Federal Grnt/Contract/Loan	15,545,043	\$ 12,642,562		28,187,605
Tuition / Fees	23,207,112	908,901	(57,639)	24,058,374
Income fr Property	516,818			516,818
Sales of Supplies/Mat/Srvcs	3,775,640			3,775,640
Dedicated Revenue	3,237,491			3,237,491
Merchandise Sales	2,934,972			2,934,972
Other Revenue	75,249			75,249
Private Contracts/Grants	1,446,356			1,446,356
Local Gov't Contracts	3,788,067			3,788,067
State Gov't Contracts /Grants	9,714,916			9,714,916
Fund Transfer In	3,446,045		125,557	3,571,602
<b>ALL SOURCES OF FUNDS</b>	<b>\$ 85,845,434</b>	<b>\$ 13,551,463</b>	<b>\$ 16,992,089</b>	<b>\$ 116,388,986</b>
 <b><u>APPLICATION OF FUNDS</u></b>				
Salary/ Wages	\$ 30,860,789	\$ 120,759	\$ 32,445	\$ 31,013,992
Benefits	9,918,530	8,496	9,739	9,936,764
Goods/ Services/ Travel	7,446,546		\$ 1,676,742	9,123,288
Scholarship & Grants	23,567,712	13,271,534		36,839,245
Cost of Goods Sold	2,139,750			2,139,750
Capital Outlay	1,562,538		14,068,014	15,630,552
Depreciation/Bad Debts	201,892			201,892
Debt Service-Interest	260,189			260,189
Intra-Agency Reimbursements	(349,500)		349,500	-
Fund Transfer Out	3,571,603			3,571,603
<b>ALL APPLICATION OF FUNDS</b>	<b>\$ 79,180,047</b>	<b>\$ 13,400,788</b>	<b>\$ 16,136,439</b>	<b>\$ 108,717,275</b>
<b>FISCAL NET ADJUSTMENT</b>	<b>6,665,386</b>	<b>150,675</b>	<b>855,650</b>	<b>7,671,711</b>
<b>FISCAL BEGINNING BALANCE</b>	<b>23,093,839</b>	<b>488,418</b>	<b>(861,512)</b>	<b>22,720,745</b>
<b>FISCAL ENDING BALANCE</b>	<b>\$ 29,759,225</b>	<b>\$ 639,093</b>	<b>\$ (5,862)</b>	<b>\$ 30,392,456</b>

# TACOMA COMMUNITY COLLEGE

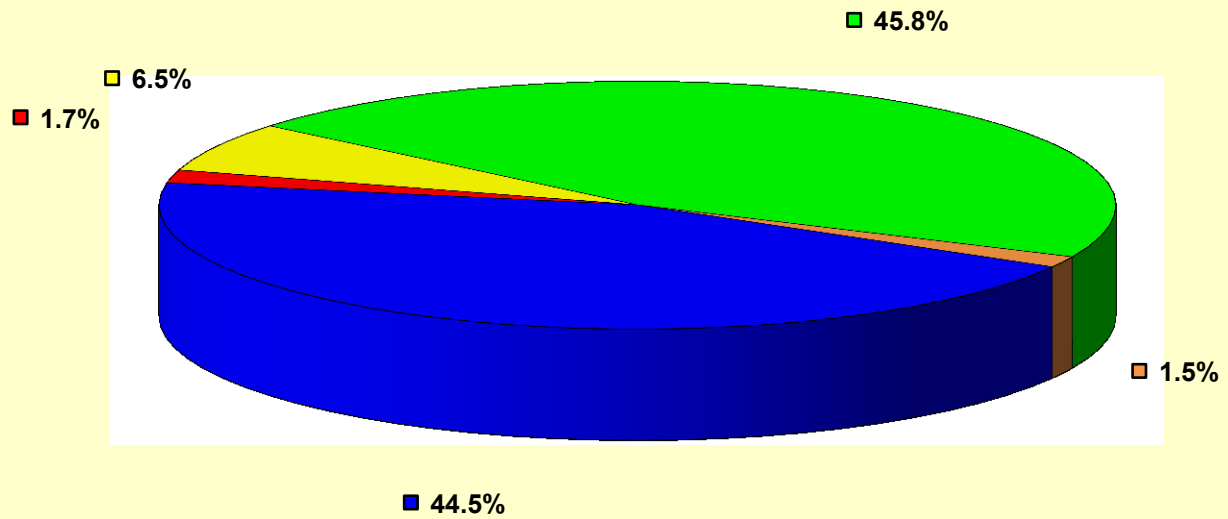
## Sources and Uses of Funds - Operating Budget For Fiscal Year Ending June 30, 2014

	2012-13 Actual End of Year	2013-14 Actual End of Year	2013-14 Adopted Budget	Variance (Actual to Budget)	Variance Percent
<b><u>Operating Revenue</u></b>					
State Allocation:					
Restricted	\$ 2,339,963	\$ 2,371,134	\$ 1,742,327	\$ 628,807	36.1%
Unrestricted	15,556,596	16,624,993	\$ 16,544,760	80,233	0.5%
Budget Reduction Initial Allocation	(540,346)	-	\$ -	-	
<b>Sub-Total State Allocation</b>	<b>\$ 17,356,213</b>	<b>\$ 18,996,127</b>	<b>\$ 18,287,087</b>	<b>\$ 709,040</b>	3.9%
Local Revenue					
Running Start Program	\$ 2,101,224	\$ 2,765,809	\$ 1,500,000	\$ 1,265,809	84.4%
Bldg Fee/Excess Enrollment	711,229	722,715	500,000	222,715	0.0%
General Fees/Overhead	569,222	620,775	285,000	335,775	117.8%
ABE Tuition Support	14,705	14,318	-	14,318	0.0%
Tuition/Operating Fees	18,959,115	19,542,324	15,513,686	4,028,638	26.0%
<b>Sub-Total Local Revenue</b>	<b>\$ 22,355,495</b>	<b>\$ 23,665,941</b>	<b>\$ 17,798,686</b>	<b>\$ 5,867,255</b>	<b>33.0%</b>
<b>Total Operating Revenue</b>	<b>\$ 39,711,708</b>	<b>\$ 42,662,068</b>	<b>\$ 36,085,773</b>	<b>\$ 6,576,295</b>	<b>18.2%</b>
<b><u>Operating Expense by Category</u></b>					
Salaries	\$ 23,193,481	\$ 24,193,886	\$ 23,001,646	\$ (1,192,240)	-5.2%
Benefits	7,636,149	8,023,965	7,583,188	(440,777)	-5.8%
Goods & Services	3,831,467	3,938,969	4,162,727	223,758	5.4%
Equipment / Leases	1,238,884	1,101,894	733,886	(368,008)	-50.1%
Travel	197,458	212,594	217,541	4,947	2.3%
WF/WR Financial Aid	382,434	609,179	386,785	(222,394)	-57.5%
<b>Total Operating Expense</b>	<b>\$ 36,479,873</b>	<b>\$ 38,080,487</b>	<b>\$ 36,085,773</b>	<b>\$ (1,994,714)</b>	<b>-5.5%</b>
<b>Operating Income</b>	<b>\$ 3,231,835</b>	<b>\$ 4,581,581</b>	<b>\$ -</b>	<b>\$ 4,581,581</b>	
<b><u>Program Expense</u></b>					
Instruction & Primary Support	\$ 22,297,833	\$ 22,807,535	\$ 20,043,813	\$ (2,763,722)	-13.8%
Library & Learning Resources	796,670	838,812	808,535	(30,277)	-3.7%
Student Services	4,091,086	4,241,205	4,487,780	246,575	5.5%
Institutional Support	5,851,924	6,055,102	6,942,092	886,990	12.8%
Plant Operations & Maintenance	3,059,926	3,528,654	3,416,768	(111,886)	-3.3%
WF/WR Financial Aid	382,434	609,179	386,785	(222,394)	-57.5%
<b>Total by Program Expense</b>	<b>\$ 36,479,873</b>	<b>\$ 38,080,487</b>	<b>\$ 36,085,773</b>	<b>\$ (1,994,714)</b>	<b>-5.5%</b>
<b>NOTES:</b>					
Beginning State Allocation	\$ 17,342,060		Allocation 3 (cont'd) - Add'l FTE & Step M	\$ 10,273	
Allocation 2 - Wk Retrain Reallocation	363,416		Allocation 4 - Student Achieve/Basic Skills	247,625	
Allocation 3 - Add'l Base	581,611		Allocation 5/6 - IT Reduction/Wkrs Comp Change	5,456	
Sub-Total	\$ 18,287,087		Allocation 7/8 - System IT Cost Distribution	241,171	
			Allocation 9 - Revolving Charges	132,416	
			Allocation 10 - Reserve Release	72,099	
			Sub-Total	\$ 709,040	
			End of FY State Allocation Total	\$ 18,996,127	

# TACOMA COMMUNITY COLLEGE OPERATING BUDGET

For Fiscal Year Ending June 30, 2014

## REVENUE SOURCES

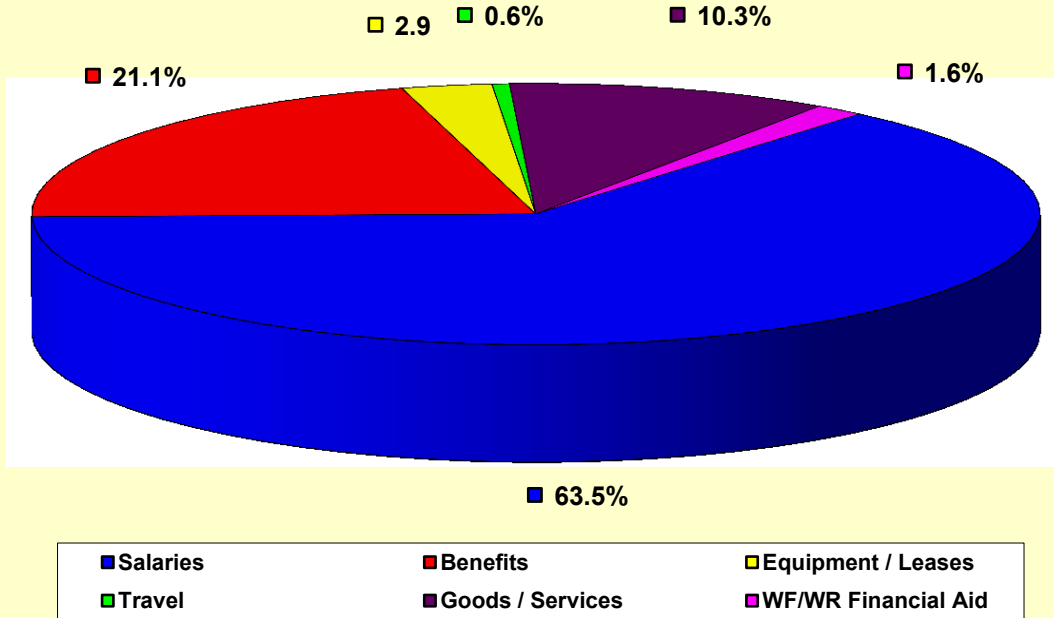


■ State Allocation	■ Building Fee EE	■ Running Start
■ Tuition	■ General Fees	

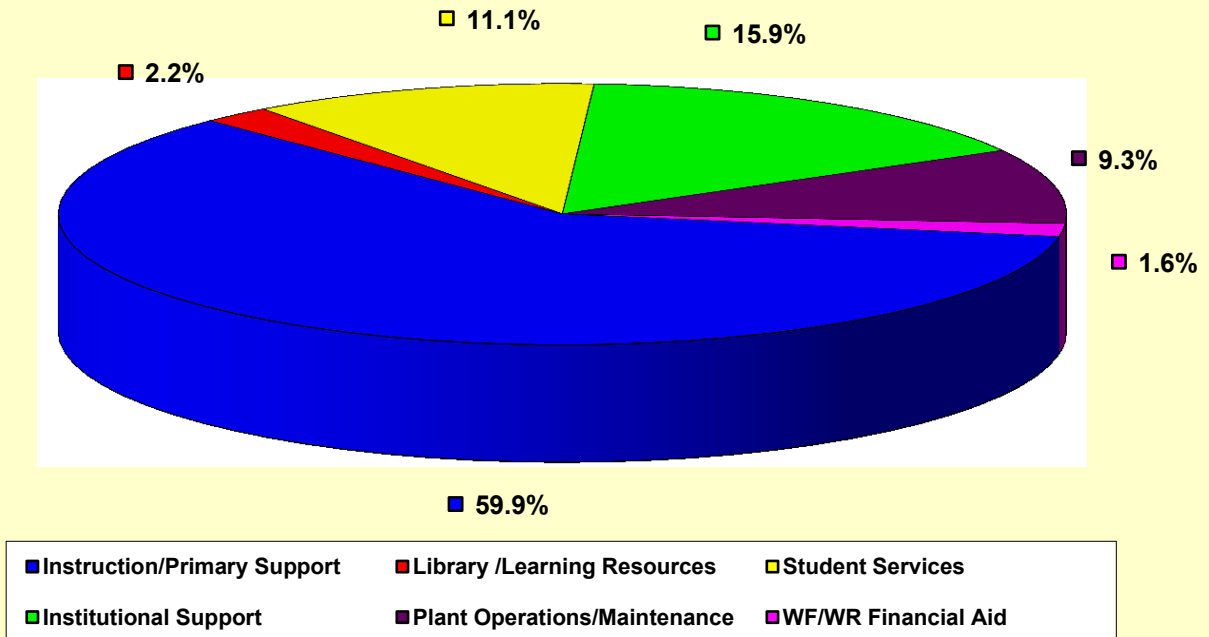
# TACOMA COMMUNITY COLLEGE OPERATING BUDGET

For Fiscal Year Ending June 30, 2014

## CATEGORY EXPENSES

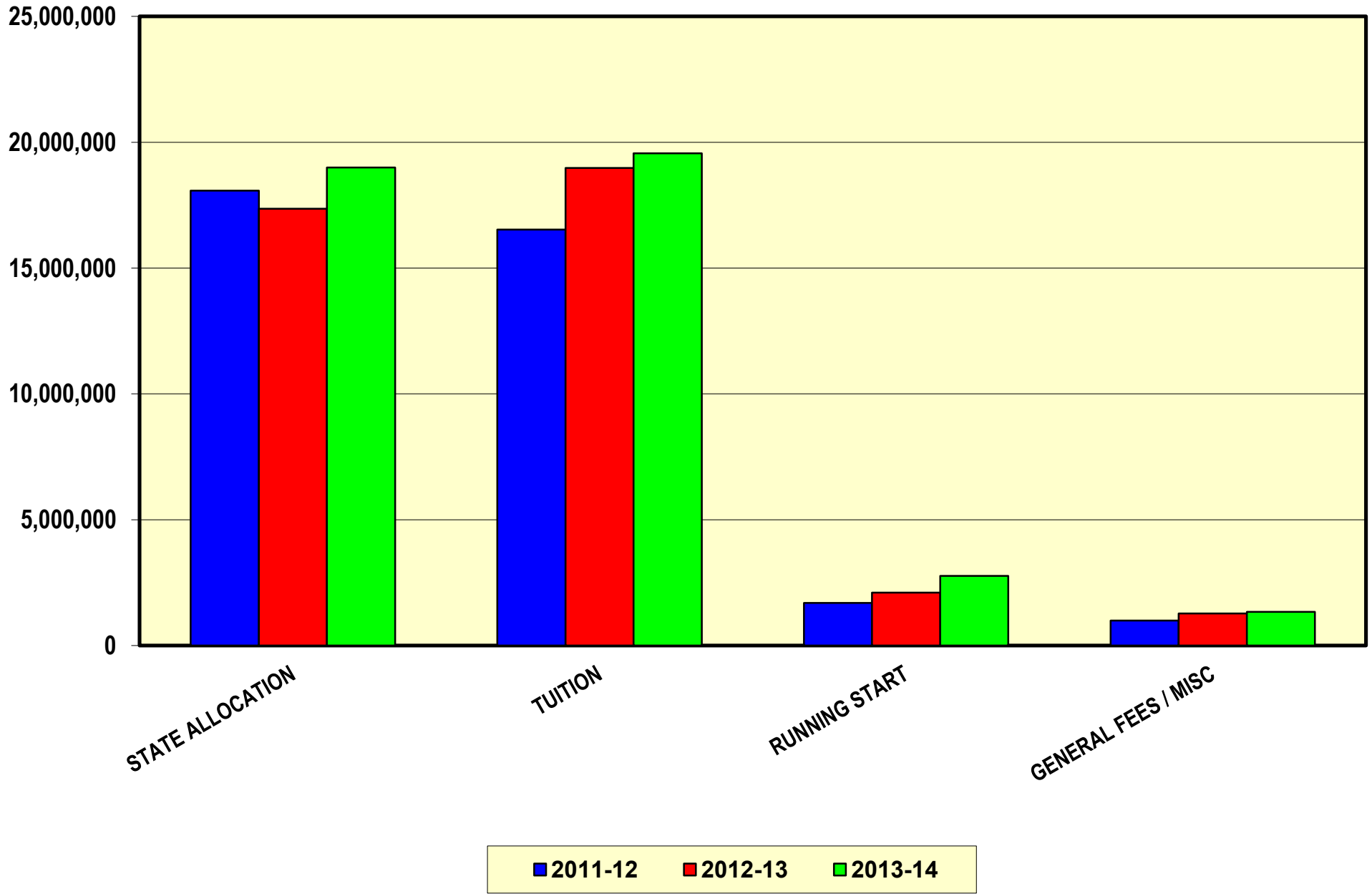


## PROGRAM EXPENSES





# Operating Budget Revenue Support



# TACOMA COMMUNITY COLLEGE

## Reserves Available for use for College Operations For Fiscal Year Ending June 30, 2014

	DEDICATED LOCAL Fund 148	OPERATING FEES Fund 149	GRANTS / CONTRACTS Fund 145	EXCESS ENROLLMT Fund 570	COMBINED FUNDS TOTAL
<b>BEGINNING BALANCE 7-1-13</b>	<b>\$ 20,462</b>	<b>\$ 13,773</b>	<b>\$ 4,945,845</b>	<b>\$ 6,221,095</b>	<b>\$ 11,201,175</b>
<b>Revenue</b>					
Tuition		13,714,753			13,714,753
Tuition/Bldg Fees fr Excess Enroll	6,574,603				6,574,603
Miscellaneous	214,380				214,380
Private Contracts & Grants	259,049				259,049
Local Govt Contracts & Grants			2,765,809		2,765,809
State Govt Contracts & Grants	157,173				157,173
Interfund Transfer In / (Out)	(2,907,686)			2,837,697	(69,989)
<b>Total Revenue</b>	<b>4,297,519</b>	<b>13,714,753</b>	<b>2,765,809</b>	<b>2,837,697</b>	<b>23,615,778</b>
<b>Expense</b>					
Salaries / Benefits	2,160,518	11,693,865	1,771,006		15,625,389
Other Operating Expenses	1,651,121	2,025,860	37,483		3,714,465
<b>Sub-Total Expense</b>	<b>3,811,640</b>	<b>13,719,726</b>	<b>1,808,489</b>	<b>0</b>	<b>19,339,854</b>
<b>FY NET REVENUE/ EXPENSE</b>	<b>\$ 485,879</b>	<b>\$ (4,973)</b>	<b>\$ 957,320</b>	<b>\$ 2,837,697</b>	<b>\$ 4,275,924</b>
<b>RESERVE ACTIVITY</b>					
General One-Time Expenditures	356,141	4,656			360,797
Revenue Trnsfr funding CTC Link Project	48,000				48,000
\$200 Employee Recognition	99,200				99,200
<b>RESERVE COMMITMENT (1)</b>			5,000,000	3,016,208	8,016,208
<b>ENDING BALANCE 6-30-14</b>	<b>\$ 3,000</b>	<b>\$ 4,144</b>	<b>\$ 903,165</b>	<b>\$ 6,042,584</b>	<b>\$ 6,952,894</b>

**NOTES**

	<u>Approved</u>	<u>Balance Remaining</u>
(1) Board approved (6/14) 2014-15 Strategic Options	\$ 2,359,399	\$ 2,359,399
(1) Board approved (6/14) Faculty Training Opportunities	\$ 350,000	\$ 350,000
(1) Board approved (6/14) Capital Investments	\$ 4,500,000	\$ 4,500,000
(1) Board approved 2009-13 Strategic Options	\$ 2,177,255	\$ 806,809
Remaining Commitment to Reserves		<b>\$ 8,016,208</b>

Reserve Policy approved during 2004-05 established that the reserve balance will be maintained at a minimum of 15% of the college operating budget.

Reserves available fiscal year end 2011-12	\$	7,790,653
Beginning budget 2012-13, approved 6/12		33,926,490
% of Reserves to beginning budget		22.96%
Reserves available fiscal year end 2012-13	\$	10,976,620
Beginning budget 2013-14, proposed		36,085,773
% of Reserves to beginning budget		30.42%
Reserves available fiscal year end 2013-14	\$	6,952,894
Beginning budget 2014-15, proposed		39,219,657
% of Reserves to beginning budget		17.73%

# TACOMA COMMUNITY COLLEGE

## Local Funds Activity for Fiscal Year Ending June 30, 2014

Fund	Fund / Account Title	Beginning 7/1/13	Revenue / Transfers	Expense / Transfers	Ending 6/30/14
<b>SPECIAL REVENUE FUNDS</b>					
145	Grants / Contracts				
	Misc Grants/Contracts	\$ 2,027,981	\$ 7,781,291	\$ 6,402,256	\$ 3,407,016
	Foundation Support	0	386,137	386,137	0
	<i>Operating Support / Reserves</i>	4,945,845	2,765,809	1,808,489	5,903,165
147	Capital - Local	986,460	125,557	918,630	193,387
148	Dedicated Local				
	Computer Literacy Assessmt	416	0	0	416
	Continuing Education	510,523	118,745	355,761	273,507
	Course Fees	531,667	828,411	759,249	600,829
	E-Learning On-Line	290,658	830,892	720,679	400,871
	Early Childhood Ed Bldg Fee	422,933	262,652	164,501	521,084
	Emergency Med Tech	1,291	85,980	96,725	(9,454)
	Open Ed Resource Proj	85,407	0	85,407	0
	Prior Learning Assmt/e-Portfolio	695	0	0	695
	Technology Fee	330,727	374,670	35,125	670,272
	Testing	65,140	570	0	65,710
	CTC First Link Support	198,748	48,000	131,384	115,364
	<i>Operating Support / Reserves</i>	20,462	4,092,347	4,109,809	3,000
149	Operating Fees				
	<i>Operating Support / Reserves</i>	13,773	13,714,753	13,724,382	4,144
561	CTC Innovation	557	631,124	629,482	2,200
<b>INTERNAL SERVICE FUNDS</b>					
440	Campus Stores	17,455	1,029	1,029	17,455
443	CIS Equipment Reserve	37,876	26	37,902	0
448	Printing / Mail Services	(106,676)	275,345	297,893	(129,224)
460	Motor Pool	(13,770)	27,870	32,036	(17,937)
<b>ENTERPRISE FUNDS</b>					
522	Associated Students	6,401,302	2,997,203	1,988,937	7,409,569
524	Bookstore	582,361	2,918,045	2,677,775	822,631
528	Parking	1,408,504	565,053	409,791	1,563,765
569	Dining Services	(1,324,896)	29,594	5,604	(1,300,906)
570	Other Auxilliary Enterprises				
	Misc Enterprises	588,785	417,723	330,172	676,336
	<i>Operating Support / Reserves</i>	6,221,094	2,837,697	0	9,058,791
<b>EXPENDABLE TRUST FUNDS</b>					
846	Grants in Aid				
	Misc Grants	247,452	21,498,218	21,360,553	385,117
	Foundation - Student Scholarships / Exceptional Faculty Awards	8,095	228,931	292,728	(55,702)
849	Student Loan	98,685	12,642,562	12,644,291	96,956
850	Work Study	0	240,819	240,819	0
860	Institutional Financial Aid	389,733	908,901	756,498	542,136

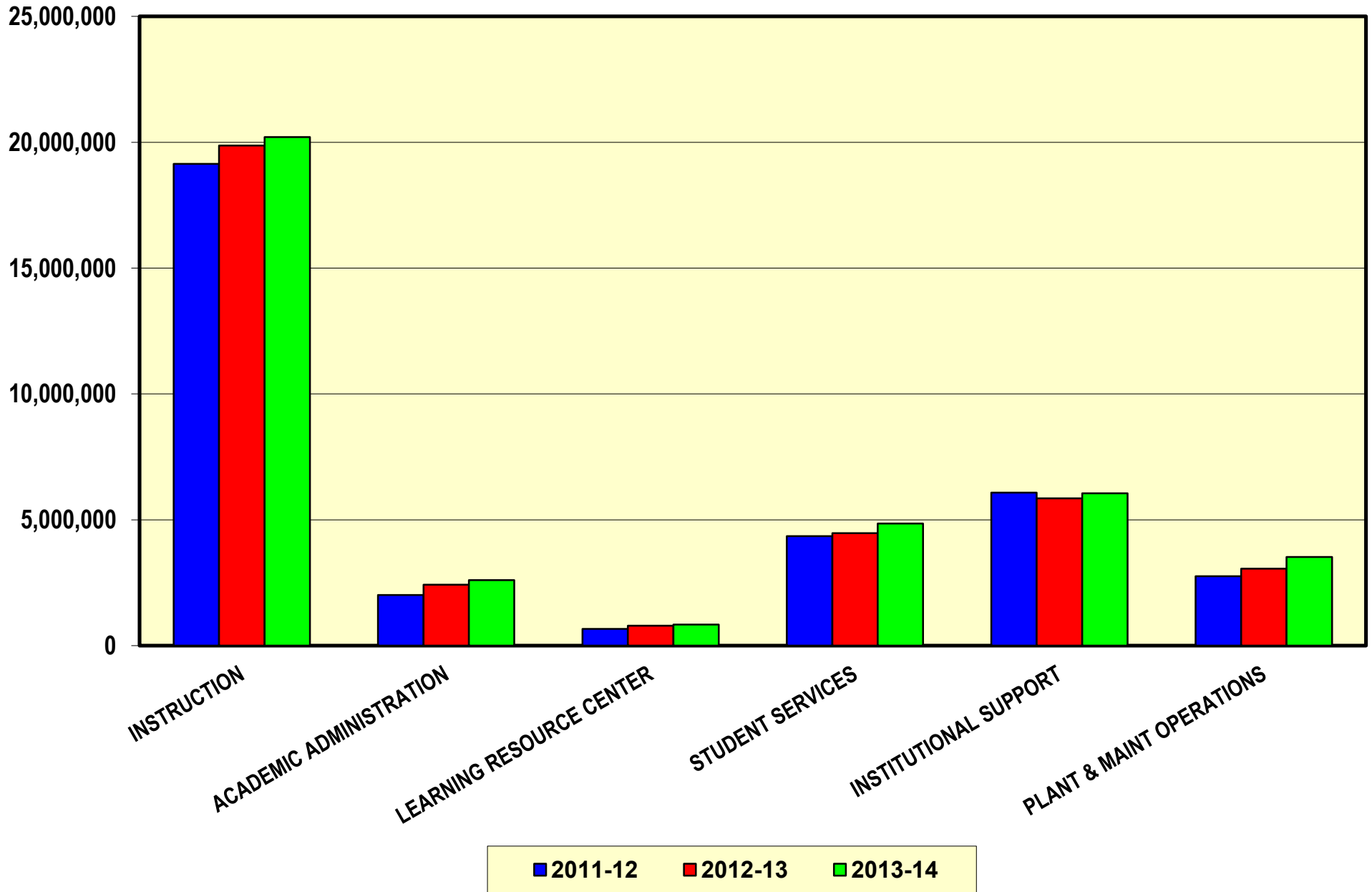
# TACOMA COMMUNITY COLLEGE

## Operating Budget Status Report For Fiscal Year Ending June 30, 2014

PROGRAM	TITLE	ADOPTED BUDGET	BUDGET AT 6/30/2014	EXPENDITURES AT 6/30/2014	BALANCE REMAINING AT 6/30/2014	PERCENT REMAINING AT 6/30/2014
<b>010</b>	<b><u>INSTRUCTION</u></b>					
	SALARIES / WAGES	12,849,032	13,139,595	14,867,432	(\$1,727,837)	-13.1%
	EMPLOYEE BENEFITS	4,187,697	4,207,006	4,821,852	(614,846)	-14.6%
	GOODS / SERVICES	256,240	307,558	281,094	26,464	8.6%
	EQUIPMENT	146,574	167,050	128,943	38,107	22.8%
	TRAVEL	67,576	72,576	104,322	(31,746)	-43.7%
	<b>TOTAL INSTRUCTION</b>	<b>\$17,507,119</b>	<b>\$17,893,785</b>	<b>\$20,203,643</b>	<b>(\$2,309,858)</b>	<b>-12.9%</b>
<b>040</b>	<b><u>ACADEMIC SUPPORT SERVICES</u></b>					
	SALARIES / WAGES	1,563,345	1,565,819	1,485,936	\$79,883	5.1%
	EMPLOYEE BENEFITS	489,555	489,740	479,006	10,734	2.2%
	GOODS / SERVICES	124,794	124,794	104,948	19,846	15.9%
	EQUIPMENT	348,500	463,500	521,863	(58,363)	-12.6%
	TRAVEL	10,500	10,500	12,138	(1,638)	-15.6%
	<b>TOTAL ACADEMIC SUPPORT SERVICES</b>	<b>\$2,536,694</b>	<b>\$2,654,353</b>	<b>\$2,603,892</b>	<b>\$50,461</b>	<b>1.9%</b>
<b>050</b>	<b><u>LIBRARY / LEARNING RESOURCES</u></b>					
	SALARIES / WAGES	512,307	527,807	531,282	(\$3,475)	-0.7%
	EMPLOYEE BENEFITS	181,028	183,508	175,346	8,162	4.4%
	GOODS / SERVICES	79,690	104,890	93,101	11,789	11.2%
	EQUIPMENT / LIBRARY COLLECTION	35,240	37,040	36,338	702	1.9%
	TRAVEL	270	270	2,746	(2,476)	0.0%
	<b>TOTAL LEARNING RESOURCES</b>	<b>\$808,535</b>	<b>\$853,515</b>	<b>\$838,812</b>	<b>\$14,703</b>	<b>1.7%</b>
<b>060</b>	<b><u>STUDENT SERVICES</u></b>					
	SALARIES / WAGES	2,984,391	3,031,728	2,894,889	\$136,839	4.5%
	EMPLOYEE BENEFITS	956,455	948,818	886,427	62,391	6.6%
	GOODS / SERVICES	514,959	289,701	367,788	(78,087)	-27.0%
	EQUIPMENT	1,225	1,225	75,347	(74,122)	-6050.8%
	TRAVEL	30,750	30,750	16,754	13,996	45.5%
	Opportunity Grant/Wk Retrain FINANCIAL AID	386,785	608,543	609,179	(636)	-0.1%
	<b>TOTAL STUDENT SERVICES</b>	<b>\$4,874,565</b>	<b>\$4,910,765</b>	<b>\$4,850,384</b>	<b>\$60,381</b>	<b>1.2%</b>
<b>080</b>	<b><u>INSTITUTIONAL SUPPORT</u></b>					
	SALARIES / WAGES	3,473,071	3,422,515	3,172,087	\$250,428	7.3%
	EMPLOYEE BENEFITS	1,159,423	1,159,716	1,138,924	20,792	1.8%
	GOODS / SERVICES	2,017,506	1,997,392	1,488,150	509,242	25.5%
	EQUIPMENT	192,347	192,347	183,808	8,539	4.4%
	TRAVEL	99,745	153,595	72,134	81,461	53.0%
	<b>TOTAL INSTITUTIONAL SUPPORT</b>	<b>\$6,942,092</b>	<b>\$6,925,565</b>	<b>\$6,055,102</b>	<b>\$870,463</b>	<b>12.6%</b>
<b>090</b>	<b><u>PLANT OPERATION / MAINTENANCE</u></b>					
	SALARIES / WAGES	1,619,500	1,620,226	1,242,260	\$377,966	23.3%
	EMPLOYEE BENEFITS	609,030	609,084	522,410	86,674	14.2%
	GOODS / SERVICES	1,096,850	1,195,450	1,603,887	(408,437)	-34.2%
	EQUIPMENT	10,000	65,000	82,908	(17,908)	-27.6%
	TRAVEL	8,700	8,700	4,501	4,199	48.3%
	DEBT SERVICE	72,688	72,688	72,688	0	0.0%
	<b>TOTAL PLANT OPERATION / MAINTENANCE</b>	<b>\$3,416,768</b>	<b>\$3,571,148</b>	<b>\$3,528,654</b>	<b>\$42,494</b>	<b>1.2%</b>
<b>GRAND TOTAL</b>		<b>\$36,085,773</b>	<b>\$36,809,131</b>	<b>\$38,080,487</b>	<b>(\$1,271,356)</b>	<b>-3.5%</b>

This schedule does not include: grants and contracts, auxiliary, scholarships, workstudy and capital improvements

## Operating Budget Expense by Program



# Tacoma Community College

## NOTES TO THE FINANCIAL REPORTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

Tacoma Community College is one of 34 Community and Technical Colleges in the State of Washington. The College is governed by the Washington State Board for Community and Technical Colleges. These financial reports present all the fund types of the College.

#### Basis of Presentation

The financial reports are presented on an accrual basis in accordance with generally accepted accounting principles of fund accounting for colleges and universities. Fund accounting reflects limitations and restrictions on the use of available resources. The accounts related to specific activities or objectives have been classified into separate funds. Similar funds have been combined for financial reporting purposes.

#### Fund Classifications

*Current Funds* account for all resources available for current operations. Current operations include the College's educational and general purpose expenditures, self-sustaining auxiliary enterprise and grants and contracts received by the College in support of educational activities.

*Loan Funds* are from both private and governmental sources whose use is restricted to making loans to students.

*Capital Funds* account for resources to be used for construction, renovations of long-lived assets for College purposes and funds set aside for renewal and replacement of college properties.

*Agency Funds* are those funds held in the custody of the College. These funds do not belong to the College, but the College acts as a depository or fiscal agency only.

#### Cash and Investments

Cash balances in excess of current requirements are pooled and invested in certificates of deposits, government securities and municipal investments.

#### Inventories

Inventories are carried at the lower of cost or market value.

#### Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost or, if acquired by gift, at fair market value at the date of the gift. Additions, replacements and major renovations are recorded as additions to Capital Funds.

#### State Appropriations

The state appropriates funds to the College on an annual basis. Appropriations are recognized as revenue when the related expenditures are made.

#### Revenue Recognition

Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred.

#### Tax Exemption

Under the provisions of Section 115(l) of the 1954 Internal Revenue Code, the College is exempt from Federal income tax.

### 2. CASH AND INVESTMENTS

The balance sheet classification Cash and Investments includes all readily available sources of cash such as petty cash, demand deposits, certificates of deposit and temporary investments. All deposits for the College are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 and by the Washington Public Deposit Protection Commission for amounts over \$100,000.

GASB Statement No. 3 requires that investments be categorized to indicate the level of risk assumed by the College. Category 1 consists of investments that are insured or registered or for which the College or its agent in the College's name holds the securities. Category 2 consists of uninsured or unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the College's name. Category 3 consists of uninsured and unregistered investments held by the counterparty's trust department or agent, but not in the College's name. The College has only Category 1 investments.

At June 30, 2014, the College's investment balance was:

	<u>Carrying Amount</u>	<u>Market Value</u>
Local Gov't Investmt Pool	\$19,320,518	\$19,320,518
US Gov't Securities	\$ 4,967,986	\$ 4,970,928

# Tacoma Community College

## NOTES TO THE FINANCIAL REPORTS

### 3. INVENTORIES

At June 30, 2014 inventories valued by the FIFO (First In First Out) method consist of the following:

Campus Stores	\$ 6,343
Bookstore	506,302

### 4. LAND, BUILDINGS AND EQUIPMENT

At June 30, 2014 land, buildings and current construction in progress, equipment and library resources net of depreciation are as follows:

Land	\$ 1,450,071
Buildings/Construction in progress	89,712,949
Equipment	2,132,258
Library Resources	135,496

### 5. ACCRUED LEAVE PAYABLE

The accrued leave balance as of June 30, 2014 is \$2,902,072. This consists of unused vacation leave and includes a percentage of earned and unused sick leave for staff.

### 6. DEFERRED COMPENSATION

The College, through the State of Washington, offers its employees a deferred compensation plan created under Internal Revenue Code Section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. Since the State of Washington administers the plan on behalf of the College's employees, the College does not have legal access to the funds.

### 7. RISK MANAGEMENT

The College participates in a State of Washington risk management self-insurance program. Premiums to the State are based on actuarially determined projections and include allowances for payments of both outstanding and current liabilities. The College assumes its potential liability and property losses for all properties.

The College self-insures unemployment compensation for all employees.

### 8. LEASES PAYABLE

The College finances capital improvement projects through the Washington State Treasurer's Leasing program.

On June 30, 2014, the minimum lease payments under capital leases, together with the present value of the net minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Total Payments</u>
2015	\$ 398,647
2016	319,553
2017	323,913
Thereafter	<u>1,800,434</u>
Total minimum lease payments	\$ 2,842,547
Less: amounts representing interest	<u>609,547</u>
Present value of minimum lease payments	\$ 2,233,000

<u>Lease Projects</u>	<u>Final Payment Date</u>	<u>Balance Due</u>
Boilers & Heat Pumps	/ 2015 /	\$ 79,943
Building 11 Addition	/ 2017 /	\$ 475,800
Early Childhood Ed Center	/ 2028 /	\$ 2,286,804

