



*The Best Place to Start*

*El Paso County Community College District  
El Paso, Texas*



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

for  
**FISCAL YEARS ENDED  
August 31, 2015 and 2014**





**COMPREHENSIVE  
ANNUAL FINANCIAL  
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*for the*  
**FISCAL YEARS ENDED  
AUGUST 31, 2015 and 2014**

***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



*Valle Verde Campus*



*The Best Place to Start*





# El Paso Community College

The Best Place to Start



February 29, 2016

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, 2015, 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 873,513 as of 2015), 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 19th 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 four consecutive years and #18 as America’s Best Performing Cities for growth in jobs, income and high tech GDP among 200 largest metropolitans.

Additionally, El Paso is ranked #3 (of the best) in the 2015’s Best & Worst Run Cities in America conducted by WalletHub. WalletHub tallied the scores of 65 of the most populated U.S. cities on three key expenditures: education, police, and parks and recreation.

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. The Borderplex Alliance, a non-profit organization that assists business and industry interested in relocating or expanding in the El Paso region, is focusing on five primary targets for business development:

- 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.

In April 2013, El Paso's former City Hall was demolished by implosion to make way for a new baseball stadium with the goal to revitalize the El Paso Downtown area. Named Southwest University Park, the new \$72 million facility is located downtown and opened in April 2014 with a capacity of 9,500 to accommodate its cheering fans. The home of the El Paso Chihuahuas playing in the Pacific Coast League, the stadium was voted Best New Ballpark in 2014 by Ballpark Digest.

In November 2013, the \$70 million Fountains at Farah Center opened as a 600,000 square-foot shopping center spread over 55 acres of property that was the home of a former clothing factory. Initially, over 30 stores and seven restaurants signed up as tenants and the shopping center is supported by an 8-acre parking garage with more than 1,000 spaces. In addition to trendy boutiques and mid-range department stores, the center features a refreshing open-air atmosphere with numerous cascading water displays, entertainment venues, and patio dining.

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 offered by the Texas Tech University Health Science Center Paul L. Foster School of Medicine campus. As one of the newest four-year medical schools 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 the formation of a 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. In addition, Texas Tech also offers the Graduate School of Biomedical Sciences which offers students the opportunity to expand their knowledge through an innovative curriculum.

In 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. El Paso Children's Hospital benefits from its 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.

The Hospitals of Providence (THOP) and Texas Tech University Health Sciences Center (TTUHSC) El Paso in conjunction with Medistar Corporation are collaborating on a new multi-million dollar teaching hospital and a 110,000 sq. ft. medical office building in far West El Paso. The new hospital will have capacity up to 140 beds and will operate as part of The Hospitals of Providence (THOP), Tenet's system of hospitals and outpatient centers in El Paso. It will serve as a teaching hospital for medical students, nursing students, resident physicians, and faculty for TTUHSC's Paul L. Foster School of Medicine, eventually offering training for approximately 75 medical residents across a multi-year program. Construction on the hospital began in fall 2014 and is scheduled to be completed in the fall of 2016.

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 in the U.S. Army, currently hosts more than 29,000 active military personnel, 40,000 family members, 2,000 reservists, and employs more than 12,000 civilians with an overall business output of \$5.6 billion in the El Paso community. 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 at a project cost of \$120 million. Also located on Fort Bliss is the Kay Bailey Hutchison Desalination Plant which desalinates the groundwater of the Hueco Bolson for use by El Paso and Fort Bliss. A joint study by Fort Bliss and El Paso area city governments found that desalination was a viable method for increasing El Paso's water supply by 25%. This plant is currently the largest non-seawater desalination plant in the world.

Currently underway and with a major impact on the El Paso economy is the construction of the new William Beaumont Army Medical Center that will replace the existing medical center. The LEED Silver facility will consist of a main hospital, inpatient and outpatient clinics, administrative and research buildings, central utility plant, two access control points and 4,000 parking spaces. It will be comprised of 135 beds, 10 operating rooms, and will have 30 specialty clinics. Additionally, the project supports 15 graduate Medical Education, Nursing and enlisted training programs.

Based on its current partnership in providing educational services to the Fort Bliss soldiers, the District expects that the new Department of Defense'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 William Beaumont 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

Over the last ten years, student enrollment has grown from approximately 26,667 students in fall 2005 to 28,745 in fall 2015 or 7.79 percent. However, over the last two years, the College has experienced an economy-driven single digit decline in enrollment, largely caused by the oil and gas industry that has contributed to the significant improvement in the Texas economy. High paying jobs have attracted many students to the workforce, which has affected overall enrollment at most Texas community colleges. Although the local unemployment rate declined from 10.3% in 2012 to 5.3% in 2015, demand for educational services at the College should remain strong. To

address the drop in enrollment and provide a managed action plan, the College has adopted strategic enrollment management best practices and created the Enrollment Services Task Force that regularly convenes planning sessions to develop outreach and market strategies that can remove any barriers potential students as well as continuing students may be having. With the hope that the declined enrollment trend will reverse itself and with the planned Fort Bliss expansion, the College continues 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 4,284 in fall 2015, and is expected to continue growing as expanding the program was one of the 84<sup>th</sup> Legislature's top priorities for providing more access to higher education.

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 1,870 students enrolled in fall 2015 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 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 district-wide improvements such as new faculty offices, roof repairs, parking lot renovation, chiller replacement, elevator upgrade, and theatre re-lighting.

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 the division of Research and Accountability from the Valle Verde Campus to the Administrative Service Center, which will free up space for instructional purposes.
- District-wide improvements to infrastructure and mechanical systems.
- 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. Future construction will include a new Eastside campus at Fort Bliss on 70 acres of undeveloped land leased from the Department of the Army to accommodate the projected increase in enrollment in the future.
- Construction of a Student Union at the Transmountain Campus.
- Relocation of the Physical Plant Department from Valle Verde Campus to the Administrative Service Center.
- Implementation of a Police Radio Communication System.

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.

#### District-wide Master Plan:

To address future growth of the District, the Board of Trustees approved a contract with the SmithgroupJJR, a national architecture firm to develop a master plan for the College district and make recommendations for improvements to the College's existing facilities to be based on enrollment growth and patterns, and community demographics among other variables. This contract also includes the design of the Fort Bliss Campus. It is expected that these recommendations will enhance the District's ability to continue serving the community through 2025. The plan will address classroom and other learning space deficiencies by recommending the construction of additional learning spaces and improvements to the existing infrastructure, to include buildings and their mechanical and technology support systems along with parking facilities and roads. Delivery of the final plan is expected in early fiscal year 2015-2016 along with funding strategies.

#### 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, to 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 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.

El Paso Community College was selected through a highly competitive national initiative to participate in the Pathways Project led by the American Association of Community Colleges (AACC). This is a national initiative focused on building capacity for community colleges to design and implement structured academic and career pathways, college-wide, for all students.

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 tenth year of operation, the Mission Early College High School has 353 students, has received Exemplary Status from the Texas Education Agency (TEA), and was recognized as a National Blue Ribbon School in 2012. As of December 2015, 712 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 ninth year of operation, has 263 students and also received Exemplary Status from TEA. As of December 2015, 342 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 2015, had 252 and 415 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. 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 481 of their students have already graduated with an Associate's degree. The EPCC Transmountain Early College high School was recognized as the third best high school in the nation and first in Texas for "Beating the Odds" by Newsweek Magazine.

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 fifth year of operation, has 181 students in fall 2015. As of December 2015, 69 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 fourth year of operations has 284 students. As of December 2015, 53 students have graduated.

In August 2014, EPCC celebrated the opening of the seventh Early College High School through a partnership with the El Paso Independent School District. Burges Early College High School is the first "school within a school model" located on the high school campus. In its second year of operations it has 94 students.

The eighth Early College High School grand opening features Socorro Early College (SEC). SEC is the second Early College High School program that is a school within a school, and is slated to begin for the 2015-2016 school year with 125 students. This is also the second early college for the Socorro Independent School District.

#### 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:

- **Voice over Internet Protocol (VOIP)** – The IT Division will proceed aggressively with the VOIP Project during the summer 2016. Three campuses (MDP, RG and VV) remain to be migrated to VOIP with Valle Verde being the largest campus. Three other campuses (ASC, NW and TM) will need to be upgraded to a newer version. Specifications for the new VOIP plan have been 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 engineering design and implementation plan has been developed and will be implemented in 2016.
- **Website Redesign** - The 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 redesign and implementation of MyEPCC phase 1, and internal portal for students, faculty and staff have been completed. The new public website design on the new platform will begin in fall 2016.
- **Ellucian Banner Single-sign-on solution** – This is one segment of a broader plan to use one set of login credentials in order to eliminate the current use of several unique login credentials for separate systems. The Ellucian Banner single sign on solution will allow staff and students to use active directory credentials to login and connect to the Banner information system and Touch-Net payment system to eliminate the activity of having to use a separate set of login credentials and login separately to each system. This is projected to be implemented in the second quarter of 2016.
- **Ad Astra schedule and analytics space management software.** This application will provide college administrators with historical analysis of course demands, including demand trends, time availability, and section to section scheduling conflicts. The software provides program analysis of course demands, including quantitative demand for eligible and helpful courses. It provides course offering analysis metrics highlighting disconnects between offerings and student's course needs. The projected timeline for the implementation is December 2016.

#### 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. In addition to direct deposit efforts which are continually promoted, various financial related areas have moved towards imaging records for ease of access and retention. Filing cabinets are

becoming a thing of the past and considerable time savings are realized by electronically accessing and forwarding records as needed. Also, with the added awareness of easy electronic access to various college information, annual financial, budget and investments reports, along with procurement processes are available on the College website for review.

#### Human Resources:

The District entered into a contract with Evergreen Solutions to perform a district-wide job classification and compensation study for all faculty and staff, except for the President of the College. The services are to provide specific recommendations with respect to the College's existing job positions; conduct a market salary survey; develop market pricing for each position, and provide specific recommendations for updating Board Policies, procedures and written guidelines. The study's results and recommendations will be implemented during fiscal year 2015-2016.

#### 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. On April 15, 2014, the College submitted the First Monitoring Report for evaluation by the SACSCOC Board of Trustees and in June 2014, the College was removed from Warning status and reaffirmed.

## INSTITUTIONAL EFFECTIVENESS

Beginning as an effort to ensure an avenue was available for the discussion and resolution of problems and concerns, the Institutional Effectiveness (IE) 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 system 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. The District's single audit for the fiscal year ended August 31, 2015 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 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 and presents Budget to Actual financial information to the Board of Trustees on a monthly basis. 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, 2015.

## DEBT ADMINISTRATION

As of August 31, 2015, 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, 2015, the District's outstanding bond debt amounts to \$47,095,000 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. With this expectation, the Board of Trustees approved an incremental increase in General Use Fee effective spring 2015 from \$10 per credit hour to \$13 per credit hour, to be increased by \$2 in fall 2015 and \$1 in fall 2016.

## INTERNAL AUDIT SERVICES

As part of its internal audit program, the District contracts with the outside CPA firm of RPC CPAs + Consultants, LLP to perform certain agreed-upon procedures. During fiscal year 2015, the firm conducted a review of Workforce/Economic Development and Continuing Education programs. 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 Peña Briones McDaniel & Co. 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 2014/2015, the College was recognized for the following accomplishments:

- The Hispanic Outlook in Higher Education magazine ranked the District again as number one in the nation's top community colleges in the following categories: Highest Hispanic full-time enrollment; highest number of Associates' degrees awarded to Hispanic students; and highest number of full-time and part-time Hispanic faculty. This is the seventh year in a row that the College has been recognized with these honors.
- The Aspen Institute recognized El Paso Community College in March 2015 as one of the top ten community colleges in the nation and a finalist for the prestigious Aspen Prize of Community College Excellence. EPCC was originally selected from a pool of nearly 1,200 community colleges and is one of only two Texas colleges to be selected as finalists. This distinguished acknowledgment of high achievement and performance in community colleges recognizes excellence in four areas: learning, degree completion, employment and earnings and success for minority and low-income students.
- 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.
- El Paso Community College earned the Military Friendly Designation from the Military Advanced Education Magazine. This designation measures best practices in military and veteran education.
- The Higher Education Excellence in Diversity (HEED) award was granted to the College for the third year in a row by Insight Into Diversity magazine, the oldest and largest diversity-focused publication in higher education. The annual HEED award is a national honor recognizing U.S. colleges and universities that demonstrates an outstanding commitment to diversity and inclusion.
- The Intercollegiate Speech and Performance Studies Team was the top winner of the Community College National Champion Sweepstakes Award at the American Forensic Association National Tournament; top winner in the Pi Kappa Delta National Comprehensive Tournament; top winner of the Overall Team National Champion Sweepstakes at the Phi Rho Pi National Tournament; and top winner at the National Forensic Association National Tournament.
- The Intercollegiate Athletic Women Cross Country Team won its second consecutive NJCAA national championship for Half-Marathon.

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, 2014. This was the nineteenth 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 Peña Briones McDaniel & Co. for their assistance in the completion of the audit. Each individual who contributed to this report has our genuine appreciation.

Sincerely,



Josette Shaughnessy, CPA  
Vice President, Financial and Administrative Operations



Fernando Flores, CPA  
Interim Associate Vice President, Budget and Financial Services



Government Finance Officers Association

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

Presented to

**El Paso County  
Community College District  
Texas**

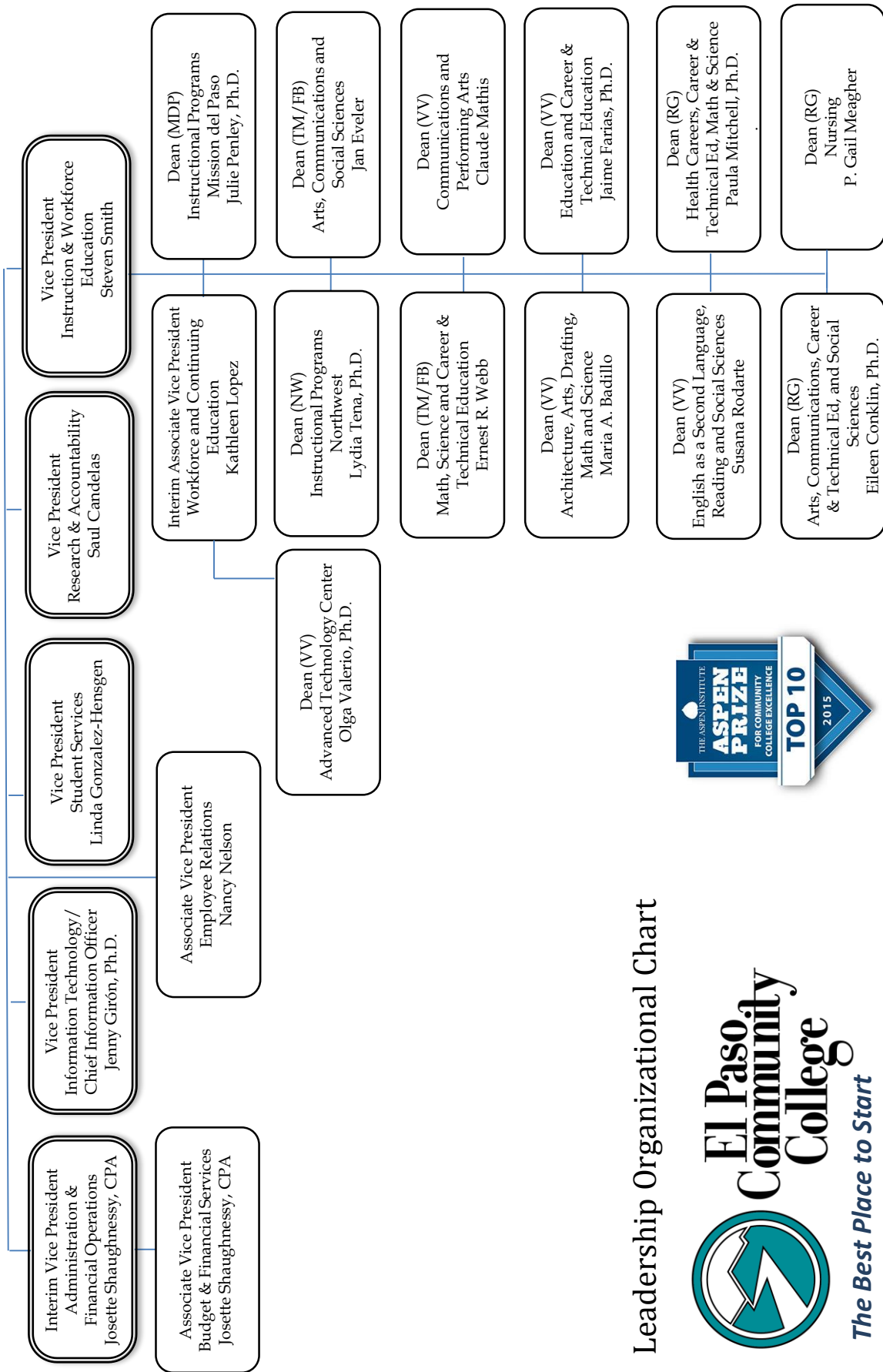
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2014**

Executive Director/CEO

El Paso Community College  
Board of Trustees

President  
William Serrata, Ph.D.



## Leadership Organizational Chart



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

**BOARD OF TRUSTEES**

OFFICERS

TERM EXPIRES

Mr. Art Fierro, Chair	May 2019
Mr. Brian Haggerty, Vice Chair	May 2021
Ms. Selena N. Solis, Secretary	May 2019

MEMBERS

Dr. Carmen Olivas Graham	May 2019
Mrs. Gracie Quintanilla	May 2017
Ms. Belen Robles	May 2021
Mr. John E. Uxer, Jr.	May 2017

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**PRINCIPAL ADMINISTRATIVE OFFICERS**

Dr. William Serrata	President
Mr. Saul Candelas	Vice President, Research and Accountability
Dr. Jenny M. Girón	Vice President, Information Technology
Ms. Linda Gonzalez-Hensgen	Vice President, Student Services
Mr. Steven Smith	Vice President, Instruction and Workforce Education
Ms. Kathleen Lopez	Interim AVP, Workforce/Economic Development and Continuing Education
Ms. Nancy Nelson	Associate Vice President, Employee Relations
Ms. Josette Shaughnessy, CPA	Interim Vice President, Administration and Financial Operations
Mr. Fernando Flores, CPA	Comptroller



# FINANCIAL SECTION



*Administrative Service Center*



RENE D. PEÑA, CPA  
MARY CARMEN BRIONES, CPA  
TERI A. REINERT, CPA  
MEMBERS OF AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

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EL PASO, TEXAS 79902-1498  
PHONE: 915-542-1733  
FAX: 915-544-5440  
E-MAIL: cpa@cpaelpaso.com

## REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Trustees  
El Paso County Community College District  
El Paso, Texas

### 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 year ended August 31, 2015 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 an opinion on these financial statements based on our audit. We conducted our audit 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 audits 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of El Paso County Community College District, as of August 31, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As described in Note 2 to the financial statements, in 2015, the College adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinion is not modified with respect to this matter.

## Other Matters

### *Prior Period Financial Statements*

The financial statements of El Paso County Community College District as of August 31, 2014, were audited by other auditors whose report dated January 7, 2015, expressed an unmodified opinion on those statements.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages I - XII and the Schedule of Employer's Share of Net Pension Liability and Schedule of College's Contributions on pages 34-36 be presented to supplement the basic financial statements. Such information, although not 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 are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular, and are not a required part of the basic financial statements.

Additionally, 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 also are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, 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.

Peter Briones McDaniel & Co

El Paso, Texas  
December 22, 2015

# EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The following discussion and analysis of El Paso County Community College District's (College'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, 2015 and 2014. 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. Effective fiscal year ending August 31, 2014, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented to reflect certain items that were previously reported as assets and liabilities to be now reported as deferred outflows and inflows of resources. In addition, this statement requires that debt issuance costs be expensed in the year they are incurred.

### **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 (EPCCCD). 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.
Deferred Outflows of Resources:	include consumption of resources applicable to a future period.
Current Liabilities:	include obligations due within one year.
Long-term Liabilities:	include bonds payable and other long-term commitments.
Deferred Inflows of Resources:	include acquisitions of resources applicable to a future period.
Net Position:	difference between assets deferred outflows versus liabilities and deferred inflows and presented in three categories as follows:

- Net Investment in Capital Assets represents the College'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).
- Unrestricted Net Position is available for any lawful purpose of the College's and maintained to ensure sufficient reserve funds for long-term viability of the District.



## **EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **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

### 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, 2013 through 2015 is presented below:

#### **Condensed Statement of Net Position**

*(In Millions)*

	<u>August 31</u>			<u>Change</u>	
	<u>2015</u>	<u>2014</u>	<u>As restated 2013</u>	<u>2014 to 2015</u>	<u>2013 to 2014</u>
<b>Assets</b>					
Cash and Investments	\$ 100.7	\$ 94.8	\$ 85.4	\$ 5.9	\$ 9.4
Other Assets	40.2	42.1	41.2	(1.9)	0.9
Capital Assets	122.6	120.7	123.4	1.9	(2.7)
<b>Total Assets</b>	<u>\$ 263.5</u>	<u>\$ 257.6</u>	<u>\$ 250.0</u>	<u>\$ 5.9</u>	<u>\$ 7.6</u>
<b>Deferred Outflows</b>	<u>3.6</u>	<u>-</u>	<u>-</u>	<u>3.6</u>	<u>-</u>
<b>Total Assets &amp; Deferred Outflows</b>	<u>\$ 267.1</u>	<u>\$ 257.6</u>	<u>\$ 250.0</u>	<u>\$ 9.5</u>	<u>\$ 7.6</u>
<b>Liabilities</b>					
Current Liabilities	\$ 58.9	\$ 59.9	\$ 60.1	\$ (1.0)	\$ (2.2)
Long-Term Liabilities	69.6	54.2	58.3	15.4	(4.1)
<b>Total Liabilities</b>	<u>\$ 128.5</u>	<u>\$ 114.1</u>	<u>\$ 118.4</u>	<u>\$ 14.4</u>	<u>\$ (4.3)</u>
<b>Deferred Inflows</b>	<u>6.1</u>	<u>-</u>	<u>-</u>	<u>6.1</u>	<u>-</u>
<b>Total Liabilities &amp; Deferred Inflows</b>	<u>\$ 134.6</u>	<u>\$ 114.1</u>	<u>\$ 118.4</u>	<u>\$ 20.5</u>	<u>\$ (4.3)</u>
<b>Net Position</b>					
Net Investment in Capital Assets	\$ 84.5	\$ 78.2	\$ 79.9	\$ 6.3	\$ (1.7)
Restricted	29.2	30.6	23.8	(1.4)	6.8
Unrestricted	18.8	34.7	27.9	(15.9)	6.8
<b>Total Net Position</b>	<u>\$ 132.5</u>	<u>\$ 143.5</u>	<u>\$ 131.6</u>	<u>\$ (11.0)</u>	<u>11.9</u>

Total Assets increased by \$5.9 million from fiscal year 2014 to fiscal year 2015 as compared to \$7.5 million in the previous fiscal year. The following analysis describes this increase by asset category.

As a major component of the Statement of Net Position, cash increased from fiscal year 2014 by \$5.9 million. This amount represents the net of the following activities:

## **EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Net Cash used in operating activities decreased by \$2.5 million from fiscal year 2014 mostly related to the student enrollment decline experienced during both fall and spring semesters, which is reflected in the \$3.9 million decrease in Receipts from collection of loans to students offset by the related decrease of \$1.0 million in Payments of scholarships. Receipts from students and other customers increased by \$3.5 million over 2014 due to a combination of factors: tuition and fees collected in August for fall 2015 reflect two rate increases, one effective spring 2015 approved by the Board for fiscal year 2015, and the second one effective fall 2015, that also impacted the overall Pell disbursements drawdown in August combined with a slight increase in fall enrollment. Payments to or on behalf of employees increased by \$1.3 million due to the 2% salary increase approved by the Board of Trustees for 2015, and Payment to suppliers for goods and services increased by \$1.7 million due to (1) higher health insurance expense due to increased premiums costs funded only at 50% by the State of Texas, and (2) higher costs for supplies, professional services and facility maintenance to provide adequate support for operations.

Net Cash provided by noncapital financing activities decreased by \$1.3 million due a combination of factors: with fiscal year 2015 representing the second year of the biennium, state appropriations remained stable; ad valorem taxes increased by \$2.1 million, due to a higher effective tax rate applied to a steady growth in tax base. This \$2.1 million increase was offset mostly by the decrease of \$1.9 million in non-operating federal revenue related the drop in Pell awards due to the decrease in student enrollment. Finally, the increase of \$4.7 million in Net Cash used in capital and related financing activities is mostly related to the renovation of the Valle Verde Student Services Building.

Other Assets decreased by \$1.9 million due a combination of factors: increases in accounts receivables of \$1.9 million due to the increase in tuition and fees rates are offset by a decrease in prepaid charges of \$3.5 million related to the fall 2015 Pell awards disbursed in August. Notes receivables also decreased by \$3 million due to the increase in the allowance for doubtful accounts.

Capital Assets increased by \$2.0 million due to the capitalization of ongoing capital projects and the purchase of equipment and library books offset by (1) the disposition of capital assets through public sales and (2) depreciation expense.

When comparing fiscal years 2014 and 2013, total assets increased by \$7.6 million due to a combination of (1) increase in Cash of \$9.4 million, (2) increase in Other Assets of \$.9 million and (3) decrease of \$2.7 million in Capital Assets.

As required with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), deferred outflows of resources totaling \$3.6 million is being recorded for the Fiscal Year ended August 31, 2015. Deferred outflows represent retirement contributions made by the District that will benefit employees in the future but are not considered assets.

Total liabilities increased from the prior year by \$14.4 million, the combination of \$1.0 million decrease and \$15.4 million increase in Current Liabilities and Long-Term Liabilities, respectively. The decrease in Current Liabilities is mostly related to the decrease in Funds held for others due to the decrease in direct loans to students as a result of enrollment decline during the 2015 fiscal year. The \$15.4 million net increase in Long-Term Liabilities is mostly related to the following: as of result of the implementation of GASB Statement 68, \$19.8 million was recorded to reflect the District's proportionate share of the statewide pension liability. This substantial increase was offset by the combined decrease of \$4.4 million in Bonds Payable and Notes Payable for annual debt service payment to bondholders and to the State Comptroller's office for the energy efficiency project completed in fiscal year 2009. Further information regarding long-term liabilities is shown in Notes 2, 6, 7, 8 and 9 to the Financial Statements. See Note 11 regarding pension liability.

## **EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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As required with the implementation of GASB 68, deferred inflows of resources of \$6.1 million are being recorded for the fiscal year ended August 31, 2015. In this context, deferred inflows represent the District's proportionate share for the net difference between projected and actual investment earnings at the plan level the District may owe to the retirement fund in the future, but is not considered a liability.

When comparing total liabilities between fiscal years 2014 and 2013, the decrease of \$4.3 million is attributable to the decrease in long-term liabilities mostly due to the payment of principal and interest on the outstanding bonds and the notes to the State Comptroller's Office.

The major impact on Net Position as a result of the implementation of GASB 68, is the cumulative effect of the District's proportionate share of the statewide unfunded cost of \$22.4 million.

Notwithstanding the \$22.4 million impact of GASB 68, the College experienced an overall increase in Net Position of \$11.4 million, which represents a healthy increase for the College in light of the fiscal challenges due to the enrollment decline during the fiscal year. This increase is a combination of the increases and decreases in the various components of net position: the increase in Net Investment in Capital Assets of \$6.3 million is mostly attributable to the renovation of current facilities; Restricted Net Position decreased by \$1.4 million mostly due to expended funds earmarked for construction and renovation of facilities; the decrease in the Unrestricted Net Position of \$15.9 million represents the net of the cumulative effect of \$22.4 million and the increase of \$6.5 million resulting from prudent budgeting and cost containment measures while experiencing the student enrollment decline, which generated staff and faculty salary savings.

The beginning Net Position for 2013 was restated as the College implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This restatement reflects the prior period adjustment for bond issuance costs from prior years totaling \$786,314, as disclosed in Note 23 of the Notes to the 2014 Financial Statements.

# EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Increase in Net Position is affected by the revenues generated and the expenses incurred by the College. The following condensed financial information shows total revenues and expenses for fiscal years 2015, 2014 and 2013:

### Condensed Statement of Revenue, Expenses, and Changes in Net Position

(In Millions)

	August 31			Change	
	2015	2014	As Restated 2013	2014 to 2015	2013 to 2014
<b>Operating Revenues</b>					
Tuition and Fees (net of Discounts)	\$ 19.8	\$ 20.3	\$ 22.2	\$ (0.5)	\$ (1.9)
Federal, State & Local Grants & Contracts	9.8	9.1	8.5	0.7	0.6
Auxiliary Enterprises	1.7	1.8	1.9	(0.1)	(0.1)
Other	2.1	1.8	2.2	0.3	(0.4)
<b>Total Operating Revenues</b>	<u>\$ 33.4</u>	<u>\$ 33.0</u>	<u>\$ 34.8</u>	<u>\$ 0.4</u>	<u>\$ (1.8)</u>
<b>Operating Expenses</b>					
Instruction	\$ 57.7	\$ 57.2	\$ 57.1	\$ .5	\$ 0.1
Research	0.1	0.1	0.1	0.0	0.0
Public Service	6.1	6.4	6.0	(0.3)	0.4
Academic Support	19.7	18.5	18.0	1.2	0.5
Student Services	10.1	10.0	10.3	0.1	(0.3)
Institutional Support	21.4	20.7	19.9	0.7	0.8
Operation and Maintenance of Plant	10.6	10.0	9.2	0.6	0.8
Scholarships and Fellowships	35.3	36.3	39.9	(1.0)	(3.6)
Auxiliary Enterprises	3.3	3.4	4.8	(0.1)	(1.4)
Depreciation	4.5	4.5	4.5	0.0	0.0
<b>Total Operating Expenses</b>	<u>\$ 168.8</u>	<u>\$ 167.1</u>	<u>\$ 169.8</u>	<u>\$ 1.7</u>	<u>\$ (2.7)</u>
<b>Operating Loss</b>	<u>\$ (135.4)</u>	<u>\$ (134.1)</u>	<u>\$ (135.0)</u>	<u>\$ 1.3</u>	<u>\$ (0.9)</u>
<b>Non-Operating Revenues (Expenses)</b>					
State Appropriations	\$ 41.6	\$ 41.3	\$ 38.3	\$ 0.3	\$ 3.0
Maintenance Ad-Valorem Taxes	49.3	47.1	42.7	2.2	4.4
Federal Revenue	57.5	59.5	63.1	(2.0)	(3.6)
Other State Revenue	0.5	0.4	0.7	0.1	(0.3)
Investment Income (Net of Investment Expense)	0.2	0.2	0.2	0.0	0.0
Interest on Capital Related Debt	(2.3)	(2.5)	(2.7)	0.2	0.2
<b>Net Non-Operating Revenues</b>	<u>\$ 146.8</u>	<u>\$ 146.0</u>	<u>\$ 142.3</u>	<u>\$ 0.8</u>	<u>\$ 3.7</u>
<b>Increase in Net Position</b>	<u>\$ 11.4</u>	<u>\$ 11.9</u>	<u>\$ 7.3</u>	<u>\$ (0.5)</u>	<u>4.6</u>
Net Position, Beginning of Year (as previously reported)	143.5	131.6	125.1	11.9	6.5
<b>Cumulative Effect of Implementing 2015 GASB 68 and 2013 GASB 65</b>	(22.4)	-	(0.8)	(22.4)	0.8
Net Position, Beginning of Year (as restated)	<u>121.1</u>	<u>131.6</u>	<u>124.3</u>	<u>(10.5)</u>	<u>7.3</u>
<b>Net Position, End of Year</b>	<u>\$ 132.5</u>	<u>\$ 143.5</u>	<u>\$ 131.6</u>	<u>\$ (11.0)</u>	<u>\$ 11.9</u>

## **EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Total operating revenues increased by \$.4 million as compared to the \$1.8 million decrease in the previous fiscal year due to the following factors: Tuition and Fees (net of discounts) had decreases of \$ .5 million and \$1.9 million as compared to Fiscal Years 2014 and 2013 respectively due to enrollment declines. These enrollment declines can be attributed to a stronger economy resulting in record lows of local unemployment rates. Federal, State, and Local grants and contracts increased by \$.7 million, mostly attributable to the Texas Workforce Commission providing Skill Development Funds for the IT Veterans Initiative and Sun Towers/Vista Hills program along with funding the college's partnership with Toro Company. Auxiliary revenue decreased by \$100,000 for both years, mostly related to the decrease in bookstore and vending commissions due to the enrollment decline. Other operating revenues had an increase of \$.3 million attributable in majority to customized training by the Advanced Technology Center, and a decrease of \$.4 million in 2014 over the previous fiscal year, mostly due to the decrease in testing fee revenue attributable to the change in testing rules imposed by the State of Texas.

Total operating expenses increased by \$1.7 million due to a combination of factors: except for Scholarships and Fellowships that decreased by \$1.0 million over 2014 due to the enrollment decline, all elements of costs either remained comparable to last fiscal year's or slightly increased. These increases were partly due to the 2% 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 related to the enrollment decline. Embedded in those modest increases are the salary savings generated by vacant positions in the respective elements of costs offset by increases in equipment purchases for Instruction and Academic Support. The increase in Institutional Support is directly related to the increase in health insurance costs not funded by the State. Auxiliary Enterprises decreased by a modest \$.1 million as compared to the 2014 fiscal year, which reflect a normal spending pattern for Auxiliary Services. It is important to note that the 83<sup>rd</sup> Legislature held in spring 2013 restored effective the 14/15 Biennium funding for benefits at a 50% cost share between the State of Texas and the community colleges, for both health insurance and retirement as compared to fiscal year 2013 when all Texas community colleges had to reimburse the State during fiscal year 2013 for retirement benefits not appropriated by the 82<sup>nd</sup> 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 at \$4.5 million remains comparable to the previous fiscal years. Information regarding policies for depreciation is disclosed in the Notes to the Financial Statements.

When comparing fiscal year 2014 to fiscal year 2013, total operating expenses had decreased by \$2.7 million due to a combination of factors: except for Scholarships and Fellowships that decreased \$3.6 million due to the decline in student enrollment associated with the economic recovery, all elements of costs either remained comparable to the previous 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 adjunct faculty salaries due to prudent enrollment management. Embedded in those modest increases were the salary savings generated by vacant positions in the respective elements of costs. Auxiliary Enterprises decreased by \$1.4 million to reflect a more normal spending pattern than in 2013 when the substantial increase was due to the one-time expense incurred from the renovation of the athletic fields.

Non-Operating Revenues and Expenses are comprised of 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 increased by \$.8 million from fiscal year 2014 as compared to the increase of \$3.7 million from 2013 to 2014.

## **EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Fiscal year ending August 31, 2015 represented the second year of the 14-15 biennium during which there was no additional funding from the State. However, the District continued to benefit from the 83<sup>rd</sup> 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. This new funding pattern in concert with an overall increase in funding for community colleges explains the increase of \$3 million in state appropriations over fiscal year 2013.

Contrasting with the significant increase of \$4.4 million in revenue in fiscal year 2014 over the prior year when the Board of Trustees approved an 8% tax rate increase to fund the budget, revenue from Maintenance Ad-Valorem taxes increased by \$2.2 million due to (1) additional revenue from new property added to the 2014 tax roll and (2) an Effective Tax Rate higher than the 2013 tax rate generated by a decreased taxable assessed valuation due to large refunds. Tax revenue for fiscal year 2015 is based on the tax rate of \$.128122 per \$100 valuation, which still represents the lowest tax rate of all major taxing entities in the El Paso County.

Included in the \$.8 million increase in Non-Operating Revenue is the decrease in Federal Revenue of \$2.0 million, as compared to the decrease of \$3.6 million in 2014, mostly due to the decrease in Pell Grant awards as a result of continuing decline in student enrollment during fiscal year 2015. This enrollment decrease is attributable to (1) a notable improvement in the El Paso economy also experienced throughout the State of Texas, 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 has developed strategies to identify and reach all populations of the serving area. In addition, student success initiatives continue to focus on identifying at-risk students to promote retention and a college-going culture. These efforts have contributed to reversing the enrollment decline trend starting with the fall 2015 semester during which the College has seen a slight enrollment increase over fall 2014.

As a reflection of the volatile U.S. economy, the interest rate environment remains low. During fiscal year 2015, the College continued to primarily invest in Repurchase Agreements with J.P. Morgan Chase Bank. Also the College earned an interest rate of 40 basis points on \$22 million set aside towards the Earnings Credit Rate used to offset bank service charges. However, due to decreases in repurchase agreement rates towards the end of the fiscal year, interest income came in at 95% of the budget but was still 7.7% higher than the previous fiscal year's interest income. In addition, with an annual average yield on investments of .1742% for the year, the benchmark (annual average 13-week T-Bill rate of .0275%) was exceeded in compliance with the College's Investments Policy. 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.



## **EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **Description of significant capital asset and long-term debt activity**

As the College continues to grow, the administration has completed the District-Wide Master Plan to address capital improvement needs and student growth at its five main campuses for the next ten years, and to plan for the upcoming new campus on Fort Bliss military base property. Although there were not major capital projects completed during the fiscal year, projects currently in progress include the renovation of facilities to either relocate services or accommodate instructional programs such as the joint 2+2 architectural program with Texas Tech University. Construction of the College's sixth campus on Fort Bliss is scheduled to begin after the Board of Trustees has approved the major projects for prioritization. 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. The defeasance of the Building Use Fee and Tuition Refunding Revenue Bonds Series 1993 outstanding balance of \$1,750,000 in October 2003 resulted 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. All bond debt is currently covered by the general use fee of \$15 per credit hour, just increased from \$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 Board of Trustees approved an incremental increase of the General Use Fee from the \$10 per credit hour that had been in effect since 2000 as part of the 1994 financing plan, to \$13 effective Spring 2015, then to \$15 effective Fall 2015 and finally to \$16 effective Fall 2016. The purpose of this increase is to create additional debt capacity to fund the issuance of revenue bonds that will help finance the implementation of the District-wide Master Plan.

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 were 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.

On June 15, 2015, Fitch Ratings affirmed the "A+" rating with a positive outlook citing strong financial performance, sound market position and manageable debt burden as key drivers for the rating's positive outlook. Fitch subscribers can see the complete report at [www.fitchresearch.com](http://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**

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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.

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).

In June 2014, the College was reaffirmed as a result of the review by SACSCOC of the First Monitoring Report submitted by the College in April 2014, which demonstrated that the College addressed all issues. Upon reaffirmation, Moody's revised the Aa3 rating outlook to stable, and confirmed the College's stable market position as education provider for the region, with consistent positive operating performance and favorable revenue diversity. The report can be found at [www.moody.com](http://www.moody.com).

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.

On March 13, 2014, Standard & Poor's issued a press release affirming its "A+" underlying rating on the same issue as above with a stable outlook. This rating reflected their view of the district's consistently positive operating surpluses, tax base growth, good revenue diversity and the College's essential role as the only community college in the area.

Additional information on both capital assets and long-term debt can be found in Notes 5, 6, 7 and 8 of the Notes to the Financial Statements.

### **Economic Outlook**

The economic outlook for the State of Texas has been more optimistic for the upcoming biennium and El Paso Community college prepared for the 84<sup>th</sup> Legislature accordingly by focusing not only on increasing student enrollment, but also on student success as it is the College's mission to educate its community to prepare them not only for graduation and gainful employment but also for transfer to 4-year universities. Due to the much improved state and local economy, most Texas community colleges experienced enrollment declines, which jeopardized additional funding from the State of Texas during the 84<sup>th</sup> Legislature. Those colleges received less funding not only in formula funding, but also in benefits pursuant to Senate Bill 1812 that benefits funding would be reduced proportionally to the enrollment decrease percentage. In order to fund the 2015/16 Operating Budget, the College had to increase the tuition rate by 6.33% and 4.79% for resident and non-resident students respectively, as well as increasing the effective tax rate by 4%. With the establishment of the Enrollment Task Force.

## **EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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along with the various student success initiatives, the College expects to see a recovery in enrollment starting with the upcoming fiscal year and fare better in funding from the 85<sup>th</sup> Legislature in 2017.

In spite of tuition and tax rate increases over the last three legislative sessions to offset decreased state funding for student enrollment and employee benefits, 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.

In December 2014, the firm of EMSI issued a report summarizing the results of a study documented in "Demonstrating the Economic Value of El Paso Community College" during fiscal year 2012/2013, and detailing the role that the College plays in promoting economic growth, enhancing students' careers, and improving quality of life. The main highlights of this study for the College are as follows:

- Due to El Paso Community College (EPCC) operations and capital spending, the local economy receives roughly \$155.5 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 \$860.6 million.
- Overall impact on the local business community is over \$1.0 billion or approximately 3.9% of the region's Gross Regional Product.
- 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 \$35,400 or 36% 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 \$368,187 more than someone with a high school diploma. The present value of the higher future wages earned by EPCC students over their working careers is \$1.1 billion. As a result of their attending EPCC, students enjoy an attractive 14.3% annual rate of return on their EPCC educational investment.
- EPCC students remaining in Texas and entering the workforce enhance the economic growth and expand the economic base. Higher student wages and increased business output contribute added present value income of \$5.7 billion.
- EPCC generates a return on public investment, as taxpayers will see a return of \$5.00 for every dollar appropriated by state and local governments to support the College, or an annual rate of return of 13.4% on their investment in EPCC.
- Most importantly, the state and local community will see \$111.2 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, increasing students' earning potential and certainly contributing to a healthier and more prosperous society.

## **EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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In addition to its current role, the College may face 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. As a designated military friendly school recognized by Victory Media, El Paso Community College prides itself in recognizing and embracing America's military service members, veterans and spouses as students to ensure their success on campus, and therefore 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 in conjunction with the planning of the projects identified by the District Master Plan.

In summary, notwithstanding the impact of military growth in the El Paso area, the current recovery in the state and local economy, and the potential for enrollment growth, 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  
August 31, 2015 and 2014

EXHIBIT 1

	2015	2014
<b>ASSETS:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 100,694,685	\$ 94,809,196
Accounts Receivable (net of allowance for doubtful accounts of \$9,362,803 in 2015 and \$8,527,588 in 2014)	13,437,846	11,581,226
Notes Receivable (net of allowance for doubtful accounts of \$3,855,603 in 2015 and \$3,652,519 in 2014)	2,617,409	2,894,715
Prepaid charges	23,216,760	26,702,210
Other Assets	<u>912,760</u>	<u>999,201</u>
Total Current Assets	<u>140,879,460</u>	<u>136,986,548</u>
<b>Noncurrent Assets:</b>		
Capital Assets, net (see Note 5)	<u>122,666,327</u>	<u>120,694,189</u>
Total Noncurrent Assets	<u>122,666,327</u>	<u>120,694,189</u>
<b>TOTAL ASSETS</b>	<u>\$ 263,545,787</u>	<u>\$ 257,680,737</u>
Deferred Outflows of Resources		
Pension	<u>\$ 3,560,835</u>	<u>\$ -</u>
<b>LIABILITIES AND NET POSITION:</b>		
<b>LIABILITIES:</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 3,126,353	\$ 2,997,543
Accrued Liabilities	1,715,041	1,727,832
Accrued Compensable Balances - Current Portion	389,997	381,541
Workers' Compensation Reserve - Current Portion	408,247	319,432
Funds Held for Others	2,204,385	3,278,932
Unearned revenue	46,646,485	46,867,022
Notes Payable - Current Portion	486,058	524,520
Bonds Payable - Current Portion (including premium of \$177,688 in 2015 and \$177,687 in 2014)	<u>3,922,688</u>	<u>3,742,687</u>
Total Current Liabilities	<u>58,899,254</u>	<u>59,839,509</u>
<b>Noncurrent Liabilities:</b>		
Accrued Compensable Balances	3,509,972	3,474,908
Workers' Compensation Reserve	491,753	580,568
Net Pension Liability	19,796,127	-
Notes Payable	767,750	1,251,102
Bonds Payable (including premium of \$1,673,230 in 2015 and \$1,850,919 in 2014)	<u>45,023,230</u>	<u>48,945,919</u>
Total Noncurrent Liabilities	<u>69,588,832</u>	<u>54,252,497</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 128,488,086</u>	<u>\$ 114,092,006</u>
Deferred Inflows of Resources		
Pension	<u>\$ 6,055,694</u>	<u>\$ -</u>
<b>Net Position</b>		
Net investment in capital assets	84,541,270	78,237,413
Restricted for:		
Nonexpendable:		
Student Aid	733,942	741,151
Expendable:		
Student Aid	4,926,657	4,319,505
Loans	1,759,963	1,557,407
Renewals and Replacement	524,694	797,240
Unexpended Plant Fund	14,769,444	16,813,935
Debt Service	6,477,069	6,407,726
Unrestricted	<u>18,829,803</u>	<u>34,714,354</u>
<b>TOTAL NET POSITION (Schedule D)</b>	<u>\$ 132,562,842</u>	<u>143,588,731</u>

The accompanying notes are an integral part of the financial statements.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
Years Ended August 31, 2015 and 2014

EXHIBIT 2

	2015	2014
REVENUES:		
Operating Revenue:		
Tuition and Fees (net of discounts of \$38,974,418 in 2015 and \$38,475,354 in 2014)	\$ 19,754,484	\$ 20,354,706
Federal Grants and Contracts	3,823,954	3,988,745
State Grants and Contracts	5,511,113	4,252,969
Non-Governmental Grants and Contracts	502,129	823,643
Auxiliary Enterprises	1,689,805	1,799,345
Other Operating Revenues	<u>2,102,201</u>	<u>1,811,196</u>
Total Operating Revenues (Schedule A)	<u>33,383,686</u>	<u>33,030,604</u>
EXPENSES:		
Operating Expenses:		
Instruction	57,670,958	57,157,664
Research	69,457	64,399
Public Service	6,149,566	6,369,946
Academic Support	19,735,815	18,451,025
Student Services	10,135,782	10,023,566
Institutional Support	21,351,304	20,701,313
Operation and Maintenance of Plant	10,580,794	10,025,991
Scholarships and Fellowships	35,311,744	36,337,411
Auxiliary Enterprises	3,333,261	3,424,490
Depreciation	<u>4,474,342</u>	<u>4,515,734</u>
Total Operating Expenses (Schedule B)	<u>168,813,023</u>	<u>167,071,539</u>
Operating Loss	<u>(135,429,337)</u>	<u>(134,040,935)</u>
Non-Operating Revenues (Expenses):		
State Appropriations	41,640,965	41,286,052
Maintenance Ad-Valorem Taxes	49,302,345	47,104,419
Federal Revenue, Non Operating	57,538,440	59,466,875
Other State Revenue, Non Operating	505,193	446,157
Investment Income (net of investment expenses)	173,458	169,841
Interest on Capital Related Debt	<u>(2,327,859)</u>	<u>(2,498,078)</u>
Net Non-Operating Revenues (Schedule C)	<u>146,832,542</u>	<u>145,975,266</u>
Income Before Other Revenues (Expenses), Gains (Losses)	<u>11,403,205</u>	<u>11,934,331</u>
Increase in Net Position (Schedule D)	11,403,205	11,934,331
Net Position, Beginning of Year	143,588,731	131,654,400
Cumulative effect of implementing GASB 68	<u>(22,429,094)</u>	<u>-</u>
Net Position, Beginning of Year (as restated)	<u>121,159,637</u>	<u>131,654,400</u>
Net Position, End of Year	<u>\$ 132,562,842</u>	<u>\$ 143,588,731</u>

The accompanying notes are an integral part of the financial statements.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS  
Years Ended August 31, 2015 and 2014

EXHIBIT 3

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 22,106,081	\$ 18,558,158
Receipts of grants and contracts	9,205,743	9,346,907
Receipts from collection of loans to students and employees	5,355,483	9,346,191
Other receipts	3,588,139	2,453,059
Payments to or on behalf of employees	(96,499,561)	(95,168,660)
Payments to suppliers for goods or services	(24,531,876)	(22,835,090)
Payments of scholarships	(35,311,744)	(36,337,411)
Payments of loans issued to students and employees	<u>(5,078,177)</u>	<u>(8,996,720)</u>
Net cash used in operating activities	<u>(121,165,912)</u>	<u>(123,633,566)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	33,792,708	33,884,773
Receipts from ad valorem taxes	49,229,134	47,167,536
Receipts from non operating federal revenue	57,538,440	59,466,875
Receipts from non operating state revenue	505,193	446,157
Receipts from student organizations and other agency transactions	713,052	496,150
Payments to student organizations and other agency transactions	<u>(1,787,599)</u>	<u>(180,733)</u>
Net cash provided by noncapital financing activities	<u>139,990,928</u>	<u>141,280,758</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from the sale of capital assets	-	-
Purchases of capital assets	(6,446,480)	(1,762,347)
Proceeds on issuance of capital debt	-	-
Payments on capital debt and leases - principal	(4,264,501)	(4,114,130)
Payments on capital debt and leases - interest	<u>(2,402,004)</u>	<u>(2,558,671)</u>
Net cash used in capital and related financing activities	<u>(13,112,985)</u>	<u>(8,435,148)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment earnings	<u>173,458</u>	<u>169,841</u>
Net cash provided by investing activities	<u>173,458</u>	<u>169,841</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,885,489	9,381,885
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<u>94,809,196</u>	<u>85,427,311</u>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<u>\$ 100,694,685</u>	<u>\$ 94,809,196</u>

The accompanying notes are an integral part of the financial statements.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS (Continued)  
Years Ended August 31, 2015 and 2014

EXHIBIT 3

	<u>2015</u>	<u>2014</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating loss	\$ (135,429,337)	\$ (134,040,935)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	4,474,342	4,515,734
Payments made directly by state for benefits	7,848,257	7,401,279
Change in assets and liabilities		
Receivables, net	(1,856,620)	(271,185)
Deferred outflows of resources	(3,560,836)	(798,571)
Prepaid charges	3,485,450	
Prepaid expense		(52,984)
Other assets	159,651	(338,996)
Deferred inflows from resources	6,055,694	(1,034,188)
Unearned revenue	(220,537)	
Net pension liability	(2,632,966)	-
Compensated absences	43,520	61,522
Notes receivable, net	277,306	349,471
Accounts payable	128,810	757,914
Accrued expenses	<u>61,354</u>	<u>(182,627)</u>
Net cash used in operating activities	<u>\$ (121,165,912)</u>	<u>\$ (123,633,566)</u>
<b>SUPPLEMENTAL NON CASH INFORMATION:</b>		
State on-behalf payments	<u>\$ 7,848,257</u>	<u>\$ 7,401,279</u>
Amortization of premium of bonds	<u>\$ 177,688</u>	<u>\$ 177,688</u>

The accompanying notes are an integral part of the financial statements.



# EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2015

### 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. 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.

### 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.

#### 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.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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.

New Accounting Pronouncements

For the year ended August 31, 2015, the College implemented the provisions of GASB Statement 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined based on the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefits payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefits terms. Investments are reported at fair value.

Prior Year Restatement

In the year of implementation of GASB Statement 68, as amended by GASB Statement 71, a restatement to beginning net position will be required for the recording of the beginning net pension liability and for the recording of deferred outflow of resources for contributions made after measurement date of the beginning net pension liability and the beginning of the reporting College's fiscal year.

Beginning net position, September 1, 2014	\$ 143,588,731
Prior period adjustment - implementation of GASB 68:	
Net pension liability (measurement date as of August 31, 2014)	(24,308,005)
Deferred outflows - college contributions made during FY 2014	<u>1,878,911</u>
Beginning net position, as restated	<u>\$ 121,159,637</u>

# EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 \$77,896,840 and \$176 to be cash equivalents at August 31, 2015 and 2014, respectively. Additionally, included in cash and cash equivalents at August 31, 2015 and 2014, are \$750,307 and \$70,477,705, 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, 2015 and 2014.

#### 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, 2015 and 2014, 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.

#### 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.

#### 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.

# EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Capital Assets

Capital assets are stated at cost at date of acquisition. 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 unit cost of \$5,000 or more 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 Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position reports a separate section for deferred outflows or inflows of resources. These are separate financial statement elements. Governments are permitted only to report deferred outflows and inflows in circumstances specifically authorized by the GASB. The deferred outflows or inflows of resources are related to pensions. See Footnote 2, New Accounting Pronouncements and Footnote 11, Employees' Retirement Plans - Defined Benefit Pension Plan for additional information.

#### Prepaid Charges

Prepaid charges consist primarily of federal grants awarded in current year which are related to academic term in the next fiscal year, are recorded as prepaid charges and recognized as expenses when all obligations have been fulfilled.

#### Unearned Revenues

Unearned revenues consisting primarily of advance payments of tuition and fees, related to academic terms in the next fiscal year, are recorded as unearned 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, 2015 and 2014.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

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NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, direct loans, 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 are 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 position and is recorded as capital assets and as an addition (reduction) in net position.

Restricted Net Position

Restricted net position includes 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 is 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.

## EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2015

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Operating and Non-Operating Revenues and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a business-type activity 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.

##### 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.

##### Subsequent Events

No significant subsequent events have occurred since year ending August 31, 2015 through the issuance date of this report.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

**3. DEPOSITS AND INVESTMENTS**

At August 31, 2015 and 2014, the carrying amount of the College's deposits was \$22,047,538 and \$24,331,312, respectively, and total cash on hand and bank balances equaled \$22,692,649 and \$25,232,987, respectively.

**CASH AND DEPOSITS**

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

	2015	2014
Bank deposits	\$ 22,028,238	\$ 24,311,462
Cash and cash equivalents		
Demand deposits	19,300	19,850
Repurchase agreements	750,307	70,477,705
TexPool	77,896,840	176
Total Cash and Deposits	<u>\$ 100,694,685</u>	<u>\$ 94,809,193</u>

<u>Type of Security</u>	<u>Market Value August 31, 2015</u>	<u>Market Value August 31, 2014</u>
Total cash and deposits	\$ 78,647,147	\$ 70,477,884
Total Investments	-	-
Total deposits and investments	<u>\$ 78,647,147</u>	<u>\$ 70,477,884</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 47 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  
AUGUST 31, 2015

**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, 2015 and 2014, the College's \$750,307 and \$70,477,708 of repurchase agreements and \$22,673,349 and \$25,213,137 of bank deposits, respectively, had collateral of \$45,709,717 and \$71,877,266 of underlying securities which were held by the pledging financial institutions' trust departments or agent in the College's name.

**4. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

Receivables at August 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Student Receivables	\$ 15,814,447	\$ 14,031,143
Taxes Receivable	3,508,379	3,435,168
Federal Receivables	984,760	621,327
Agencies and Local Vendors Receivables	1,938,993	1,602,270
Contract and Grants Receivables	302,277	370,980
Other Receivables	<u>251,793</u>	<u>47,926</u>
Total	22,800,649	20,108,814
Less: Allowance for Doubtful Accounts	<u>9,362,803</u>	<u>8,527,588</u>
Total Receivables, Net	<u><u>\$ 13,437,846</u></u>	<u><u>\$ 11,581,226</u></u>

Student Receivables are due within three months.

	<u>2015</u>	<u>2014</u>
Accounts Payable:		
Vendor Payable	\$ 3,012,114	\$ 2,883,411
Student Payable	114,229	108,611
Other Payable	<u>10</u>	<u>5,521</u>
Total Accounts Payable	<u>3,126,353</u>	<u>2,997,543</u>
Accrued Liabilities:		
Salaries and Benefits	733,841	672,487
Accrued Interest	<u>981,200</u>	<u>1,055,345</u>
Total Accrued Liabilities	<u>1,715,041</u>	<u>1,727,832</u>
Total Payables	<u><u>\$ 4,841,394</u></u>	<u><u>\$ 4,725,375</u></u>



EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

**5. CAPITAL ASSETS**

Capital assets activity for the year ended August 31, 2015, was as follows:

	Balance September 1, 2014	Increases	Decreases	Balance August 31, 2015
<b><u>Not Depreciated:</u></b>				
Land	\$ 7,912,974	\$ -	\$ -	\$ 7,912,974
Construction in Process	<u>1,094,834</u>	<u>4,713,581</u>	<u>(180,523)</u>	<u>5,627,892</u>
	<u>9,007,808</u>	<u>4,713,581</u>	<u>(180,523)</u>	<u>13,540,866</u>
<b><u>Other Capital Assets:</u></b>				
Buildings	142,578,918	762,216	-	143,341,134
Land Improvements	<u>16,589,286</u>	<u>28,000</u>	<u>-</u>	<u>16,617,286</u>
Total Buildings and Other Real Estate Improvements	<u>159,168,204</u>	<u>790,216</u>	<u>-</u>	<u>159,958,420</u>
Furniture and Equipment	21,594,090	769,854	(1,797,213)	20,566,731
Library Books	<u>5,197,599</u>	<u>356,972</u>	<u>(156,427)</u>	<u>5,398,144</u>
Total Buildings and Other Capital Assets	<u>185,959,893</u>	<u>1,917,042</u>	<u>(1,953,640)</u>	<u>185,923,295</u>
<b><u>Accumulated Depreciation:</u></b>				
Buildings	45,054,883	2,857,494	-	47,912,377
Land Improvements	<u>6,344,588</u>	<u>684,930</u>	<u>-</u>	<u>7,029,518</u>
Total Buildings and Other Real Estate Improvements	<u>51,399,471</u>	<u>3,542,424</u>	<u>-</u>	<u>54,941,895</u>
Furniture and Equipment	19,768,533	632,851	(1,793,869)	18,607,515
Library Books	<u>3,105,505</u>	<u>299,346</u>	<u>(156,427)</u>	<u>3,248,424</u>
Total Buildings and Other Capital Assets	<u>74,273,509</u>	<u>4,474,621</u>	<u>(1,950,296)</u>	<u>76,797,834</u>
Net Capital Assets	<u>\$ 120,694,192</u>	<u>\$ 2,156,002</u>	<u>\$ (183,867)</u>	<u>\$ 122,666,327</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

5. CAPITAL ASSETS (Continued)

Capital assets activity for the year ended August 31, 2014, was as follows:

	Balance September 1, 2013	Increases	Decreases	Balance August 31, 2014
<u>Not Depreciated:</u>				
Land	\$ 7,912,974	\$ -	\$ -	\$ 7,912,974
Construction in Process	<u>380,046</u>	<u>730,238</u>	<u>(15,450)</u>	<u>1,094,834</u>
	<u>8,293,020</u>	<u>730,238</u>	<u>(15,450)</u>	<u>9,007,808</u>
<u>Other Capital Assets:</u>				
Buildings	142,411,530	167,385	-	142,578,915
Land Improvements	<u>16,539,946</u>	<u>49,340</u>	<u>-</u>	<u>16,589,286</u>
Total Buildings and Other Real Estate Improvements	<u>158,951,476</u>	<u>216,725</u>	<u>-</u>	<u>159,168,201</u>
Furniture and Equipment	22,350,413	491,067	(1,247,390)	21,594,090
Library Books	<u>5,024,994</u>	<u>348,332</u>	<u>(175,727)</u>	<u>5,197,599</u>
Total Buildings and Other Capital Assets	<u>186,326,883</u>	<u>1,056,124</u>	<u>(1,423,117)</u>	<u>185,959,890</u>
<u>Accumulated Depreciation:</u>				
Buildings	42,211,112	2,843,771	-	45,054,883
Land Improvements	<u>5,625,538</u>	<u>719,050</u>	<u>-</u>	<u>6,344,588</u>
Total Buildings and Other Real Estate Improvements	<u>47,836,650</u>	<u>3,562,821</u>	<u>-</u>	<u>51,399,471</u>
Furniture and Equipment	20,389,006	618,353	(1,238,826)	19,768,533
Library Books	<u>2,946,671</u>	<u>334,560</u>	<u>(175,726)</u>	<u>3,105,505</u>
Total Buildings and Other Capital Assets	<u>71,172,327</u>	<u>4,515,734</u>	<u>(1,414,552)</u>	<u>74,273,509</u>
Net Capital Assets	<u>\$ 123,447,576</u>	<u>\$ (2,729,372)</u>	<u>\$ (24,015)</u>	<u>\$ 120,694,189</u>

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

**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	\$ 355,000
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, 1998 and 2001 bonds	02/07	General Use and Tuition Fee	66,280,000	46,740,000
Total Bonds Principal Outstanding						- \$ 47,095,000

Bonds payable are due in annual installments varying from \$15,000 to \$5,810,000 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 2015 and 2014 was approximately \$2,458,685 and \$2,558,700, 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, 2015 and 2014, the College had established reserves which hold cash sufficient to meet the requirements of the various bond indentures and to satisfy reserve requirements.

**Defeased Bonds**

The escrow account holds funds for bonds that have been defeased. The escrow account funds (assets) and the defeased bonds (liabilities) are not reported in the College's financial statements because those obligations have been satisfied in substance. At August 31, 2015, \$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.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

6. BONDS PAYABLE (Continued)

Current Refunding Bonds

The College utilized \$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.

Advance Refunding Bonds

The College utilized \$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.

The Combination Fee Revenue Building & Refunding Bonds, Series 2007 are collateralized by pledged revenues of the Current Unrestricted Fund other than state appropriations or property tax based revenues. These mandatory transfers are made into the Debt Service Fund as set forth in the bonds' covenants. This transfer provides for principal and interest payments as they semi-annually become due. At August 31, 2015, The District was in compliance with covenants.

7. LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2015, was as follows:

	Balance September 1, 2014	Additions	Reductions	Balance August 31, 2015	Current Portion
Long-term liabilities					
Note payable	\$ 1,775,622		\$ 521,814	\$ 1,253,808	\$ 486,058
Revenue bonds	50,660,000		3,565,000	47,095,000	3,745,000
Revenue bonds premium	2,028,606		177,688	1,850,918	177,688
Compensated Absences	3,856,449	220,048	176,527	3,899,970	389,997
Workers' Compensation Reserve	900,000	354,997	354,997	900,000	408,247
Net Pension Liability	<u>24,308,005</u>	<u>3,422,741</u>	<u>7,934,619</u>	<u>19,796,127</u>	<u>-</u>
Total long-term liabilities	<u>\$ 83,528,682</u>	<u>\$ 3,997,786</u>	<u>\$ 12,730,645</u>	<u>\$ 74,795,823</u>	<u>\$ 5,206,990</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

7. LONG-TERM LIABILITIES (Continued)

Long-term liability activity for the year ended August 31, 2014, was as follows:

	Balance September 1, 2013	Additions	Reductions	Balance August 31, 2014	Current Portion
Long-term liabilities					
Note payable	\$ 2,282,065	\$ -	\$ 506,443	\$ 1,775,622	\$ 524,520
Revenue bonds	54,090,000		3,430,000	50,660,000	3,565,000
Revenue bonds premium	2,206,293		177,687	2,028,606	177,687
Compensated Absences	3,794,927	195,265	133,743	3,856,449	381,541
Workers' Compensation Reserve	900,000	277,764	277,764	900,000	319,432
Total long-term liabilities	<u>\$ 63,273,285</u>	<u>\$ 473,029</u>	<u>\$ 4,525,637</u>	<u>\$ 59,220,677</u>	<u>\$ 4,968,180</u>

8. DEBT AND LEASE OBLIGATIONS

Debt obligations, consisting of revenue bonds, have minimum future requirements at August 31, 2015, were as follows:

Year Ended August 31,	Revenue Bonds	
	Principal	Interest
2016	\$ 3,745,000	\$ 2,354,880
2017	3,930,000	2,167,653
2018	4,130,000	1,971,170
2019	4,335,000	1,764,670
2020	4,550,000	1,547,920
2021-2025	26,405,000	4,089,500
Total	<u>\$ 47,095,000</u>	<u>\$ 13,895,793</u>

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, 2015 and 2014, \$101,655 and \$251,937 are outstanding, respectively. The note has an interest rate of 3%.

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

**9. NOTES PAYABLE (Continued)**

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, 2015 and 2014, \$1,152,153 and \$1,523,685 are outstanding as of August 31, 2015 and 2014, respectively.

Notes payable future minimum requirements at August 31, 2015, were as follows:

Year Ended August 31,	Note Payable	
	Principal	Interest
2016	\$ 486,058	\$ 29,518
2017	395,258	17,337
2018	<u>372,492</u>	<u>6,175</u>
Total	<u>\$ 1,253,808</u>	<u>\$ 53,030</u>

**10. LEASES**

The College leases various equipment and facilities under annually renewable agreements. Rent expense under operating leases for the fiscal years ended August 31, 2015 and 2014 was \$277,073 and \$293,281, respectively.

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

Year Ended August 31,	Total
2016	\$ 503,968
2017	179,734
2018	74,603
2019	43,740
2020	<u>14,903</u>
Total	<u>\$ 816,948</u>

## EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2015

#### 11. EMPLOYEES' RETIREMENT PLANS

##### DEFINED BENEFIT PENSION PLAN

###### Plan Description

The College participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

###### Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

###### Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited services equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than 60 or 62 depending on the date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

###### Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the 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. Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014-2017. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

11. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

Contributions (Continued)

	<u>Contribution Rates</u>	
	<u>2015</u>	<u>2014</u>
Member	6.70%	6.40%
Non-Employer Contributing Entity (State)	3.40%	3.40%
Employers	3.40%	3.40%
2014 Employer Contributions		\$ 1,878,925
2014 State of Texas - On behalf Contributions (State)		\$ 1,558,465

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer share pay both the member contribution and the state contribution as an employment after retirement surcharge.



EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

11. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5 Year Market Value
Discount Rate	8.00%
Long-term Expected Investment Rate of Return *	8.00%
Salary Increases*	4.25% to 7.25%
Weighted- Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

\* Includes Inflation of 3%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees were decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

11. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (Continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contributions to Long-Term Portfolio Returns*
<u>Global Equity</u>			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
<u>Stable Value</u>			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<u>Real Return</u>			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
<u>Risk Parity</u>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100.0%		8.7%

\* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2014 Comprehensive Annual Financial Report

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

11. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7%)	Discount Rate (8%)	1% Increase in Discount Rate (9%)
El Paso County Community College District's proportionate share of the net pension liability	\$ 35,374,478	\$ 19,796,127	\$ 8,146,422

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions

At August 31, 2015, the College reported a liability of \$19,796,127 for its proportionate share of the TRS's net pension liability. The liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

El Paso County Community College District's proportionate share of the collective net pension liability	\$ 19,796,127
State's proportionate share that is associated with College	<u>16,454,821</u>
Total	<u>\$ 36,250,948</u>

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 through August 31, 2014.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefits terms that affected measurement of the total pension liability during the measurement period.

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

11. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended August 31, 2015, the College recognized pension expense of \$1,521,218 and revenue of \$1,521,218 for support provided by the State.

At August 31, 2015, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 306,153	\$ -
Changes in actuarial assumptions	1,286,770	-
Differences between projected and actual investment earnings	-	6,050,505
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	5,189
Contributions paid to TRS subsequent to the measurement date	1,967,912	-
Total	<u>\$ 3,560,835</u>	<u>\$ 6,055,694</u>

The net amounts of the employer's balance of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended August 31,</u>	<u>Pension Expense Amount</u>
2016	\$ 723,136
2017	(1,244,776)
2018	(1,244,776)
2019	(1,244,776)
2020	267,850
Thereafter	248,483
Total	<u>\$ (2,494,859)</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

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 6.60% and 6.65%, 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 1.90% of each participant's salary to the Optional Retirement Program under provisions of State law. The retirement expense to the College totaled \$223,401, \$241,286 and \$326,364 for 2015, 2014, and 2013, respectively.

The retirement expense to the State for the College totaled \$2,171,282, \$2,112,008 and \$1,943,926 for the fiscal years ended August 31, 2015, 2014 and 2013, 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 \$83,886,361, \$83,245,148 and \$82,149,872 for fiscal years 2015, 2014 and 2013, respectively. The total payroll of employees covered by the Teacher Retirement System was \$52,955,705, \$50,179,385 and \$48,128,885 and the total payroll of employees covered by the Optional Retirement System was \$16,478,420, \$17,478,788 and \$17,492,993 for fiscal years 2015, 2014 and 2013, respectively. Senate Bill (S.B.) 1812, effective September 1, 2013, limits the amount of the state contribution to 50% of eligible employees in the reporting district.

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 \$41,261, \$54,064 and \$71,295 for 2015, 2014 and 2013, respectively. Total payroll of employees covered by the Tax Sheltered Annuity Plan for Part Time Employees was \$1,100,268, \$1,441,692, and \$1,901,189 for fiscal years 2015, 2014 and 2013, respectively.

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, 2015 and 2014, the College had 380 and 401 employees participating in the program and \$1,666,006 and \$1,789,856, respectively, of payroll deductions had been invested in approved plans.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

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, 2015 and 2014, 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 reported with accrued liabilities on the Statement of Net Position. 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 2015 and 2014 were:

	Beginning-of- fiscal-Year Liability	Current-year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2014-2015	\$ 900,000	\$ 354,997	\$ (354,997)	\$ 900,000
2013-2014	\$ 900,000	\$ 277,764	\$ (277,764)	\$ 900,000

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 \$2,655,586 and \$2,598,596 for the unpaid annual leave at August 31, 2015 and 2014, 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, 2015 and 2014, the estimated liability under this policy was approximately \$1,244,384 and \$1,257,853, respectively, which is accrued.

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**15. HEALTH CARE AND LIFE INSURANCE BENEFITS**

Certain health care and life insurance benefits for active employees are provided through an insurance 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. For the 2014-2015 biennium, the State changed the methodology of benefit funding for community colleges in the State. SB 1812 limited the State's portion to 50% of the total contribution made on behalf of both active and retired employees.

**State Insurance Contributions per full-time employee**

<u>Health Select of Texas Plan *</u>	<u>2015 State/Employer Contribution</u>	<u>2015 Annualized Contribution</u>
Member Only	\$ 537.66	\$ 6,451.92
Member & Spouse	845.54	10,146.48
Member & Child(ren)	743.80	8,925.60
Member & Family	1,051.68	12,620.16

<u>Health Select of Texas Plan *</u>	<u>2014 State/Employer Contribution</u>	<u>2014 Annualized Contribution</u>
Member Only	\$ 503.14	\$ 6,037.68
Member & Spouse	791.16	9,493.92
Member & Child(ren)	696.00	8,352.00
Member & Family	984.02	11,808.24

\*Includes premium for Basic Term Life Insurance

<u>Cost of Providing Health Care Insurance</u>	<u>2015</u>	<u>2014</u>
Number of Retires	354	329
Cost of Health Benefits for Retirees	\$ 2,432,801	\$ 2,118,859
Number of Active Full Time Employees	1,300	1,301
Health Benefits for Active Full Time Employees	\$ 11,222,573	\$ 10,586,770
Health State Appropriation Insurance - Retirees	\$ 1,216,400	\$ 1,059,430
Health State Appropriation Insurance - Active	\$ 4,460,575	\$ 4,229,841
Net Cost to District	\$ 7,978,399	\$ 7,416,358

## EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2015

#### 16. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

*Plan Description.* The College contributes to 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). These medical benefits are provided 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 and required supplementary information for the plan. 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 parameters of GASB statement 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions. 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.

Beginning September 1, 2013, SB 1812 limited the state's contribution to 50% of eligible employees for community colleges.

The contributions to SRHP for the years ended August 31, 2015, 2014, and 2013 totaled \$1,216,400, \$1,059,430 and \$1,913,652, respectively, which equaled the required contributions each year.

#### 17. CONTRACT AND GRANT AWARDS

Contracts and grants awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants. For Federal and State Contracts and grants award, funds expended but not collected are reported as Receivables on Exhibit A. 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 approximately \$65,733,320 and \$65,355,234 at August 31, 2015 and 2014, respectively. Of this amount, \$62,008,591 and \$62,332,821 were related to Federal Contract and Grant Awards, \$3,724,729 and \$2,455,757 were from State and Other Contract and Grant Awards.

#### 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 \$351,809, \$232,688 and \$756,573 to the College during the years ended August 31, 2015, 2014 and 2013, respectively. The College donated certain services, such as office space, utilities, supplies, and staff salaries and benefits to the Foundation with approximate value of \$42,423 for each year.



**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

**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, 2015:**

Assessed Valuation of the College	\$ 45,043,210,267
Less: Exemptions and abatements	<u>(6,668,113,144)</u>
Net Assessed Valuation of the College	<u><u>\$ 38,375,097,123</u></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	\$ 0.128122	\$ -	\$ 0.128122

**At August 31, 2014:**

Assessed Valuation of the College	\$ 44,171,228,030
Less: Exemptions and abatements	<u>(6,331,204,351)</u>
Net Assessed Valuation of the College	<u><u>\$ 37,840,023,679</u></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	\$ 0.124359	\$ -	\$ 0.124359

Taxes levied for the years ended August 31, 2015 and 2014, were \$49,227,247 and \$47,109,505, 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.

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015

**19. PROPERTY TAXES (Continued)**

<u>Tax Collected</u>	<u>2015</u>	<u>2014</u>
	<u>Current Operations</u>	
Current Taxes Collected	\$ 48,244,378	\$ 46,094,167
Delinquent Taxes	473,625	504,011
Penalties and Interest Collected	<u>584,342</u>	<u>506,251</u>
Total Collections	<u>\$ 49,302,345</u>	<u>\$ 47,104,429</u>

Tax collections for the years ended August 31, 2015, 2014 and 2013, were 98% of the current tax levy. Allowances for uncollectible taxes for the years ended August 31, 2015, 2014 and 2013 respectively, of \$514,542, \$496,020 and \$490,002 are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to local maintenance and operations.

**20. PENDING LAWSUITS AND CLAIMS**

On August 31, 2015, 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.

**21. COMMITMENTS**

Encumbrances, primarily construction and technology related, outstanding at August 31, 2015 and 2014, respectively, that were provided for in the subsequent year's budget aggregated approximately \$3,309,464 and \$2,446,437.

**22. FUND BALANCE**

Net assets reclassified in fund balance formatted for the internal purposes at August 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>As Restated 2014</u>
<b>Current funds:</b>		
Fund balance, unrestricted	\$ 16,238,051	\$ 9,749,205
Fund balance, auxiliary enterprises	2,591,752	2,536,055
Fund balance, restricted	<u>4,926,657</u>	<u>4,319,505</u>
Total Current Fund Balance	\$ 23,756,460	\$ 16,604,765
 Fund balance, loan funds	 1,759,963	 1,557,407
Fund balance, endowment and similar funds	733,942	741,151
Fund balance, plant funds	<u>106,312,477</u>	<u>102,256,314</u>
Total Fund Balance	<u>\$ 132,562,842</u>	<u>\$ 121,159,637</u>



## REQUIRED SUPPLEMENTARY INFORMATION

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Schedule of College's Share of Net Pension Liability  
Year Ended August 31, 2015

Fiscal year ending August 31 *	2015 **
Total TRS pension liability	\$ 159,496,075,886
Less: TRS' net position	<u>132,779,243,085</u>
TRS' net pension liability	\$ 26,716,832,801
TRS net position as percentage of total pension liability (NPL)	83.25%
College's proportionate share of collective net pension liability (%)	0.000741112%
College's proportionate share of collective net pension liability (\$)	\$ 19,796,127
Portion of State of Texas's total proportionate of NPL associated with College	<u>16,454,821</u>
Total	\$ 36,250,948
College's covered payroll amount	\$ 52,955,705
Ratio of College proportionate share of collective NPL/ College's covered payroll amount	0.373824256

\* - The amounts presented above are as of the measurement date of the collective net pension liability (NPL).

\*\* - Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Schedule of College's Contributions  
Year Ended August 31, 2015

<u>Fiscal year ending August 31 *</u>	<u>2015 **</u>
Legally required contributions	\$ 1,967,912
Actual contributions	<u>1,967,912</u>
Contributions deficiency (excess)	-
College's covered payroll amount	\$ 52,955,705
Ratio of College proportionate share of collective NPL/ College's covered payroll amount	0.037161473

\* - The amounts presented above are as of the College's most recent fiscal year-end.

\*\* - Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2015

Changes of Benefit Terms include:

- No changes for the year ended August 31, 2015

Changes of Assumptions

- There were no changes of assumptions for the year ended August 31, 2015

## SUPPLEMENTARY INFORMATION



EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Schedule of Operating Revenues  
Year Ended August 31, 2015  
(With Memorandum Totals for the Year Ended August 31, 2014)

Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2015 Total	2014 Total
<b>Tuition:</b>						
State-funded credit courses:						
In-district resident tuition	\$ 39,251,301	\$ -	\$ 39,251,301	\$ -	\$ 39,251,301	\$ 40,373,550
Non-resident tuition	3,917,182	-	3,917,182	-	3,917,182	3,841,164
TPEG - credit (set aside)*	2,025,548	-	2,025,548	-	2,025,548	2,148,739
State-funded continuing education	1,465,283	-	1,465,283	-	1,465,283	1,198,602
Non-state funded educational programs	<u>1,698,292</u>	<u>-</u>	<u>1,698,292</u>	<u>-</u>	<u>1,698,292</u>	<u>1,683,999</u>
Total Tuition	<u>48,357,606</u>	<u>-</u>	<u>48,357,606</u>	<u>-</u>	<u>48,357,606</u>	<u>49,246,054</u>
<b>Fees:</b>						
General use fee	6,323,817	-	6,323,817	-	6,323,817	5,687,950
Student fee	3,267,677	-	3,267,677	16,825	3,284,502	3,212,585
Laboratory fee	703,822	-	703,822	-	703,822	636,026
Other fees	<u>75,980</u>	<u>-</u>	<u>75,980</u>	<u>764,425</u>	<u>840,405</u>	<u>849,854</u>
Total Fees	<u>10,371,296</u>	<u>-</u>	<u>10,371,296</u>	<u>781,250</u>	<u>11,152,546</u>	<u>10,386,415</u>
<b>Scholarship Allowances and Discounts:</b>						
Bad debt allowance	(645,764)	-	(645,764)	-	(645,764)	(660,412)
Remissions and exemptions - local	(284,534)	-	(284,534)	-	(284,534)	(345,179)
Remissions and exemptions - state	(7,754,670)	-	(7,754,670)	-	(7,754,670)	(7,390,704)
Federal grants to students	(24,807,999)	-	(24,807,999)	-	(24,807,999)	(25,418,224)
TPEG awards	(1,249,764)	-	(1,249,764)	-	(1,249,764)	(1,162,556)
State grants to students	<u>(4,231,687)</u>	<u>-</u>	<u>(4,231,687)</u>	<u>-</u>	<u>(4,231,687)</u>	<u>(3,498,279)</u>
Total Scholarship Allowances	<u>(38,974,418)</u>	<u>-</u>	<u>(38,974,418)</u>	<u>-</u>	<u>(38,974,418)</u>	<u>(38,475,354)</u>
Total Net Tuition and Fees	<u>19,754,484</u>	<u>-</u>	<u>19,754,484</u>	<u>781,250</u>	<u>20,535,734</u>	<u>21,157,115</u>
<b>Additional Operating Revenues:</b>						
Federal grants and contracts	109,366	3,714,588	3,823,954	-	3,823,954	3,988,745
State grants and contracts	-	5,511,113	5,511,113	-	5,511,113	4,252,969
Non-governmental grants and contracts	-	502,129	502,129	-	502,129	823,643
General operating revenues	<u>1,676,884</u>	<u>425,317</u>	<u>2,102,201</u>	<u>-</u>	<u>2,102,201</u>	<u>1,811,196</u>
Total Additional Operating Revenues	<u>1,786,250</u>	<u>10,153,147</u>	<u>11,939,397</u>	<u>-</u>	<u>11,939,397</u>	<u>10,876,553</u>
<b>Auxiliary Enterprises:</b>						
Bookstore**	-	-	-	594,700	594,700	597,936
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,855</u>	<u>313,855</u>	<u>399,000</u>
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>908,555</u>	<u>908,555</u>	<u>996,936</u>
Total Operating Revenues	<u>\$ 21,540,734</u>	<u>\$ 10,153,147</u>	<u>\$ 31,693,881</u>	<u>\$ 1,689,805</u>	<u>\$ 33,383,686</u>	<u>\$ 33,030,604</u>
					(Exhibit 2)	(Exhibit 2)

\*In accordance with Education code 56.033, \$2,025,548 and \$2,148,739 for the years August 31, 2015 and 2014, 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 B

## Schedule of Operating Expenses by Object

Year Ended August 31, 2015

(With Memorandum Totals for the Year Ended August 31, 2014)

	Operating Expenses				2015 Total	2014 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
<b>Unrestricted - Educational Activities</b>						
Instruction	\$ 41,452,354	\$ -	\$ 5,921,061	\$ 2,491,527	\$ 49,864,942	49,233,762
Research	36,921	-	5,274	22,621	64,816	64,399
Public Service	3,504,736	-	491,905	1,387,868	5,384,509	5,596,980
Academic Support	12,839,521	-	1,833,999	2,595,401	17,268,921	15,993,865
Student Services	6,805,590	-	972,112	1,025,040	8,802,742	8,619,171
Institutional Support	12,504,247	-	1,786,109	5,788,207	20,078,563	19,521,549
Operation and Maintenance of Plant	2,478,343	-	660,660	7,441,791	10,580,794	10,025,991
Scholarships and Fellowships	-	-	-	1,976,094	1,976,094	2,117,956
<b>Total Unrestricted Educational Activities</b>	<b>79,621,712</b>	<b>-</b>	<b>11,671,120</b>	<b>22,728,549</b>	<b>114,021,381</b>	<b>111,173,673</b>
<b>Restricted - Educational Activities</b>						
Instruction	2,198,074	4,219,215	398,800	989,927	7,806,016	7,923,902
Research	2,844	-	516	1,281	4,641	-
Public Service	250,233	356,729	45,400	112,695	765,057	772,966
Academic Support	710,891	1,306,867	128,978	320,158	2,466,894	2,457,160
Student Services	392,412	692,705	71,196	176,727	1,333,040	1,404,395
Institutional Support	-	1,272,741	-	-	1,272,741	1,179,764
Scholarships and Fellowships	-	-	-	33,335,650	33,335,650	34,219,455
<b>Total Restricted Educational Activities</b>	<b>3,554,454</b>	<b>7,848,257</b>	<b>644,890</b>	<b>34,936,438</b>	<b>46,984,039</b>	<b>47,957,642</b>
<b>Total Educational Activities</b>	<b>83,176,166</b>	<b>7,848,257</b>	<b>12,316,010</b>	<b>57,664,987</b>	<b>161,005,420</b>	<b>159,131,315</b>
Auxiliary Enterprises	710,195		340,710	2,282,356	3,333,261	3,424,490
Depreciation Expense - Buildings and other real estate improvements	-	-	-	3,542,145	3,542,145	3,562,821
Depreciation Expense - Equipment, furniture, and library books	-	-	-	932,197	932,197	952,913
<b>Total Operating Expenses</b>	<b>\$ 83,886,361</b>	<b>\$ 7,848,257</b>	<b>\$ 12,656,720</b>	<b>\$ 64,421,685</b>	<b>\$ 168,813,023</b>	<b>167,071,539</b>
					(Exhibit 2)	(Exhibit 2)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Schedule of Non-Operating Revenues and Expenses  
Year Ended August 31, 2015  
(With Memorandum Totals for the Year Ended August 31, 2014)

Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	2015 Total	2014 Total
<b>NON-OPERATING REVENUES:</b>					
<b>State Appropriations:</b>					
Education and general state support	\$ 33,792,708	\$ -	\$ -	\$ 33,792,708	33,884,773
State group insurance	-	5,676,975	-	5,676,975	5,289,271
State retirement matching	-	2,171,282	-	2,171,282	2,112,008
Total State Appropriations	33,792,708	7,848,257	-	41,640,965	41,286,052
Maintenance ad valorem taxes	49,302,345	-	-	49,302,345	47,104,419
Federal Revenue, Non Operating	216,322	57,322,118	-	57,538,440	59,466,875
Other State Revenue, Non Operating	3,064	502,129	-	505,193	446,157
Investment income	161,141	9,844	2,473	173,458	169,841
Total Non-Operating Revenues	83,475,580	65,682,348	2,473	149,160,401	148,473,344
<b>NON-OPERATING EXPENSES:</b>					
Interest on capital related debt	2,327,859	-	-	2,327,859	2,498,078
Loss on disposal of capital assets	-	-	-	-	-
Total Non-Operating Expenses	2,327,859	-	-	2,327,859	2,498,078
Net Non-Operating Revenues	\$ 81,147,721	\$ 65,682,348	\$ 2,473	\$ 146,832,542	145,975,266
				(Exhibit 2)	(Exhibit 2)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Schedule of Net Position by Source and Availability  
Year Ended August 31, 2015  
(With Memorandum Totals for the Year Ended August 31, 2014)

Schedule D

	Detail by Source					Available for Current Operations	
	Restricted		Non-Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
	Unrestricted	Expendable					
Current:							
Unrestricted	\$ 16,238,051	\$ -	\$ -	\$ -	\$ 16,238,051	\$ 16,238,051	\$ -
Restricted		4,926,657			4,926,657	4,926,657	
Auxiliary Enterprises	2,591,752				2,591,752	2,591,752	
Loan		1,759,963			1,759,963		1,759,963
Endowment:							
Quasi:							
Restricted			733,942		733,942		733,942
Plant:							
Unexpended		14,769,444			14,769,444		14,769,444
Renewals		524,694			524,694	524,694	
Debt Service		6,477,069			6,477,069		6,477,069
Investment in Plant	-	-	-	84,541,270	84,541,270	-	84,541,270
Total Net Position, August 31, 2015	18,829,803	28,457,827	733,942	84,541,270	132,562,842 (Exhibit 1)	24,281,154	108,281,688
Total Net Position, August 31, 2014	<u>34,714,354</u>	<u>29,895,813</u>	<u>741,151</u>	<u>78,237,413</u>	<u>143,588,731</u> (Exhibit 1)	<u>39,831,099</u>	<u>103,757,632</u>
Cumulative effect of change in accounting principle	<u>(22,429,094)</u>	-	-	-	<u>(22,429,094)</u>	<u>(22,429,094)</u>	-
Total Net Position, August 31, 2014 - as restated	<u>12,285,260</u>	<u>29,895,813</u>	<u>741,151</u>	<u>78,237,413</u>	<u>121,159,637</u>	<u>17,402,005</u>	<u>103,757,632</u>
Net Increase (Decrease) in Net Position	<u>\$ 6,544,543</u>	<u>\$ (1,437,986)</u>	<u>\$ (7,209)</u>	<u>\$ 6,303,857</u>	<u>\$ 11,403,205</u> (Exhibit 2)	<u>\$ 6,879,149</u>	<u>\$ 4,524,056</u>



# STATISTICAL SECTION



*Northwest 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  
Statistical Supplement 1  
Net Position by Component and Changes in Net Position  
Last Ten Fiscal Years  
(unaudited)

Net Position by Component

	For the Year Ended August 31,			
	<u>2015 as restated</u>	<u>2014</u>	<u>2013 as restated</u>	<u>2012</u>
Net investment in capital assets	\$ 84,541,270	\$ 78,237,413	\$ 79,937,511	\$ 76,631,932
Restricted - expendable	28,457,827	29,895,813	23,103,969	21,450,792
Restricted - nonexpendable	733,942	741,151	737,449	740,985
Unrestricted	18,829,803	34,714,354	27,875,471	26,263,067
Total primary government net position	<u>\$ 132,562,842</u>	<u>\$ 143,588,731</u>	<u>\$ 131,654,400</u>	<u>\$ 125,086,776</u>

Changes in Net Position

	For the Year Ended August 31,			
	<u>2015 as restated</u>	<u>2014</u>	<u>2013 as restated</u>	<u>2012</u>
Net position at beginning of year	\$ 143,588,731	\$ 131,654,400	\$ 125,086,776	\$ 117,150,407
Total revenues - page 60	182,544,087	181,503,948	179,796,871	182,493,532
Total expenses - page 62	(171,140,882)	(169,569,617)	(172,442,933)	(174,557,163)
Change in accounting principles - 2015 GASB 68 and 2013 GASB 65	(22,429,094)	-	(786,314)	
Change in net position	<u>(11,025,889)</u>	<u>11,934,331</u>	<u>6,567,624</u>	<u>7,936,369</u>
Net position at end of year	<u>\$ 132,562,842</u>	<u>\$ 143,588,731</u>	<u>\$ 131,654,400</u>	<u>\$ 125,086,776</u>



For the Year Ended August 31,					
2011	2010	2009	2008	2007	2006
\$ 68,925,159	\$ 61,606,183	\$ 55,023,820	\$ 51,700,504	\$ 49,438,653	\$ 44,280,868
26,857,747	30,331,430	32,767,631	32,232,699	30,504,859	28,334,228
738,681	736,950	669,942	590,395	483,119	381,197
20,628,820	18,838,065	18,081,481	18,326,504	17,503,082	17,031,343
<u>\$ 117,150,407</u>	<u>\$ 111,512,628</u>	<u>\$ 106,542,874</u>	<u>\$ 102,850,102</u>	<u>\$ 97,929,713</u>	<u>\$ 90,027,636</u>

For the Year Ended August 31,					
2011	2010	2009	2008	2007	2006
\$ 111,512,628	\$ 106,542,874	\$ 102,850,102	\$ 97,929,713	\$ 90,027,636	\$ 83,110,274
187,197,068	175,032,116	150,822,825	146,763,963	145,641,249	141,311,359
(181,559,289)	(170,062,362)	(147,130,053)	(141,843,574)	(137,739,172)	(134,393,997)
<u>5,637,779</u>	<u>4,969,754</u>	<u>3,692,772</u>	<u>4,920,389</u>	<u>7,902,077</u>	<u>6,917,362</u>
<u>\$ 117,150,407</u>	<u>\$ 111,512,628</u>	<u>\$ 106,542,874</u>	<u>\$ 102,850,102</u>	<u>\$ 97,929,713</u>	<u>\$ 90,027,636</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 2  
Revenues by Source  
Last Ten Fiscal Years  
(unaudited)

	For the Year Ended August 31,			
	2015	2014	2013 as restated	2012
Tuition and Fees (Net of Discounts)	\$ 19,754,484	\$ 20,354,706	\$ 22,181,240	\$ 20,414,460
Federal Grants and Contracts	3,823,954	3,988,745	4,015,782	4,979,369
State Grants and Contracts	5,511,113	4,252,969	3,598,188	4,034,558
Non-Governmental Grants and Contracts	502,129	823,643	889,024	637,984
Auxiliary enterprises	1,689,805	1,799,345	1,987,554	2,149,564
Other Operating Revenues	2,102,201	1,811,196	2,156,824	1,956,063
Total Operating Revenues	33,383,686	33,030,604	34,828,612	34,171,998
State Appropriations	41,640,965	41,286,052	38,284,946	38,364,441
Ad Valorem Taxes	49,302,345	47,104,419	42,729,975	42,055,081
Federal Grants, Non Operating	57,538,440	59,466,875	63,124,632	67,420,731
Other State Grants, Non Operating	505,193	446,157	663,584	339,489
Investment income	173,458	169,841	165,122	141,792
Total Non-Operating Revenues	149,160,401	148,473,344	144,968,259	148,321,534
Total Revenues	\$ 182,544,087	\$ 181,503,948	\$ 179,796,871	\$ 182,493,532

	For the Year Ended August 31,			
	2015	2014	2013 as restated	2012
Tuition and Fees (Net of Discounts)	10.82%	11.21%	12.34%	11.19%
Federal Grants and Contracts	2.09%	2.20%	2.23%	2.73%
State Grants and Contracts	3.02%	2.34%	2.00%	2.21%
Non-Governmental Grants and Contracts	0.28%	0.45%	0.49%	0.35%
Auxiliary enterprises	0.93%	0.99%	1.11%	1.18%
Other Operating Revenues	1.15%	1.00%	1.20%	1.07%
Total Operating Revenues	18.29%	18.20%	19.37%	18.73%
State Appropriations	22.81%	22.75%	21.29%	21.02%
Ad Valorem Taxes	27.01%	25.95%	23.77%	23.04%
Federal Grants, Non Operating	31.51%	32.76%	35.11%	36.94%
Other State Grants, Non Operating	0.28%	0.25%	0.37%	0.19%
Investment income	0.10%	0.09%	0.09%	0.08%
Total Non-Operating Revenues	81.71%	81.80%	80.63%	81.27%
Total Revenues	100.00%	100.00%	100.00%	100.00%

For the Year Ended August 31,

2011	2010	2009	2008	2007	2006
\$ 19,907,092	\$ 15,418,488	\$ 13,822,341	\$ 14,338,875	\$ 17,118,772	\$ 16,324,468
6,405,026	6,033,833	4,726,771	4,706,659	6,457,049	5,189,490
5,417,936	4,855,728	4,998,735	4,695,813	3,959,783	3,969,766
359,296	659,293	1,130,573	1,429,620	826,044	245,295
2,004,136	1,498,348	1,436,108	1,374,179	1,210,024	1,332,378
822,643	922,665	1,006,828	923,500	1,211,511	780,103
34,916,129	29,388,355	27,121,356	27,468,646	30,783,183	27,841,500
41,206,833	41,592,662	43,234,190	43,380,018	41,211,968	40,770,870
37,689,872	36,967,294	36,182,641	34,817,839	33,209,749	31,670,769
72,591,478	65,793,408	42,661,948	37,727,176	36,616,080	38,473,626
431,302	508,434	39,944			
361,454	781,963	1,582,746	3,370,284	3,820,269	2,554,594
152,280,939	145,643,761	123,701,469	119,295,317	114,858,066	113,469,859
\$ 187,197,068	\$ 175,032,116	\$ 150,822,825	\$ 146,763,963	\$ 145,641,249	\$ 141,311,359

For the Year Ended August 31,

2011	2010	2009	2008	2007	2006
10.63%	8.81%	9.16%	9.77%	11.76%	11.56%
3.42%	3.45%	3.13%	3.21%	4.43%	3.67%
2.89%	2.77%	3.31%	3.20%	2.72%	2.81%
0.19%	0.38%	0.75%	0.97%	0.57%	0.17%
1.07%	0.86%	0.95%	0.94%	0.83%	0.94%
0.44%	0.53%	0.67%	0.63%	0.83%	0.55%
18.65%	16.79%	17.97%	18.72%	21.14%	19.70%
22.01%	23.76%	28.67%	29.55%	28.30%	28.85%
20.13%	21.12%	23.99%	23.72%	22.80%	22.41%
38.78%	37.59%	28.29%	25.71%	25.14%	27.23%
0.23%	0.29%	0.03%	0.00%	0.00%	0.00%
0.19%	0.45%	1.05%	2.30%	2.62%	1.81%
81.35%	83.21%	82.03%	81.28%	78.86%	80.30%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 3  
Program Expenses by Function  
Last Ten Fiscal Years  
(unaudited)

	For the Year Ended August 31,			
	2015	2014	2013 as restated	2012
Instruction	\$ 57,670,958	\$ 57,157,664	\$ 57,143,086	\$ 56,569,373
Research	69,457	64,399	67,172	46,990
Public service	6,149,566	6,369,946	6,007,731	5,741,054
Academic support	19,735,815	18,451,025	18,006,899	18,022,725
Student services	10,135,782	10,023,566	10,275,524	9,899,398
Institutional support	21,351,304	20,701,313	19,932,692	20,028,102
Operation and maintenance of plant	10,580,794	10,025,991	9,163,297	9,554,646
Scholarships and fellowships	35,311,744	36,337,411	39,964,638	44,001,068
Auxiliary enterprises	3,333,261	3,424,490	4,755,196	3,008,770
Depreciation	4,474,342	4,515,734	4,460,995	4,787,773
Total Operating Expenses	168,813,023	167,071,539	169,777,230	171,659,899
Interest on capital related debt	2,327,859	2,498,078	2,665,703	2,897,264
Loss on disposal of capital assets	-	-	-	-
Total Non-Operating Expenses	2,327,859	2,498,078	2,665,703	2,897,264
Total Expenses	\$ 171,140,882	\$ 169,569,617	\$ 172,442,933	\$ 174,557,163

	For the Year Ended August 31,			
	2015	2014	2013 as restated	2012
Instruction	33.70%	33.71%	33.13%	32.42%
Research	0.04%	0.04%	0.04%	0.03%
Public service	3.59%	3.76%	3.48%	3.29%
Academic support	11.53%	10.88%	10.44%	10.32%
Student services	5.92%	5.91%	5.96%	5.67%
Institutional support	12.48%	12.21%	11.56%	11.47%
Operation and maintenance of plant	6.18%	5.91%	5.31%	5.47%
Scholarships and fellowships	20.63%	21.43%	23.18%	25.21%
Auxiliary enterprises	1.95%	2.02%	2.76%	1.72%
Depreciation	2.61%	2.66%	2.59%	2.74%
Total Operating Expenses	98.64%	98.53%	98.45%	98.34%
Interest on capital related debt	1.36%	1.47%	1.55%	1.66%
Loss on disposal of fixed assets	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	1.36%	1.47%	1.55%	1.66%
Total Expenses	100.00%	100.00%	100.00%	100.00%

For the Year Ended August 31,

2011	2010	2009	2008	2007	2006
\$ 57,782,436	\$ 54,335,517	\$ 49,992,432	\$ 48,394,133	\$ 48,799,237	\$ 47,099,097
46,835	41,360	47,745	15,247	14,593	20,938
5,623,512	6,243,089	5,616,027	6,395,334	5,235,682	3,930,285
18,684,484	18,410,143	17,503,474	16,744,629	14,383,334	15,940,956
10,409,484	10,562,151	10,218,770	10,199,098	10,040,659	10,210,118
20,167,121	20,029,700	19,142,647	19,922,834	18,676,469	18,119,480
8,907,338	9,487,154	9,597,425	8,953,714	8,171,961	7,754,674
50,636,516	41,962,679	26,276,049	22,123,458	21,189,381	23,906,774
2,180,466	1,753,830	1,462,846	1,773,241	2,748,508	1,367,399
4,033,896	4,121,401	4,056,430	3,986,591	4,125,838	3,327,339
178,472,088	166,947,024	143,913,845	138,508,279	133,385,662	131,677,060
3,087,201	3,115,338	3,216,208	3,335,295	4,341,880	2,457,840
-	-	-	-	11,630	259,097
3,087,201	3,115,338	3,216,208	3,335,295	4,353,510	2,716,937
\$ 181,559,289	\$ 170,062,362	\$ 147,130,053	\$ 141,843,574	\$ 137,739,172	\$ 134,393,997

For the Year Ended August 31,

2011	2010	2009	2008	2007	2006
31.82%	31.96%	33.97%	34.12%	35.43%	35.04%
0.03%	0.02%	0.03%	0.01%	0.01%	0.02%
3.10%	3.67%	3.82%	4.51%	3.80%	2.92%
10.29%	10.83%	11.90%	11.80%	10.44%	11.86%
5.73%	6.21%	6.95%	7.19%	7.29%	7.60%
11.11%	11.78%	13.01%	14.05%	13.56%	13.48%
4.91%	5.58%	6.52%	6.31%	5.93%	5.77%
27.89%	24.67%	17.86%	15.60%	15.38%	17.79%
1.20%	1.03%	0.99%	1.25%	2.00%	1.02%
2.22%	2.42%	2.76%	2.81%	3.00%	2.48%
98.30%	98.17%	97.81%	97.65%	96.84%	97.98%
1.70%	1.83%	2.19%	2.35%	3.15%	1.83%
0.00%	0.00%	0.00%	0.00%	0.01%	0.19%
1.70%	1.83%	2.19%	2.35%	3.16%	2.02%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT**

**Statistical Supplement 4**

**Tuition and Fees**

**Last Ten Academic Years  
(unaudited)**

Academic Year (Fall)	Resident		Cost for 12 SCH In- District	Increase from Prior Year In- District
	Fees per Semester Credit Hour (SCH)			
	In-District Tuition	General Use Fees		
2014-15	\$ 76.00	\$ 10.00	\$ 1,032.00	0.00%
2013-14	76.00	10.00	1,032.00	6.17%
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%

Academic Year (Fall)	Non - Resident		Cost for 12 SCH Out of State	Increase from Prior Year Out of State
	Fees per Semester Credit Hour (SCH)			
	Non-Resident Tuition Out of State	General Use Fees		
2014-15	\$ 141.00	\$ 10.00	\$ 1,812.00	0.00%
2013-14	141.00	10.00	1,812.00	0.00%
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%

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

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 5  
Assessed Value and Taxable Assessed Value of Property  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year	Assessed Valuation of Real Property	Assessed Valuation of Personal Property	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)
2014-15	\$ 39,227,150,006	\$ 5,816,060,261	45,043,210,267	\$ 6,668,113,144	38,375,097,123	85.20%	\$ 0.128122	\$ -	0.128122
2013-14	38,527,163,556	5,644,064,474	44,171,228,030	6,331,204,351	37,840,023,679	85.67%	0.124359		0.124359
2012-13	37,861,722,951	5,675,946,355	43,537,669,306	6,134,901,937	37,402,767,369	85.91%	0.114086		0.114086
2011-12	36,401,060,000	5,227,036,177	41,628,096,177	5,592,871,383	36,035,224,794	86.56%	0.115442		0.115442
2010-11	35,118,376,418	4,685,813,189	39,804,189,607	4,884,780,918	34,919,408,689	87.73%	0.107329		0.107329
2009-10	34,295,699,719	5,336,529,677	39,632,229,396	5,027,414,797	34,604,814,599	87.31%	0.105670		0.105670
2008-09	32,270,602,283	3,359,949,875	35,630,552,158	2,007,078,657	33,623,473,501	94.37%	0.106841		0.106841
2007-08	29,510,740,820	3,114,201,621	32,624,942,441	1,870,233,510	30,754,708,931	94.27%	0.111967		0.111967
2006-07	25,800,260,183	3,011,829,020	28,812,089,203	1,760,436,222	27,051,652,981	93.89%	0.120998		0.120998
2005-06	22,432,434,258	2,911,679,293	25,344,113,551	1,756,306,687	23,587,806,864	93.07%	0.132844		0.132844

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 6  
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
2014-15	\$ 33,792,708	18,367	\$ 1,840	8,067,120	2,232,292	10,299,412	3.28
2013-14	33,884,773	18,936	1,789	8,378,864	2,342,228	10,721,092	3.16
2012-13	32,619,755	19,793	1,648	8,755,212	2,408,232	11,163,444	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

Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

(a) Source CBM001

(b) Source CBM00A





# EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 7

### Principal Taxpayers

#### Last Ten Tax Years

(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)		
		2015	2014	2013
Western Refining Company LP	Refining	\$ 565,133	\$ 488,902	\$ 474,080
El Paso Electric Company	Utility	407,000	328,530	286,055
Walmart	Retail	272,917	264,534	87,331
Tenet Hospitals	Hospital	248,180	223,489	218,264
River Oaks Properties LTD	Properties	165,442	163,812	169,519
Simon Property Group	Properties	137,076	177,170	195,509
El Paso Outlet Center Holding Co	Properties	93,771		89,948
Texas Gas Service	Utility	87,700	93,750	84,076
Union Pacific Railroad	Railroad	87,158	89,551	
Hawkins & I-10 Acquisition Company	Properties	84,675	101,325	
Southwestern Bell Telephone	Utility		81,141	84,111
Cardinal Health 5 LLC	Hospital			79,833
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			
Totals		\$ 2,149,052	\$ 2,012,204	\$ 1,768,726
Total Taxable Assessed Value		\$ 39,677,209	\$ 37,840,024	\$ 37,402,767

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year		
		2015	2014	2013
Western Refining Company LP	Refining	1.42%	1.29%	1.27%
El Paso Electric Company	Utility	1.03%	0.87%	0.76%
Walmart	Retail	0.69%	0.70%	0.23%
Tenet Hospitals	Hospital	0.63%	0.59%	0.58%
River Oaks Properties LTD	Properties	0.42%	0.43%	0.45%
Simon Property Group	Properties	0.35%	0.47%	0.52%
El Paso Outlet Center Holding Co	Properties	0.24%		0.24%
Texas Gas Service	Utility	0.22%	0.25%	0.22%
Union Pacific Railroad	Railroad	0.22%	0.24%	
Hawkins & I-10 Acquisition Company	Properties	0.21%	0.27%	
Southwestern Bell Telephone	Utility		0.21%	0.22%
Cardinal Health 5 LLC	Hospital			0.21%
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			
Totals		5.43%	5.32%	4.70%

Source: Local County Appraisal District

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

2012	2011	2010	2009	2008	2007	2006
\$ 910,434	\$ 422,701	\$ 365,474	\$ 437,864	\$ 551,898	\$ 484,121	\$ 316,643
264,012	257,067	229,477	209,436	190,725	182,205	170,657
77,495	86,063					
231,585	236,237	235,065	77,542	145,766	90,943	70,640
159,706	162,192	189,984	200,917	166,102	144,938	95,677
195,371	195,470	182,874	181,907	183,991	183,343	164,602
92,013	82,502	50,922	54,640			
75,576	73,393	65,351	58,937	56,089	54,424	48,837
92,762	103,544	118,810	127,810	139,570	160,329	148,508
81,411	70,601	53,890	71,978			
		52,294	54,871	50,394	64,418	61,055
				47,086		
				44,163	44,217	
					48,564	
						59,999
						50,512
\$ 2,180,365	\$ 1,689,770	\$ 1,544,141	\$ 1,475,902	\$ 1,575,784	\$ 1,457,502	\$ 1,187,130
\$ 36,035,225	\$ 34,919,409	\$ 34,604,815	\$ 33,623,474	\$ 30,754,709	\$ 27,051,653	\$ 23,587,807

**% of Taxable Assessed Value (TAV) by Tax Year**

2012	2011	2010	2009	2008	2007	2006
2.53%	1.21%	1.06%	1.30%	1.79%	1.79%	1.34%
0.73%	0.74%	0.66%	0.62%	0.62%	0.67%	0.72%
0.22%	0.25%					
0.64%	0.68%	0.68%	0.23%	0.47%	0.34%	0.30%
0.44%	0.46%	0.55%	0.60%	0.54%	0.54%	0.41%
0.54%	0.56%	0.53%	0.54%	0.60%	0.68%	0.70%
0.26%	0.24%	0.15%	0.16%			
0.21%	0.21%	0.19%	0.18%	0.18%	0.20%	0.21%
0.26%	0.30%	0.34%	0.38%	0.45%	0.59%	0.63%
0.23%	0.20%	0.16%	0.21%			
		0.15%	0.16%	0.16%	0.24%	0.26%
				0.15%		
				0.14%	0.16%	
					0.18%	
						0.25%
						0.21%
6.05%	4.84%	4.46%	4.39%	5.12%	5.39%	5.03%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 8  
Property Tax Rates per \$100 of Assessed Value  
Direct and Overlapping  
Last Ten Tax Years  
(unaudited)

Fiscal Year	College District			Other El Paso County Taxable Entities				Total
	Current Operations	(1) Debt Service	Total	El Paso County	City of El Paso	(2) ISD's Average	University Medical Center	
2014-15	\$ 0.128122		\$ 0.128122	0.452694	0.699784	1.297260	0.220682	\$ 2.798542
2013-14	0.124359	-	0.124359	0.433125	0.678378	1.291044	0.214393	2.741299
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

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

Statistical Supplement 9

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
2014-15	\$ 49,473,303	\$ (246,055)	49,227,248	\$ 48,244,378	98.00%			48,244,378	98.00%
2013-14	47,455,189	(573,558)	46,881,631	46,062,532	98.25%		265,086	46,327,618	98.82%
2012-13	42,884,204	(468,065)	42,416,139	41,705,331	98.32%	294,909	45,815	42,046,055	99.13%
2011-12	41,810,318	(385,508)	41,424,810	40,618,634	98.05%	453,030	46,569	41,118,233	99.26%
2010-11	37,798,762	(366,493)	37,432,269	36,538,292	97.61%	595,850	33,982	37,168,124	99.29%
2009-10	37,047,109	(506,448)	36,540,661	35,677,909	97.64%	619,729	24,121	36,321,759	99.40%
2008-09	36,092,639	(264,446)	35,828,193	34,800,092	97.13%	841,554	17,508	35,659,154	99.53%
2007-08	34,603,395	(232,107)	34,371,288	33,562,299	97.65%	656,229	11,312	34,229,840	99.59%
2006-07	32,692,682	(74,527)	32,618,155	31,820,331	97.55%	671,048	7,391	32,498,770	99.63%
2005-06	31,387,627	(72,540)	31,315,087	30,481,027	97.34%	702,901	6,016	31,189,944	99.60%

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

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

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT**  
**Statistical Supplement 10**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
**(unaudited)**

	For the Year Ended August 31,			
	2015	2014	2013	2012
<b><u>General Bonded Debt</u></b>				
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%
<b><u>Other Debt</u></b>				
Revenue Bonds - See Note 6	\$ 47,095,000	\$ 50,660,000	\$ 54,090,000	\$ 57,355,000
Revenue Bonds Premium- See Note 7	1,850,918	2,028,606	2,206,293	2,383,982
Notes - See Note 9	1,253,808	1,775,622	2,282,065	2,773,157
Capital Lease Obligations	-	-	-	3,310
Total Outstanding Debt	\$ 50,199,726	\$ 54,464,228	\$ 58,578,358	\$ 62,515,449
<b><u>Total Outstanding Debt Ratios</u></b>				
Per Capita	\$ 57.47	\$ 64.78	\$ 69.23	\$ 75.78
Per Student	2,733	2,876	2,960	3,095
As a percentage of Taxable Assessed Value	0.13%	0.14%	0.16%	0.17%

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,					
2011	2010	2009	2008	2007	2006
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 60,490,000	\$ 63,500,000	\$ 66,390,000	\$ 69,165,000	\$ 71,835,000	\$ 46,480,000
2,561,669	2,739,357	2,917,046	3,094,733	3,272,422	-
3,249,518	3,696,627	1,480,129	1,037,700	1,150,023	1,258,018
32,654	89,863	157,619	228,497	240,037	279,461
\$ 66,333,841	\$ 70,025,847	\$ 70,944,794	\$ 73,525,930	\$ 76,497,482	\$ 48,017,479
\$ 80.85	\$ 87.03	\$ 89.59	\$ 94.38	\$ 99.62	\$ 63.59
3,238	3,550	4,061	4,377	4,416	2,638
0.19%	0.20%	0.21%	0.24%	0.28%	0.20%

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT**  
**Statistical Supplement 11**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(unaudited)**

	For the Year Ended August 31,			
	2015	2014	2013	2012
Taxable Assessed Value	\$ 38,375,097,123	\$ 37,840,023,679	\$ 37,402,767,369	\$ 36,035,224,794
General Obligation Bonds				
Statutory Tax Levy Limit for Debt Service	191,875,486	189,200,118	187,013,837	180,176,124
Less: Funds Restricted for Repayment of General Obligation Bonds				
Net Statutory Tax Levy Limit for Debt Service	191,875,486	189,200,118	187,013,837	180,176,124
Current Year Debt Service Requirements	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 191,875,486	\$ 189,200,118	\$ 187,013,837	\$ 180,176,124
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,					
2011	2010	2009	2008	2007	2006
\$ 34,919,408,689	\$ 34,604,814,599	\$ 33,623,473,501	\$ 30,754,708,931	\$ 27,051,652,981	\$ 23,587,806,864
174,597,043	173,024,073	168,117,368	153,773,545	135,258,265	117,939,034
174,597,043	173,024,073	168,117,368	153,773,545	135,258,265	117,939,034
-	-	-	-	-	-
\$ 174,597,043	\$ 173,024,073	\$ 168,117,368	\$ 153,773,545	\$ 135,258,265	\$ 117,939,034
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 12  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
(unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues				Debt Service Requirements			
	(1) Tuition	General Use Fee	Interest Income	Total	Principal	Interest	Total	Coverage Ratio
2015	\$ 12,089,402	\$ 6,323,817	\$ 124,829	\$ 18,538,048	\$ 3,745,000	\$ 2,354,880	\$ 6,099,880	3.04
2014	12,311,513	5,687,950	124,482	18,123,945	3,565,000	2,532,830	6,097,830	2.97
2013	12,344,375	6,017,817	122,109	18,484,301	3,430,000	2,671,050	6,101,050	3.03
2012	11,657,934	6,151,759	95,371	17,905,064	3,265,000	2,833,800	6,098,800	2.94
2011	9,654,356	6,288,519	98,245	16,041,120	3,135,000	2,964,745	6,099,745	2.63
2010	9,368,777	5,905,681	129,087	15,403,545	3,010,000	3,088,967	6,098,967	2.53
2009	7,491,999	5,162,768	302,837	12,957,604	2,890,000	3,208,188	6,098,188	2.12
2008	7,424,058	4,994,683	1,526,546	13,945,287	2,775,000	3,321,825	6,096,825	2.29
2007	7,715,701	5,101,453	2,367,736	15,184,890	2,670,000	3,429,690	6,099,690	2.49
2006	831,855	5,270,972	1,894,409	7,997,236	2,065,000	2,283,636	4,348,636	1.84

Note:

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

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 13  
Demographic and Economic Statistics - Taxing District  
Last Ten Fiscal Years  
(unaudited)

Calendar Year	District Population (1)	District Personal Income (thousands of dollars)	District Personal Income Per Capita (3)	District Unemployment Rate (2)
2015	873,513	26,606,169	\$ 31,799	5.10%
2014	840,769	25,891,399	31,156	7.00%
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%

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  
Statistical Supplement 14  
Principal Employers  
Last Ten Fiscal Years  
(unaudited)

Employer	2015		2014		2013		2012	
	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
Fort Bliss Civilian Employees	12,834	4.00%	12,000	3.98%	10,700	3.64%	10,804	3.60%
El Paso Independent School District	9,000	2.80%	9,000	2.99%	9,000	3.06%	9,000	3.00%
Ysleta Independent School District	7,851	2.44%	7,851	2.60%	8,000	2.72%	8,000	2.67%
City of El Paso	6,570	2.05%	6,570	2.18%	5,545	1.88%	6,390	2.13%
Socorro Independent School District	6,299	1.96%	6,299	2.09%	5,805	1.97%	7,000	2.33%
T & T Staff Management LP	5,020	1.56%	5,020	1.67%	5,020	1.71%	5,020	1.67%
University of Texas at El Paso	3,700	1.15%	3,700	1.23%	2,718	0.92%	3,770	1.26%
El Paso County Community College District	3,066	0.95%	3,121	1.04%	3,192	1.08%	3,194	1.06%
Wal-Mart	3,071	0.96%	3,065	1.02%	2,948	1.00%	2,095	0.70%
Tenet Hospital Ltd	3,053	0.95%	3,053	1.01%	3,053	1.04%	3,053	1.02%
El Paso Health Care System, LTD	3,000	0.93%						
Elcom, Inc.	2,900	0.90%						
County of El Paso	2,834	0.88%	2,800	0.93%	2,771	0.94%	2,771	0.92%
University Medical Center	2,455	0.76%	2,455	0.81%	2,455	0.83%	2,455	0.82%
AT&T	2,444	0.76%	2,444	0.81%				
Clint Independent School District	2,150	0.67%	2,150	0.71%	2,150	0.73%	2,150	0.72%
Total	76,247	23.72%	69,528	23.07%	63,357	21.52%	65,702	21.90%

Source:

City of El Paso Economic & International Development  
The Borderplex Alliance  
Texas Workforce Commission  
Fort Bliss Public Information Office

Note:

Percentages are calculated using total employment figures from the Texas Workforce Commission

2011		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	Number of Employees	Percentage of Total Employment
8,000	2.51%	14,750	4.75%	10,200	3.71%	10,000	3.64%	6,500	2.34%	8,500	3.06%
9,000	2.83%	9,000	2.90%	8,505	3.10%	8,505	3.10%	8,500	3.06%	6,500	2.34%
7,155	2.25%	7,155	2.31%	6,066	2.21%	6,066	2.21%	8,241	2.97%	8,241	2.97%
6,500	2.04%	6,500	2.10%	6,400	2.33%	6,400	2.33%	5,409	1.95%	5,409	1.95%
7,000	2.20%	7,000	2.26%	4,488	1.63%	4,488	1.63%	2,800	1.01%	2,800	1.01%
4,687	1.47%	5,587	1.80%	6,100	2.22%	6,100	2.22%				
2,867	0.90%	2,681	0.86%	4,000	1.46%	4,000	1.46%	3,686	1.33%	3,686	1.33%
3,252	1.02%	3,152	1.02%	2,971	1.08%	2,897	1.05%	2,967	1.04%	3,000	1.08%
3,078	0.97%	3,205	1.03%	4,050	1.47%	4,050	1.47%	3,000	1.08%	2,990	1.04%
3,053	0.96%	3,053	0.98%	6,587	2.40%	6,587	2.40%	4,000	1.44%	4,000	1.44%
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
54,592	17.15%	62,083	20.01%	59,367	21.61%	59,093	21.51%	45,103	16.22%	45,126	16.22%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 15  
Faculty, Staff, and Administrators Statistics  
Last Ten Fiscal Years  
(unaudited)

		Fiscal Year Ended August 31,									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Faculty											
Full-time		466	471	470	419	417	405	400	372	391	350
Part-time		887	916	988	1,043	1,113	1,045	976	851	1,002	1,563
Total		1,353	1,387	1,458	1,462	1,530	1,450	1,376	1,223	1,393	1,913
Percent											
Full-time		34.4%	34.0%	32.2%	28.7%	27.3%	27.9%	29.1%	30.4%	28.1%	18.3%
Part-time		65.6%	66.0%	67.8%	71.3%	72.7%	72.1%	70.9%	69.6%	71.9%	81.7%
Staff and Administrators											
Full-time		769	774	748	761	799	804	793	791	786	837
Part-time		944	960	986	971	923	898	802	889	978	1,349
Total		1,713	1,734	1,734	1,732	1,722	1,702	1,595	1,680	1,764	2,186
Percent											
Full-time		44.9%	44.6%	43.1%	43.9%	46.4%	47.2%	49.7%	47.1%	44.6%	38.3%
Part-time		55.1%	55.4%	56.9%	56.1%	53.6%	52.8%	50.3%	52.9%	55.4%	61.7%
FTSE per Full-time Faculty											
FTSE per Full-Time Staff Member		39.41	40.20	42.11	48.21	49.12	48.70	43.68	45.16	44.31	52.01
FTSE per Full-Time Staff Member		23.88	24.47	26.46	26.54	25.64	24.53	22.03	21.24	22.04	21.75
Average Annual Faculty Full-Time Faculty Salary											
Faculty Salary		\$55,344	\$55,176	\$56,660	\$55,660	\$54,275	\$54,564	\$53,829	\$52,977	\$51,163	\$50,558



EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 16  
Enrollment Details  
Last Ten Fiscal Years  
(unaudited)

Student Classification	Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	17,062	57.49%	17,085	56.07%	18,585	57.85%	16,792	54.66%
31-60 hours	9,208	31.03%	9,813	32.21%	9,900	30.81%	10,173	33.11%
>60 hours	3,406	11.48%	3,570	11.72%	3,642	11.34%	3,758	12.23%
Total	29,676	100.00%	30,468	100.00%	32,127	100.00%	30,723	100.00%

Semester Hour Load	Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	233	0.79%	186	0.61%	231	0.72%	276	0.90%
3-5 semester hours	6,485	21.85%	6,301	20.68%	6,422	19.99%	5,738	18.68%
6-8 Semester hours	8,255	27.82%	8,063	26.47%	8,741	27.21%	7,504	24.42%
9-11 semester hours	5,571	18.77%	6,210	20.38%	6,290	19.58%	5,319	17.31%
12-14 semester hours	6,688	22.54%	7,120	23.37%	7,779	24.21%	8,667	28.21%
15-17 semester hours	1,577	5.31%	1,636	5.37%	1,717	5.34%	1,853	6.03%
18 & over	867	2.92%	952	3.12%	947	2.95%	1,366	4.45%
Total	29,676	100.00%	30,468	100.00%	32,127	100.00%	30,723	100.00%

Average course load	8.4	8.6	8.6	9.1
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Tuition Status	Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident	28,348	95.53%	29,037	95.30%	30,723	95.63%	28,982	94.33%
Non-Resident	1,328	4.47%	1,431	4.70%	1,404	4.37%	1,741	5.67%
Total	29,676	100.00%	30,468	100.00%	32,127	100.00%	30,723	100.00%



Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
16,627	55.59%	16,128	57.26%	14,383	55.70%	13,186	52.70%	14,070	53.90%	14,619	54.82%
9,728	32.53%	8,690	30.85%	8,226	31.85%	8,496	33.95%	8,653	33.14%	8,749	32.81%
3,554	11.88%	3,350	11.89%	3,214	12.45%	3,341	13.35%	3,382	12.96%	3,299	12.37%
29,909	100.00%	28,168	100.00%	25,823	100.00%	25,023	100.00%	26,105	100.00%	26,667	100.00%

Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
218	0.73%	198	0.70%	230	0.89%	120	0.48%	108	0.41%	133	0.50%
5,507	18.41%	5,275	18.73%	4,828	18.70%	4,561	18.23%	5,074	19.44%	4,575	17.16%
7,299	24.40%	6,848	24.31%	6,418	24.85%	6,463	25.83%	6,448	24.70%	6,388	23.95%
5,226	17.47%	4,904	17.41%	4,530	17.54%	4,321	17.27%	4,448	17.04%	4,813	18.05%
8,464	28.30%	8,371	29.72%	7,342	28.43%	7,169	28.64%	7,510	28.77%	8,081	30.30%
1,874	6.27%	1,611	5.72%	1,580	6.12%	1,509	6.03%	1,561	5.98%	1,623	6.09%
1,321	4.42%	961	3.41%	895	3.47%	880	3.52%	956	3.66%	1,054	3.95%
29,909	100.00%	28,168	100.00%	25,823	100.00%	25,023	100.00%	26,105	100.00%	26,667	100.00%

9.1

9.0

8.9

8.9

8.6

9.8

Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
28,287	94.58%	26,626	94.53%	24,558	95.10%	23,818	95.18%	24,977	95.68%	25,119	94.20%
1,622	5.42%	1,542	5.47%	1,265	4.90%	1,205	4.82%	1,128	4.32%	1,548	5.80%
29,909	100.00%	28,168	100.00%	25,823	100.00%	25,023	100.00%	26,105	100.00%	26,667	100.00%

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT**  
**Statistical Supplement 17**  
**Student Profile**  
**Last Ten Fiscal Years**  
**(unaudited)**

Gender	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	16,907	56.97%	17,400	57.11%	18,407	57.29%	17,645	57.43%	17,177	57.43%
Male	12,769	43.03%	13,068	42.89%	13,720	42.71%	13,078	42.57%	12,732	42.57%
Total	29,676	100.00%	30,468	100.00%	32,127	100.00%	30,723	100.00%	29,909	100.00%

Ethnic Origin	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,357	7.94%	2,462	8.08%	2,619	8.15%	2,560	8.33%	2,648	8.85%
Hispanic	25,247	85.08%	25,857	84.86%	27,571	85.82%	26,253	85.45%	25,444	85.08%
African American	704	2.37%	727	2.39%	727	2.26%	684	2.23%	701	2.34%
Asian	248	0.84%	280	0.92%	298	0.93%	291	0.95%	271	0.91%
Native American	96	0.32%	109	0.36%	115	0.36%	115	0.37%	102	0.34%
Other	1,024	3.45%	1,033	3.39%	797	2.48%	820	2.67%	743	2.48%
Total	29,676	100.00%	30,468	100.00%	32,127	100.00%	30,723	100.00%	29,909	100.00%

Age	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	4,666	15.72%	4,318	14.17%	4,585	14.27%	2,656	8.64%	2,474	8.27%
18 -21	12,478	42.05%	13,008	42.69%	13,743	42.78%	13,570	44.18%	13,174	44.06%
22 - 24	4,514	15.21%	4,543	14.91%	4,610	14.35%	4,630	15.07%	4,549	15.21%
25 - 35	5,390	18.16%	5,626	18.47%	5,857	18.23%	6,203	20.19%	5,974	19.97%
36 - 50	2,121	7.15%	2,355	7.73%	2,688	8.37%	2,935	9.55%	3,001	10.03%
51 & over	507	1.71%	618	2.03%	644	2.00%	729	2.37%	737	2.46%
Total	29,676	100.00%	30,468	100.00%	32,127	100.00%	30,723	100.00%	29,909	100.00%

Average Age	23.3	23.7	23.8	24.5	24.7
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Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
16,325	57.96%	15,371	59.52%	15,141	60.51%	15,813	60.57%	16,300	61.12%
11,843	42.04%	10,452	40.48%	9,882	39.49%	10,292	39.43%	10,367	38.88%
28,168	100.00%	25,823	100.00%	25,023	100.00%	26,105	100.00%	26,667	100.00%

Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
2,167	7.69%	2,094	8.11%	2,028	8.10%	2,212	8.47%	2,253	8.45%
24,196	85.91%	22,095	85.55%	21,383	85.45%	22,246	85.23%	22,690	85.09%
645	2.29%	544	2.11%	555	2.22%	565	2.16%	670	2.51%
257	0.91%	222	0.86%	227	0.91%	222	0.85%	230	0.86%
88	0.31%	66	0.26%	65	0.26%	66	0.25%	67	0.25%
815	2.89%	802	3.11%	765	3.06%	794	3.04%	757	2.84%
28,168	100.00%	25,823	100.00%	25,023	100.00%	26,105	100.00%	26,667	100.00%

Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
2,433	8.64%	2,030	7.86%	690	2.76%	1,106	4.24%	701	2.63%
12,506	44.40%	11,478	44.44%	11,289	45.11%	11,259	43.13%	11,242	42.17%
4,280	15.19%	4,028	15.60%	4,223	16.88%	4,229	16.20%	4,457	16.71%
5,530	19.63%	5,148	19.94%	5,370	21.46%	5,765	22.08%	6,244	23.41%
2,778	9.86%	2,594	10.05%	2,906	11.61%	3,167	12.13%	3,428	12.85%
641	2.28%	545	2.11%	545	2.18%	579	2.22%	595	2.23%
28,168	100.00%	25,823	100.00%	25,023	100.00%	26,105	100.00%	26,667	100.00%

24.5

24.6

25.3

25.5

25.9

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 18  
Transfers to Senior Institutions

(Includes only public senior colleges in Texas)

		2012 Fall Students as of Fall 2014					2011 Fall Students as of Fall 2013				
		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		
1	Angelo State University	7			7	0.14%	12			12	0.23%
2	Lamar University	4			4	0.08%	4		1	5	0.10%
3	Midwestern State University	2			2	0.04%	4			4	0.08%
4	Prairie View A&M University	4			4	0.08%	0		1	1	0.02%
5	Sam Houston State University	4	1		5	0.10%	6		1	7	0.14%
6	Stephan F. Austin State University	1	1		2	0.04%	0			0	0.00%
7	Sul Ross State University	27		5	32	0.64%	30			30	0.58%
8	Sul Ross State University - Rio Grande College	2			2	0.04%	1			1	0.02%
9	Tarleton State University	1			1	0.02%	1			1	0.02%
10	Texas A&M International University	1			1	0.02%	4	4	3	11	0.21%
11	Texas A&M University - College Station	54	1	3	58	1.17%	54			54	1.05%
12	Texas A&M University - Central Texas	0			0	0.00%	0			0	0.00%
13	Texas A&M University - Commerce	1			1	0.02%	2			2	0.04%
14	Texas A&M University - Corpus Christi	5			5	0.10%	8	1		9	0.17%
15	Texas A&M University - Galveston	4			4	0.08%	2			2	0.04%
16	Texas A&M University - Kingsville	4			4	0.08%	2			2	0.04%
17	Texas A&M University - San Antonio	3			3	0.06%	3			3	0.06%
18	Texas A&M University - Texarkana	0			0	0.00%	0			0	0.00%
19	Texas A&M University - Health Science Center	0			0	0.00%	0			0	0.00%
20	Texas Southern University	0			0	0.00%	4			4	0.08%
21	Texas State University - San Marcos	68	8	2	78	1.57%	66	9	10	85	1.65%
22	Texas Tech University	184	5	4	193	3.88%	140	4	9	153	2.97%
23	Texas Tech University - Health Science Center	17			17	0.34%	10			10	0.19%
24	Texas Tech University - Health Science Center - El Paso	48			48	0.97%	49			49	0.95%
25	Texas Women's University	13			13	0.26%	11			11	0.21%
26	University of Houston	6		3	9	0.18%	4	1		5	0.10%
27	University of Houston - Downtown	0			0	0.00%	0			0	0.00%
28	University of Houston - Clear Lake	2			2	0.04%	0			0	0.00%
29	University of Houston - Victoria	0		1	1	0.02%	1			1	0.02%
30	University of North Texas	22		2	24	0.48%	36	2	1	39	0.76%
31	University of North Texas at Dallas	1			1	0.02%	2			2	0.04%
32	University of North Texas Health Science Center	0			0	0.00%	2			2	0.04%
33	University of Texas - Arlington	25	1	2	28	0.56%	22	2		24	0.47%
34	University of Texas - Austin	129	8	5	142	2.86%	144	8	8	160	3.10%
35	University of Texas - Brownsville	0		1	1	0.02%	1			1	0.02%
36	University of Texas - Dallas	10	1	1	12	0.24%	9			9	0.17%
37	University of Texas - El Paso	3,933	80	129	4,142	83.37%	4,134	104	106	4,344	84.23%
38	University of Texas - Pan American	4			4	0.08%	0			0	0.00%
39	University of Texas - Permian Basin	24	2		26	0.52%	20		1	21	0.41%
40	University of Texas - San Antonio	63		8	71	1.43%	63	3	2	68	1.32%
41	University of Texas - Tyler	0			0	0.00%	2		1	3	0.06%
42	University of Texas Health Science Center - Houston	0			0	0.00%	0			0	0.00%
43	University of Texas Health Science Center - San Antonio	5			5	0.10%	0			0	0.00%
44	University of Texas Medical Branch - Galveston	2			2	0.04%	2			2	0.04%
45	University of Texas M.D. Anderson Cancer Center	0			0	0.00%	1			1	0.02%
46	University of Texas Southwestern Medical Center - Dallas	0			0	0.00%	0			0	0.00%
47	West Texas A&M University	14			14	0.28%	18			18	0.35%
Totals		4,694	108	166	4,968	100.00%	4,874	138	144	5,156	100.00%

2010 Fall Students as of Fall 2012

2009 Fall Students as of Fall 2011

2008 Fall Students as of Fall 2010

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		
14	1	4	19	0.37%	14		1	15	0.29%	17		2	19	0.35%
3			3	0.06%	2			2	0.04%	1			1	0.02%
3			3	0.06%	2			2	0.04%	4			4	0.07%
2			2	0.04%	1			1	0.02%	3			3	0.06%
8			8	0.15%	3		1	4	0.08%	3			3	0.06%
1			1	0.02%	0		3	3	0.06%	1			1	0.02%
33	1		34	0.66%	49	1		50	0.97%	34	1	1	36	0.67%
1			1	0.02%					0.00%					
3			3	0.06%	3			3	0.06%	1			1	0.02%
2			2	0.04%	3			3	0.06%	1			1	0.02%
40	2	1	43	0.83%	40	1		41	0.80%	42		1	43	0.80%
0	1		1	0.02%	1			1	0.02%	1			1	0.02%
3			3	0.06%	4			4	0.08%	1			1	0.02%
7			7	0.14%	4			4	0.08%	6		1	7	0.13%
2			2	0.04%	3			3	0.06%	6			6	0.11%
2			2	0.04%	0			0	0.00%	1			1	0.02%
4			4	0.08%	2			2	0.04%	1			1	0.02%
0			0	0.00%	0			0	0.00%	1			1	0.02%
1			1	0.02%	2			2	0.04%	1			1	0.02%
1			1	0.02%	4			4	0.08%	3			3	0.06%
75	5	3	83	1.61%	61	2	2	65	1.27%	55	1	1	57	1.06%
145	4	6	155	3.00%	145	4	2	151	2.94%	140	3		143	2.67%
69		2	71	1.37%	53		3	56	1.09%	43			43	0.80%
				0.00%					0.00%					
10			10	0.19%	18			18	0.35%	12			12	0.22%
11			11	0.21%	17			17	0.33%	10			10	0.19%
1			1	0.02%	1			1	0.02%	1		1	2	0.04%
0			0	0.00%	1			1	0.02%	2			2	0.04%
0			0	0.00%	1			1	0.02%				0	0.00%
30	2	2	34	0.66%	24	1	1	26	0.51%	28	3		31	0.58%
0				0.00%					0.00%					
2			2	0.04%	0			0	0.00%	1			1	0.02%
30		2	32	0.62%	24		1	25	0.49%	20	1	1	22	0.41%
162	8	1	171	3.31%	157	4	3	164	3.20%	154	1	1	156	2.91%
4			4	0.08%	2			2	0.04%				0	0.00%
6			6	0.12%	6	1		7	0.14%	12	1		13	0.24%
4,125	87	131	4,343	84.08%	4,200	69	76	4,345	84.61%	4,496	55	78	4,629	86.39%
2			2	0.04%	2			2	0.04%	6		2	8	0.15%
12			12	0.23%	24		2	26	0.51%	14	1	1	16	0.30%
64	2	1	67	1.30%	60		1	61	1.19%	60		3	63	1.18%
1	1		2	0.04%	0			0	0.00%	1			1	0.02%
1			1	0.02%	3			3	0.06%	3			3	0.06%
5			5	0.10%	2			2	0.04%	1			1	0.02%
0			0	0.00%	3			3	0.06%	1			1	0.02%
0			0	0.00%	1			1	0.02%					
3			3	0.06%	0			0	0.00%	3			3	0.06%
8		1	9	0.17%	12			12	0.23%	6			6	0.11%
4,896	114	154	5,164	100.00%	4,954	83	96	5,133	100.00%	5,197	67	93	5,357	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Statistical Supplement 19  
Capital Asset Information  
Last Ten Fiscal Years  
(unaudited)

	Fiscal Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Academic buildings	25	25	25	25	25	23	23	21	21	21
Square footage	994,344	994,344	994,344	985,927	985,927	899,857	893,069	862,709	828,218	796,051
Libraries	5	5	5	5	5	5	5	5	5	5
Square footage	93,801	93,801	93,801	93,801	93,801	88,501	58,704	58,704	58,704	58,704
Number of Volumes	194,768	189,068	180,748	179,432	177,750	176,955	173,437	169,963	167,941	161,719
<i>(in thousands)</i>										
Administrative and support buildings	9	9	9	8	8	7	7	7	7	7
Square footage	625,401	625,401	625,401	596,034	596,034	584,627	378,494	378,494	378,494	378,497
Athletic Facilities	7	7	7	7	7	7	7	7	7	7
Square footage	296,906	296,906	296,906	296,906	296,906	296,906	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	204,059
Gymnasiums	33,807	33,807	33,807	33,807	33,807	33,807	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	56	53	53	54	52	60	60	63	51	49
Light Trucks/Vans	64	66	68	74	78	84	84	88	83	82
Buses	3	3	3	3	1	2	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, 2015

Schedule E

	Federal CFDA Number	Pass-through Grantor's Number	Disbursements And Expenditures
<b><u>U.S. Department of Education:</u></b>			
Direct Programs:			
Student Financial Aid Cluster			
Supplemental Education Opportunity Grants	84.007		\$ 1,268,689
Federal College Work Study Program	84.033		689,862
Federal Pell Grant Program	84.063		54,986,306
Federal Direct Student Loans	84.268		8,104,073
Total Student Financial Assistance Cluster			<u>65,048,930</u>
TRIO Cluster			
TRIO Student Support Services	84.042		<u>593,583</u>
Total TRIO Cluster			<u>593,583</u>
Higher Education Institutional Aid	84.031		683,082
Migrant Education-High School Equivalency Program	84.141		465,442
Pass-Through From:			
Texas Higher Education Coordinating Board			
Vocational Education - Basic Grants to States			
Formula Allocation	84.048	154233	686,999
Statewide Data Systems	84.372	R372A090010	<u>268</u>
Total Career and Technical Education - Basic Grants to States			<u>687,267</u>
Total U.S. Department of Education			<u>67,478,304</u>
<b><u>U.S. Department of Agriculture:</u></b>			
Direct Programs:			
National Institute of Food and Agriculture			
Hispanic Serving Institutions Education Grants	10.223		\$ 38,765
Pass- Through From:			
Texas Workforce Commission			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1015ATP000	<u>24,812</u>
Total U.S. Department of Agriculture			<u>63,577</u>
<b><u>U.S. Department of Defense:</u></b>			
Direct Program:			
Procurement Technical Assistance for Business Firms	12.002		\$ <u>274,979</u>
Total U.S. Department of Defense			<u>274,979</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Schedule of Expenditures of Federal Awards (continued)  
Year Ended August 31, 2015

Schedule E

	Federal CFDA Number	Pass-through Grantor's Number	Disbursements And Expenditures
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
Pass-Through From:			
City of El Paso			
Community Development Block/Entitlement Grants	14.218	N/A	\$ 30,045
Total U.S. Department of Housing and Urban Development			30,045
<b><u>U.S. Department of Justice:</u></b>			
Direct Program:			
Bulletproof Vest Partnership Program	16.607		\$ 3,713
Total U.S. Department of Justice			3,713
<b><u>U.S. Department of Labor:</u></b>			
Direct Program:			
Youthbuild	17.274		\$ 220,481
Pass-Through From:			
Upper Rio Grande Workforce Development Board			
Workforce Innovation Fund	17.283	PY12-206-100-01	218,736
Texas Workforce Commission			
WIA Dislocated Worker Formula Grants			
Apprenticeship Program FY 10	17.278	1015ATP000	24,020
Total U.S. Department of Labor			463,237
<b><u>National Aeronautics and Space Administration</u></b>			
Pass-Through From:			
San Jacinto Community College			
Education	43.008	N/A	\$ 7,000
Total National Aeronautics and Space Administration			7,000
<b><u>National Science Foundation:</u></b>			
Direct Program:			
Geosciences	47.050		\$ 9,877
Education and Human Resources	47.076		127,039
Pass-Through From:			
University of Texas at El Paso			
Education and Human Resources	47.076		
UTEP/LSAMP 2014		26-1008-4161	1,320
UTEP/LSAMP 2015		26-1008-4161/2014054805	8,627
Total pass through from University of Texas at El Paso			9,947
Total National Science Foundation			146,863

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Schedule of Expenditures of Federal Awards (continued)  
Year Ended August 31, 2015

Schedule E

	Federal CFDA Number	Pass-through Grantor's Number	Disbursements And Expenditures
<b><u>U.S. Small Business Administration:</u></b>			
Pass-Through From:			
University of Texas at San Antonio			
UTSA SBDC SBA 2014	59.037	4-603001-Z-0049-28-EPCC	\$ 41,573
UTSA SBDC SBA 2015	59.037	5-603001-Z-0049-29-EPCC	209,317
Total U.S. Small Business Administration			<u>250,890</u>
<b><u>U.S. Department of Health and Human Services:</u></b>			
Direct Programs:			
Research and Development Cluster			
National Institutes of Health			
Biomedical Research and Research Training	93.859		\$ 501,817
Pass-Through From:			
Research and Development Cluster			
National Institutes of Health			
University of Texas at El Paso			
UTEP Bridges to the Future 2015	93.859	26-1409-4461/2014054800	27,035
UTEP Bridges to the Future 2016	93.859	2015074036	27,399
Total Research and Development Cluster			<u>556,251</u>
Pass-Through From:			
University of Texas at El Paso			
Trans-NIH Research Support			
UTEP NIH Build Initiative 2015	93.310	2015063525	62,948
UTEP NIH Build Initiative 2016	93.310	226141170-01	1,858
			<u>64,806</u>
Texas Workforce Commission			
Temporary Assistance for Needy Families			
Apprenticeship Program FY 15	93.558	1015ATP000	6,881
Total U.S. Department of Health and Human Services			<u>627,938</u>
<b><u>U.S. Agency for International Development:</u></b>			
Pass-Through From:			
Georgetown University			
USAID Foreign Assistance for Programs Overseas			
SEED I 2013 Cohort 2	98.001	ELCC-RX2050-705-14-E	\$ 325,457
Total US Agency for International Development			<u>325,457</u>
Total Federal Financial Assistance:			<u>\$ 69,672,003</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SUPPLEMENTARY SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS  
AUGUST 31, 2015

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, 2015. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

This schedule has been prepared on the accrual basis accounting. Revenues are recorded for financial reporting purposes when the College has met the qualifications for the respective program. Expenditures reported on the Schedule also are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-21, *Cost Principles for Education Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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	\$ 8,104,073	\$ -	\$ 8,104,073

4. AMOUNTS PASSED THROUGH BY THE COLLEGE

Of the federal expenditures presented in the schedule, the College provided awards to subrecipients as follows:

CFDA Number	Primary Award	Recipient	Amount Provided to Subrecipient
84.031	CF004948	Texas Tech University	\$ 201,637
47.050	CF004952	Northern Virginia Community College	3,899
			<u>\$ 205,536</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

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NOTES TO SUPPLEMENTARY SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS  
AUGUST 31, 2015

5. FEDERAL ASSISTANCE RECONCILIATION

**Federal Revenue - Per Schedule E**

<b>Per Schedule of Expenditures of Federal Awards</b>	<b>\$ 69,672,003</b>
<b>Federal Family Education Loans</b>	<b>-</b>
<b>Direct Student Loans</b>	<b>(8,104,073)</b>
<b>Funds passed through to others</b>	<b>(205,536)</b>
<b>Non Operating Federal Revenue from Schedule C</b>	<b>(57,538,440)</b>
<b>Total Federal Revenue per Schedule A</b>	<b><u>\$ 3,823,954</u></b>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
Schedule of Expenditures of State Awards  
Year Ended August 31, 2015

Schedule F

	State Grantor's Number	Disbursements And Expenditures
<b><u>Texas Workforce Commission:</u></b>		
Direct Programs:		
TWC - Skills for Small Business 2014	1014SSD000	\$ 3,113
Apprenticeship Program 15	1015ATP000	43,297
TWC - IT Veterans Initiative SDF	1014SDF001	186,682
TWC - SDF Sun Towers/Vista Hills	1014SDF000	88,614
TWC - EPCC Partnership with Toro Company	1015SDF000	195,489
		<u>517,195</u>
Pass Through From:		
Texas A&M University		
Texas Adult Education & Literacy Professional Development Center	2914AEL000	15,293
Total Texas Workforce Commission		<u>532,488</u>
<b><u>Texas Higher Education Coordinating Board:</u></b>		
Texas Grant Initial	N/A	\$ (3,315)
Texas Grant Renewal	N/A	917,576
TEOG Initial	N/A	2,722,748
TEOG Renewal	N/A	594,678
State Workstudy 2014/2015	N/A	170,372
Top 10 Percent Scholarship	N/A	43,200
Top 10 Percent Renewal Scholarship	N/A	18,000
ABE-IG Adult Basic ED Innovation Grant	06752	288
T-STEM 2013 Scholarship	11272	49,371
Pathway Project 2014	11710	921
T-STEM 2014 Scholarship	13496	224,250
SGPD	N/A	153,416
Tuition Assistance - Military Forces	N/A	736,847
Total Texas Higher Education Coordinating Board		<u>5,628,352</u>
<b><u>Texas Department of Assistive &amp; Rehabilitative Services</u></b>		
DARS Interpretative Services	538-14-0001- 0000000000102	\$ 7,762
Total Texas Department of Assistive & Rehabilitative Services		<u>7,762</u>
<b><u>Texas Association of Public Schools:</u></b>		
TAPS - 2015 Risk Management Grant	N/A	\$ 1,120
		<u>1,120</u>
Total State Financial Assistance		<u>\$ 6,169,722</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

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NOTES TO SUPPLEMENTARY SCHEDULE  
OF EXPENDITURES OF STATE AWARDS  
AUGUST 31, 2015

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.

2. AMOUNTS PASSED THROUGH BY THE COLLEGE

None

3. STATE ASSISTANCE RECONCILIATION

State Revenue - Per Schedule F

Per Schedule of Expenditures of State Awards	\$ 6,169,722
SGPD Awards from prior period set-asides	(153,416)
Non Operating State Revenue from Schedule C	<u>(505,193)</u>
Total State Revenue per Schedule A	<u>\$ 5,511,113</u>

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INDEPENDENT AUDITOR'S REPORT 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

Board of Trustees  
El Paso County Community College District  
El Paso, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 (the "College") as of and for the fiscal year ended August 31, 2015 and the related notes to the financial statements, which collectively comprise El Paso County Community College District basic financial statements, and have issued our report thereon dated December 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the El Paso County Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

Our consideration of internal control over financial reporting 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. Given the 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 the College's financial statements are free of 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 have also performed tests designed to verify the College's compliance with the requirements of the Texas Public Funds Investment Act (the Act). The results of our testing 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 results 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.

*Peter Briones McDaniel & Co*

El Paso, Texas  
December 22, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND  
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

Board of Trustees  
El Paso County Community College District  
El Paso, Texas

Report on Compliance for Each Major Federal Program

We have audited El Paso County Community College District (the "College")'s compliance with the types of compliance requirements described in the U. S. Office of Management and Budget ("OMB") *Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the College's major federal and state programs for the fiscal year ended August 31, 2015. The College's major federal and state 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 College's major federal and 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Single Audit Circular*. Those standards, OMB Circular A-133, 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the College'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 and state program. However, our audit does not provide a legal determination of the College's compliance.

### Opinion on Each Major Federal and State Program

In our opinion, the College 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 and state programs for the year ended August 31, 2015.

### Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of Texas Single Audit Circular, 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 College'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, or 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. We did not identify any deficiencies in internal control over 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 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 and State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

*Peter Brines McDaniel & Co*

December 22, 2015  
El Paso, Texas

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2015

## Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ yes X no

Significant deficiencies identified

\_\_\_ yes X none reported

Noncompliance material to financial statements noted?

\_\_\_ yes X noFederal Awards

Internal Control over major programs:

Material weakness(es) identified?

\_\_\_ yes X no

Significant deficiencies identified

\_\_\_ yes X none reported

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

UnmodifiedAny audit findings disclosed that are required to be reported in  
accordance with Circular A-133, Section .510(a)?\_\_\_ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007; 84.033; 84.063; 84.268;	Student Financial Aid Cluster
84.042	TRIO Cluster - TRIO Student Support Services
84.031	Higher Education Institutional Aid
84.141	Migrant Education- High School Equivalency Program
84.048	Vocational Education - Basic Grants to States
17.258; 17.259; 17.260	Workforce Investment Act Cluster
17.269	Community Based Job Training Grant
93.859	Research and Development Cluster
98.001	Scholarships for Education and Economic Development

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2015

Federal Awards (Continued)

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000

Auditee qualified as low-risk auditee?   X   yes      no

State Awards

Internal control over major programs:

Material weakness(es) identified?      yes   X   no

Significant deficiencies identified      yes   X   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 State of Texas Single Audit Circular?      yes   X   no

Identification of major programs:

<u>Grantor's Number</u>	<u>Name of State Program</u>
---	Texas Grant Programs
---	TEOG Program
SDF	Skilled Development Funds
---	Tuition Assistance - Military Forces

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000

Auditee qualified as low-risk auditee?   X   yes      no

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2015**

**Section II - Financial Statement Findings - None for both Federal and State Awards**

**Section III - Federal Awards Findings and Questioned Costs**

For the year ended August 31, 2015, no findings or questioned costs were noted.

2014-001 Student Financial Assistance - Student Status reported to National Student Loan Data System (NSLDS) Timely (Significant Deficiency, Noncompliance) - Resolved

2014-002 Youthbuild - Grant officer approval for significant change to Statement of Work (Significant Deficiency, Noncompliance) - Resolved

**Section III - State Awards Findings and Questioned Costs**

For the years ended August 31, 2015 and 2014, no findings or questioned costs were noted.