

**NORTH TEXAS COMMUNITY
COLLEGE CONSORTIUM**

FINANCIAL STATEMENTS
AND
AUDITORS' REPORT

AUGUST 31, 2012

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TEXAS 76202-0977

TEL. (940) 387-8563
FAX (940) 383-4746

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
North Texas Community College Consortium

We have audited the accompanying statement of assets, liabilities, and fund balance - cash basis of North Texas Community College Consortium (a non-profit organization) as of August 31, 2012, and the related statement of support, revenue and expenses and changes in fund balance - cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the Organization prepares its financial statements on the basis of cash receipts and disbursements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of North Texas Community College Consortium as of August 31, 2012, and its support, revenue, and expenses for the year then ended, on the basis of accounting described in Note A.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay
A Professional Corporation
Certified Public Accountants

February 5, 2013

NORTH TEXAS COMMUNITY COLLEGE CONSORTIUM

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
AUGUST 31, 2012

ASSETS

Current Assets:	
Cash in Wells Fargo Bank	\$68,501.70
Cash held by UNT	4,124.60
Cash held by DCCCD	<u>2,417.03</u>
Total Current Assets	<u>75,043.33</u>
 Total Assets	 <u>\$75,043.33</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$75,043.33</u>
 Total Liabilities and Fund Balance	 <u>\$75,043.33</u>

See Accompanying Notes to Financial Statements.

NORTH TEXAS COMMUNITY COLLEGE CONSORTIUM

STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2012

Revenue:

Dues from member colleges	\$189,031.04
Workshop/conference fees	47,951.31
CLARA participant fees	28,650.00
Interest	<u>161.56</u>
Total Revenue	<u>265,793.91</u>

Expenses:

Salary-president	141,956.76
Salary-administrative coordinator	37,926.60
Benefits-president	18,205.44
Salary – administrative specialist	13,410.44
Travel - president	541.58
Telephone	1,179.90
Office supplies	2,947.45
Printing	285.00
Postage	281.93
Contract services	2,696.00
Workshop/conference/meeting costs	45,661.48
Board and Committee expenses	1,845.67
Computer software/hardware	818.01
Office furniture and equipment	537.55
Books, periodicals	152.50
Miscellaneous	<u>651.85</u>
Total Expenses	<u>269,098.16</u>

Excess of Revenues over Expenses (3,304.25)

Fund Balance, September 1, 2011 78,347.58

Fund Balance, August 31, 2012 \$ 75,043.33

See Accompanying Notes to Financial Statements.

NORTH TEXAS COMMUNITY COLLEGE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The North Texas Community College Consortium (NTCCC) was established in 1989 in cooperation with the University of North Texas (UNT) as an interinstitutional, two-year college consortium devoted to improving undergraduate education through a variety of staff development and research projects. The consortium focuses on low-cost, high-yield approaches to improving teaching and learning, emphasizing better utilization and sharing of resources through interinstitutional collaboration. NTCCC is governed by a Board of Directors consisting of one member from each member-college district. The primary source of revenue is dues from member-college districts.

Basis of Presentation

Revenue and expenses are recognized in the accompanying financial statements on the cash basis of accounting. Revenues and related assets are recognized when received, and expenses are recognized when paid.

Income Tax Status

NTCCC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The organization is classified as other than a private foundation. During the period under audit, NTCCC's tax exempt status was accomplished through its affiliation with the University of North Texas. It is the intention of NTCCC to maintain this affiliation in the future.

NOTE B - RELATIONSHIP WITH THE UNIVERSITY OF NORTH TEXAS

From 1989 through 1992, NTCCC was affiliated with the Department of Higher and Adult Education, University of North Texas. The President was appointed by the University of North Texas with the advice and consent of the Board of Directors of NTCCC.

In 1992, an agreement was reached by the NTCCC Board of Directors, the University of North Texas administration, and the Dallas County Community College District (DCCCD) administration whereby a DCCCD senior administrator would serve as President.

The Consortium currently is a University-wide initiative of the Provost's Office of UNT. The President works primarily with the Vice Provost for Academic Affairs. The review-and-approval process for purchases, budget requests, etc. is through the Provost. All budgetary requests are also reviewed and approved by the Board.

UNT provides office space and overhead for the Consortium. The President of the Consortium is considered an employee of DCCCD for payroll reporting purposes, while the administrative services officer and secretarial assistant are considered employees of UNT. No amounts have been reflected in the financial statements for donated services inasmuch as no objective basis is available to measure the value of such service.

NORTH TEXAS COMMUNITY COLLEGE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AUGUST 31, 2012

NOTE C - DUES FROM MEMBER COLLEGES

NTCCC is funded in part by membership fees paid annually by member-college districts. The annual fee per member is based in part on the number of contact hours reported by each member college. During the 2011-12 year, twenty-two member-college districts paid a total of \$189,031.04 in membership fees. \$51,337.04 of this total was paid by UNT through their payment of the payroll costs of the administrative coordinator and the administrative specialist. \$47,242.00 of this total was paid by DCCCD through their payment of a portion of the payroll costs of the Consortium President.

NOTE D - SUBSEQUENT EVENTS

Management has reviewed events subsequent to August 31, 2012 through February 5, 2013, which is the date the financial statements were available to be issued. No subsequent events were identified that were required to be recorded or disclosed in the financial statements.