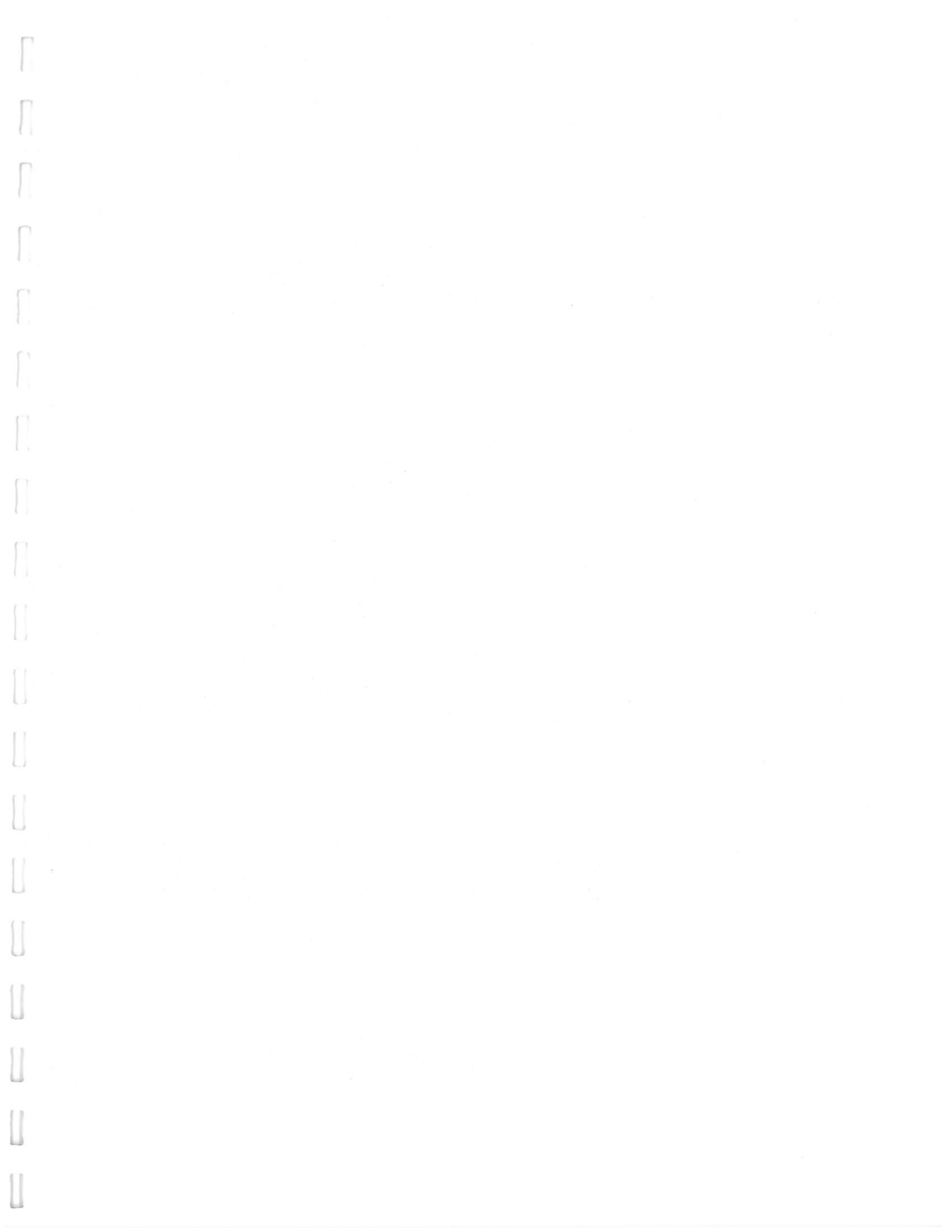


**NORTH TEXAS COMMUNITY
COLLEGE CONSORTIUM**

FINANCIAL STATEMENTS
AND
AUDITORS' REPORT

AUGUST 31, 2013



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
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
North Texas Community College Consortium

We have audited the statement of assets, liabilities and fund balance - cash basis for North Texas Community College Consortium (a nonprofit organization) as of August 31, 2013 and the related statement of support, revenue and expenses - cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of cash receipts and disbursements; 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. 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 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.

As described in Note A, the Organization prepares its financial statements on the basis of cash receipts and disbursements; consequently, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Opinion

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, 2013, and its support, revenue and expenses for the year then ended, on the basis of accounting described above.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay
Denton, Texas
January 16, 2014

NORTH TEXAS COMMUNITY COLLEGE CONSORTIUM

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS

August 31, 2013

ASSETS

Current Assets:

Petty Cash	\$ 60.00
Cash in Wells Fargo Bank	97,458.56
Cash held by UNT	3,119.13
Cash held by DCCCD	4,445.37
Supplies Inventory	4,211.47
Prepaid Expenses	<u>6,850.20</u>
Total Current Assets	<u>116,144.73</u>

Total Assets \$ 116,144.73

LIABILITIES AND FUND BALANCE

Current Liabilities:

Unearned CLARA Fees	\$ 27,200.00
Unearned Event Fees	<u>11,925.00</u>
Total Current Liabilities	<u>39,125.00</u>

Fund Balance 77,019.73

Total Liabilities and Fund Balance \$ 116,144.73

See Accompanying Notes to Financial Statements.

NORTH TEXAS COMMUNITY COLLEGE CONSORTIUM

STATEMENT OF SUPPORT, REVENUE AND EXPENSES - CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2013

Revenue:

Dues from member colleges	\$ 197,094.82
Workshop/conference fees	37,805.00
CLARA participant fees	36,800.00
Interest	<u>76.40</u>
Total Revenue	<u>271,776.22</u>

Expenses:

Salary-president	150,119.28
Salary-administrative coordinator	32,207.82
Benefits-president	20,158.56
Salary – administrative specialist	20,320.00
Travel - president	451.79
Telephone	894.66
Office expense	1,739.46
Printing	1,286.65
Postage	286.21
Contract services	2,204.24
Website maintenance	900.00
Board and Committee expenses	1,378.34
Computer software/hardware	345.93
Conference and events expenses	17,819.07
CLARA expenses	<u>20,752.34</u>
Total Expenses	<u>270,864.35</u>

Excess of Revenues over Expenses \$ 911.87

NORTH TEXAS COMMUNITY COLLEGE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2013

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, 2013

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 2012-13 year, twenty-two member-college districts paid a total of \$197,094.82 in membership fees. \$52,527.82 of this total was paid by UNT through their payment of the payroll costs of the administrative coordinator and the administrative specialist. \$48,281.00 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, 2013 through January 16, 2014, 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.