

Edmonds Community College



*Meadowdale Hall Remodel
LEED Silver Certified
Opened Spring 2009*

Annual Financial Report

July 1, 2009 - June 30, 2010

September 9, 2010

Jack Oharah, Ph.D.
President
Edmonds Community College
20000 68th Avenue West
Lynnwood, WA 98036

Dear President Oharah,

Enclosed is the Annual Financial Report for Edmonds Community College for the fiscal year ending June 30, 2010. This report reflects the financial status of the institution for that period.

The college abides by the financial and administrative policies and procedures set forth by the Office of Financial Management. The financial statements are prepared in conformity with the accounting principles generally accepted in the United States for local and state government, under the guidance of the Governmental Accounting Standing Board.

The preparation of this report could not have been accomplished without the dedication demonstrated by the business office staff and the college's budget authorities. This report reflects your commitment to the community to maintain financial statements in conformance with the highest standards of financial accountability.

Sincerely,



Kevin McKay
Vice President of Finance and Operations

/mp

Enclosed, Annual Financial Report 09/10

EDMONDS COMMUNITY COLLEGE

BOARD OF TRUSTEES

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Mauri Moore, Vice Chair

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Kevin McKay, Vice President of Finance and Operations

John Michaelson, Vice President for College Relations, Advancement
and Resource Development

Bill Toskey, Interim Vice President for Workforce Training and Development

George Smith, Vice President for Student Services

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Management Discussion and Analysis

The summary below provides an overview of the financial activities for Edmonds Community College for the fiscal year ended June 30, 2010. Please read it in conjunction with the College's financial statements.

FINANCIAL HIGHLIGHTS

- The state's financial crisis lead to an additional budget reduction for this fiscal year, resulting in a permanent \$1.86M decrease in the College's state allocation.. The College was able to generate additional revenue to support the operating budget, combined with expense reductions, to keep a balanced budget while increasing our minimum fund balance reserves by \$1M.
- The operating budget closed with a \$537K deficit. This was the result of an administrative decision to “spend-down” the local operating budget’s fund balance by diverting the excess enrollment revenue to the Certificate of Participation (COP) debt service reserve.
- College enrollment continued to set record-breaking numbers this year, cresting 9000 FTEs for the first time in College history. This has allowed the College to increase our minimum fund balance target by \$1M, support one-time critical needs and to provide additional options, such as the COP debt service reserve, to help mitigate future additional state budget reductions.
- The College’s International program revenues rose an additional 12% over last year’s high-watermark. These revenues have contributed greatly to this year's uncommitted fund balance reserves.

FINANCIAL ANALYSIS

Total assets of the College exceeded total liabilities by \$100.2 million. Of this amount, 78.3% represents the College’s investment in capital assets (net of related debt); and 17.3% for assets restricted by legal or fiduciary mandates. The remaining 4.4% represents unrestricted college reserves. This is up from 3.6% in fiscal year 08/09. The increase is mostly due to capital fixed asset depreciation and record breaking enrollment.

The state's economic conditions have hit Edmonds' students hard, evidenced by a \$5.6M increase in financial aid and continued growth in enrollment from unemployed workers.

State revenue projections and a worsening economy are leading to further permanent budget cuts for the next biennium, currently estimated at over \$2.05 million for Edmonds in the first half of the biennium alone with high uncertainty for the second half of the biennium. As a result, the College is taking steps to position itself for continued high enrollment and significantly reduced state allocation support to the College operating budget.

SCHEDULE OF FUND GROUPS
BY TITLE AND FUND NUMBER

	Fund Number
<u>Operating Budget:</u>	
Treasury - General Fund	001
Education Legacy Trust Fund	08A
Local - General Fund	149
<u>Dedicated Fees</u>	148
<u>Grants and Contracts</u>	145
<u>Capital Project Funds:</u>	
State Building Construction Account	057
Community College Capital Project Account	060
Local Capital funding	147
<u>Service & Auxiliary Funds:</u>	
CIS Equipment Reserve	443
Printing	448
Other Facilities	450
Student Activities	522
Bookstore	524
Parking	528
Other Auxiliaries	570
Homestay/Residence Hall	573
<u>Financial Aid Funds:</u>	
Scholarships and Grants	846
Student Loans	849
Off-campus State Workstudy	850
Financial Aid Fund	860
<u>Other Agency Funds:</u>	
Community College Payroll Clearing Account	790
Agency Funds	840
<u>General Fixed Asset Account Group</u>	997
<u>General Long-term Obligations Account Group</u>	999

ANNUAL REVENUE & EXPENDITURE REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2010

REVENUE AND EXPENDITURES	GRAND TOTAL	Operating Budget	Dedicated Fees	Grants & Contracts ⁽¹⁾	Capital Funds	Service & Auxiliary	Financial Aid	Other Agency
State Appropriation- Operating	\$27,183,952	\$27,183,952	\$0	\$0	\$0	\$0	0	\$0
State Appropriation- Capital	2,832,599	0	0	0	2,832,599	0	0	0
Tuition, Excess Enrollmt,Waivers	16,937,352	9,069,947	4,787,640	0	0	992,330	2,039,084	48,351
Additional Oper. Budget Support	0	8,933,157	(1,316,720)	(7,255,561)	0	(331,055)	(29,821)	0
Other State Agencies	7,907,856	430,520	33,673	4,338,280	0	0	3,105,383	0
Federal	17,329,488	0	0	9,112,558	0	0	8,216,930	0
Fees & Dedicated Sources	13,279,531	0	4,004,697	8,385,828	0	888,955	0	51
Private & Government Sources	13,689,905	0	1,000	6,185,653	0	3,300	7,383,952	116,000
Sales: Service/Merchandise	7,027,986	0	1,147,506	229	0	5,880,251	0	0
COP Issuance	1,600,000	0	0	1,600,000	0	0	0	0
Interest, Rent & Other Misc.	2,449,342	25,718	45,026	41,990	0	418,094	1,017	1,917,497
Total Revenues	\$110,238,011	\$45,643,294	\$8,702,822	\$22,408,977	\$2,832,599	\$7,851,875	\$20,716,545	\$2,081,899
Salaries & Benefits	54,703,015	38,253,485	2,223,435	12,437,385	0	1,524,237	226,358	38,115
Goods,Services,Merchandise	20,530,982	5,977,170	1,038,214	4,579,822	1,360,806	5,824,168	0	1,750,802
Travel	705,541	116,936	66,998	420,022	0	96,802	0	4,783
Equipment	3,167,253	501,013	582,342	1,243,549	781,397	55,877	0	3,075
Schlrshps,Grants,Loans,Services	22,770,168	264,948	14,370	724,042	0	127,984	21,634,897	3,927
Debt Service	1,416,916	469,336	0	566,293	0	381,287	0	0
Capital, Depreciation	5,051,054	0	0	1,238,393	3,736,422	76,239	0	0
Interfund Transfers	0	597,949	3,333,885	337,048	165,909	(3,310,570)	(1,124,221)	0
Total Expenditures	\$108,344,929	\$46,180,837	\$7,259,244	\$21,546,554	\$6,044,534	\$4,776,024	\$20,737,034	\$1,800,702
Net Current Activity	1,893,082	(537,543) ⁽²⁾	1,443,578	862,423	(3,211,935)	3,075,851	(20,489)	281,197
State Approp. Under-spent	0	0	0	0	0	0	0	0
Balance Forwarded fr FY 08/09 ⁽³⁾	24,405,295	607,184	2,354,864	7,285,295	6,602,130	4,961,133	625,855	1,968,834
Ending Balances FY 09/10	\$26,298,377	\$69,641	\$3,798,442	\$8,147,718	\$3,390,195	\$8,036,984	\$605,366	\$2,250,031

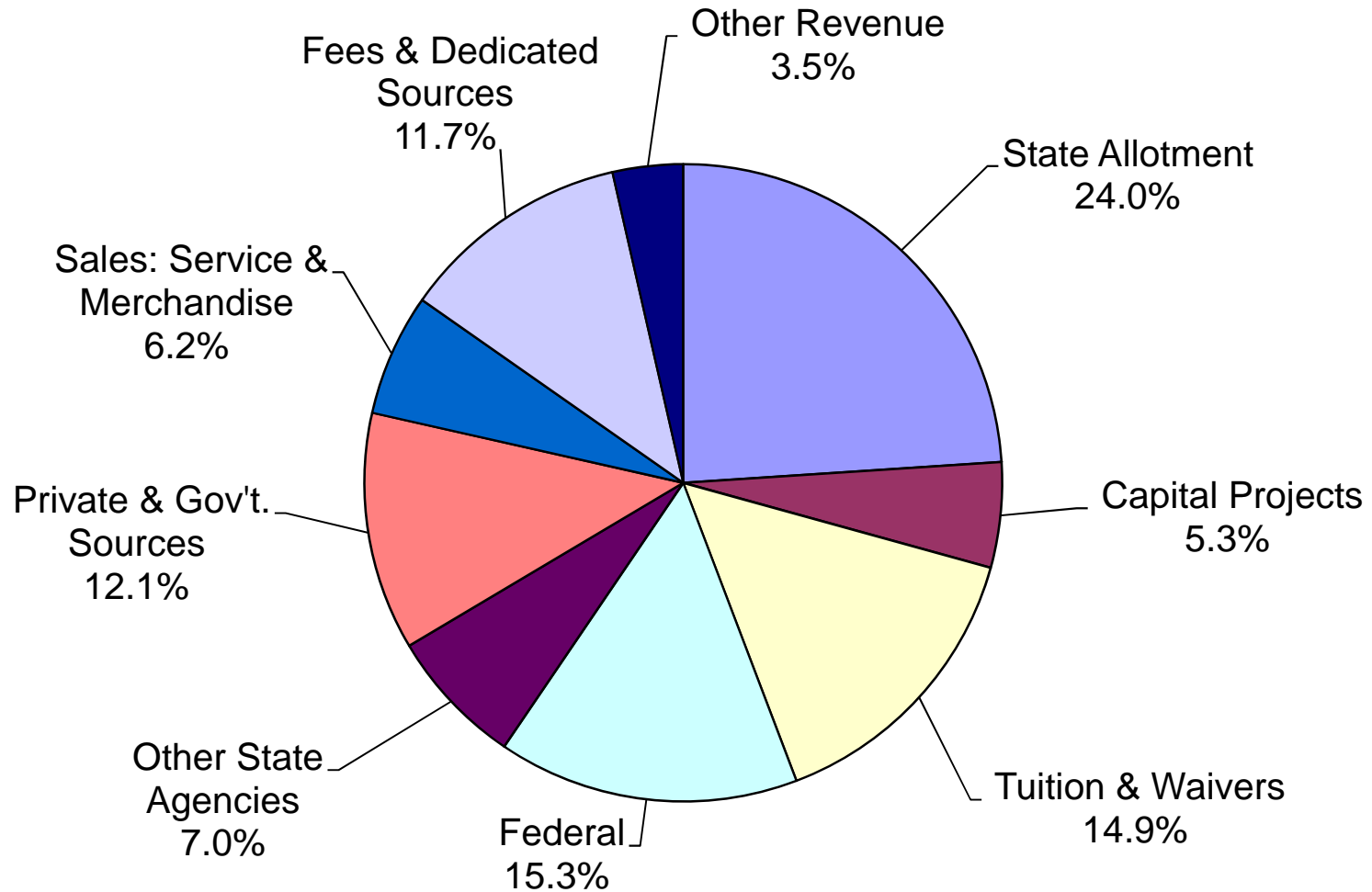
Footnotes:

(1) The Department of Corrections financial activity is reported in the Grants and Contracts column.

(2) The Operating budget deficit, of \$537,543, is the result of an administrative decision to "spend-down" the local Operating budget's fund balance.

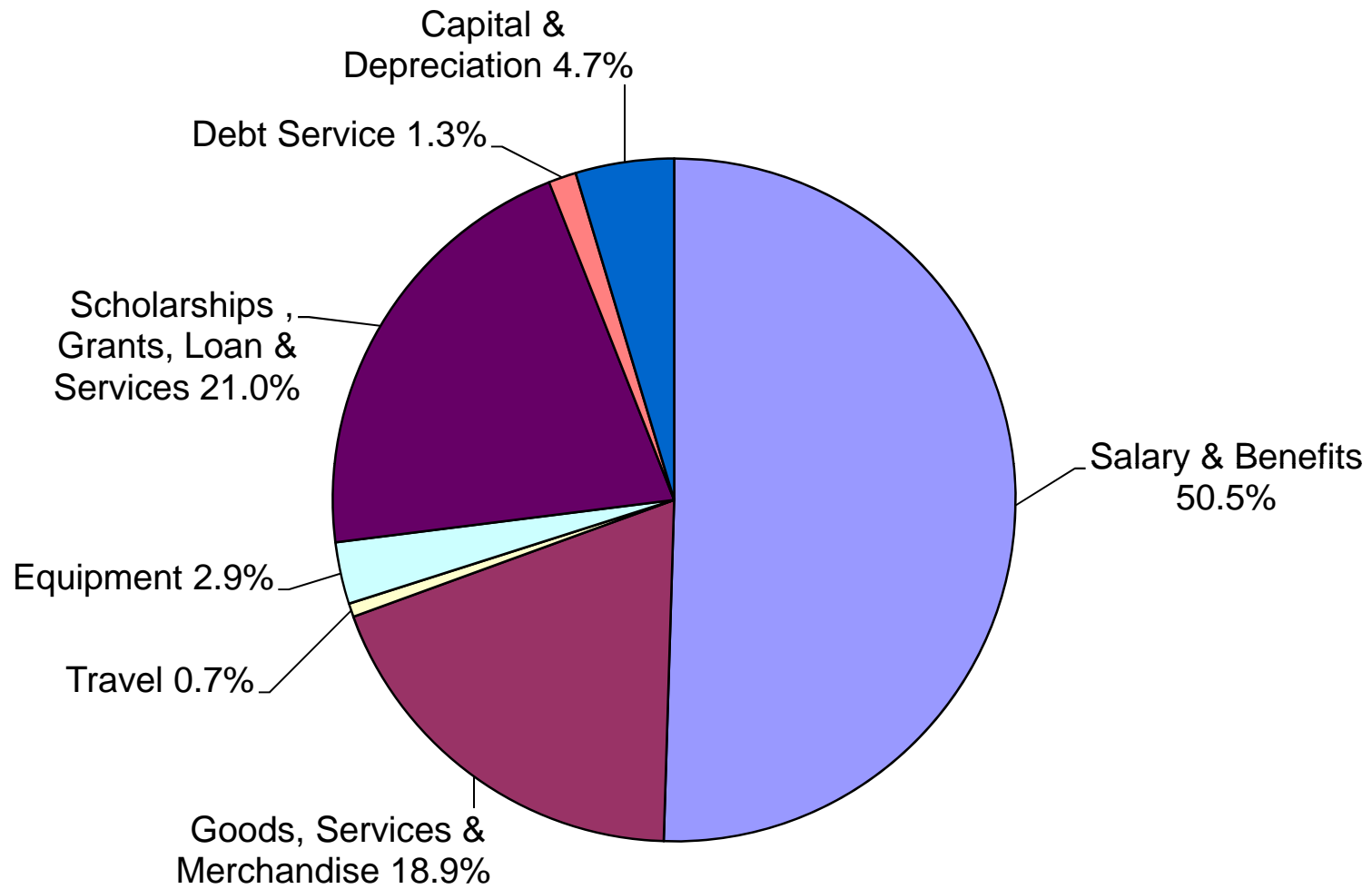
(3) The balance forwarded is less state funds not carried-forward for \$442, and a \$3 post-closing error recorded incorrectly resulting in a \$6 net change.

REVENUE SUMMARY FOR 2009/2010 TOTAL COLLEGE

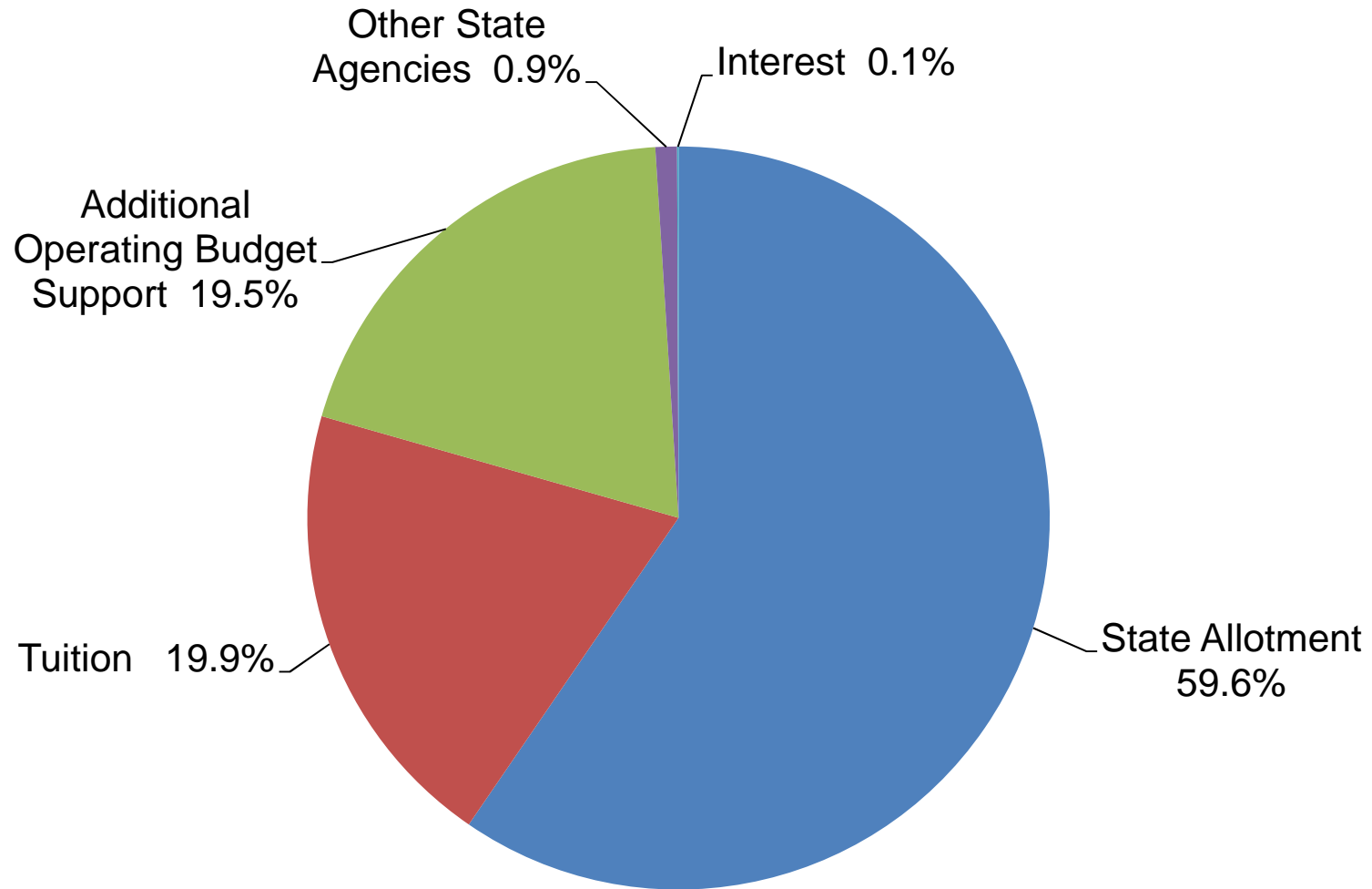


Footnote: Excludes unexpended portion of capital projects.

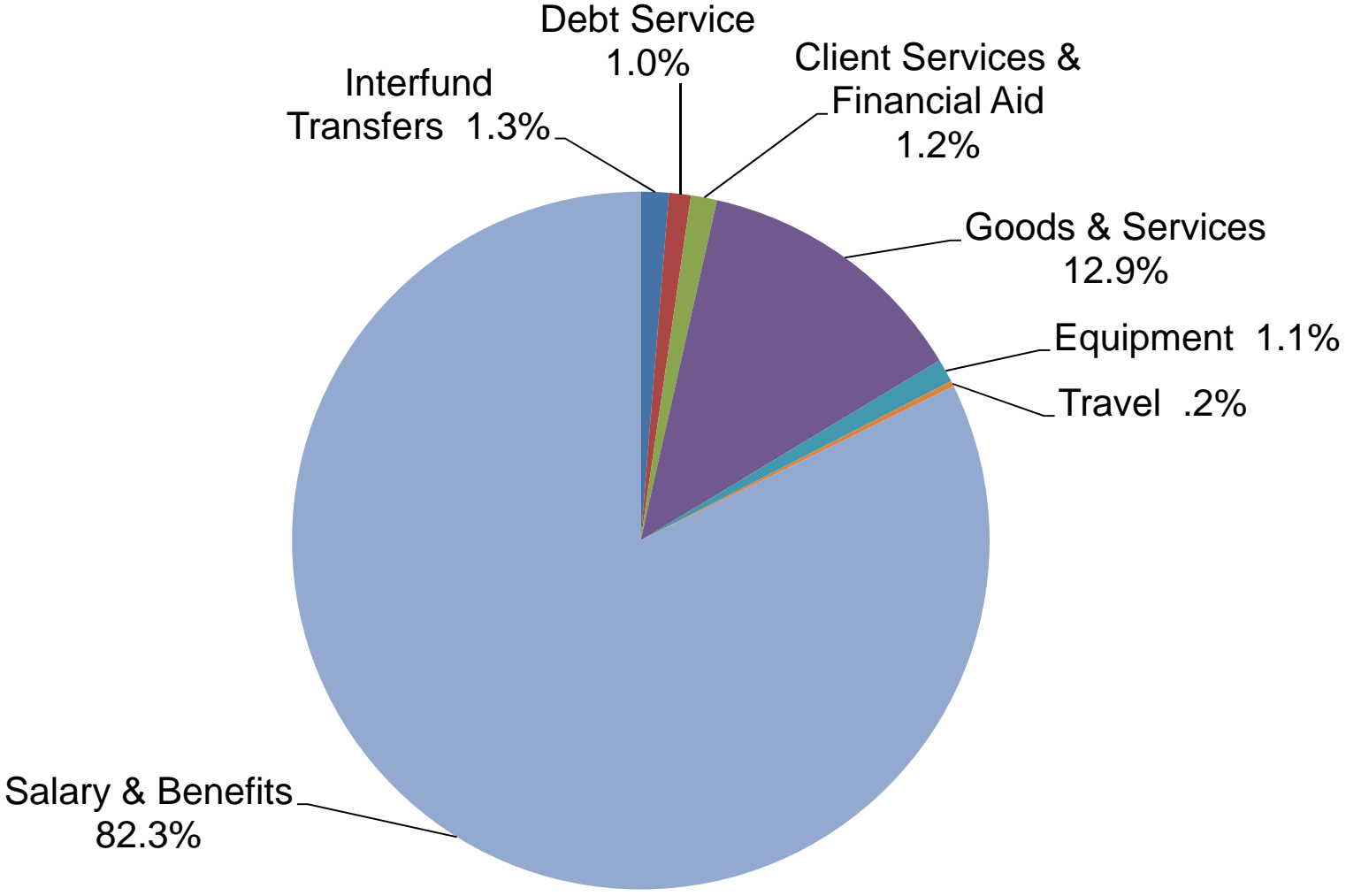
EXPENDITURE SUMMARY FOR 2009/2010 TOTAL COLLEGE



REVENUE SUMMARY FOR 2009/2010 OPERATING BUDGET ONLY



**EXPENDITURE SUMMARY FOR 2009/2010
OPERATING BUDGET ONLY**

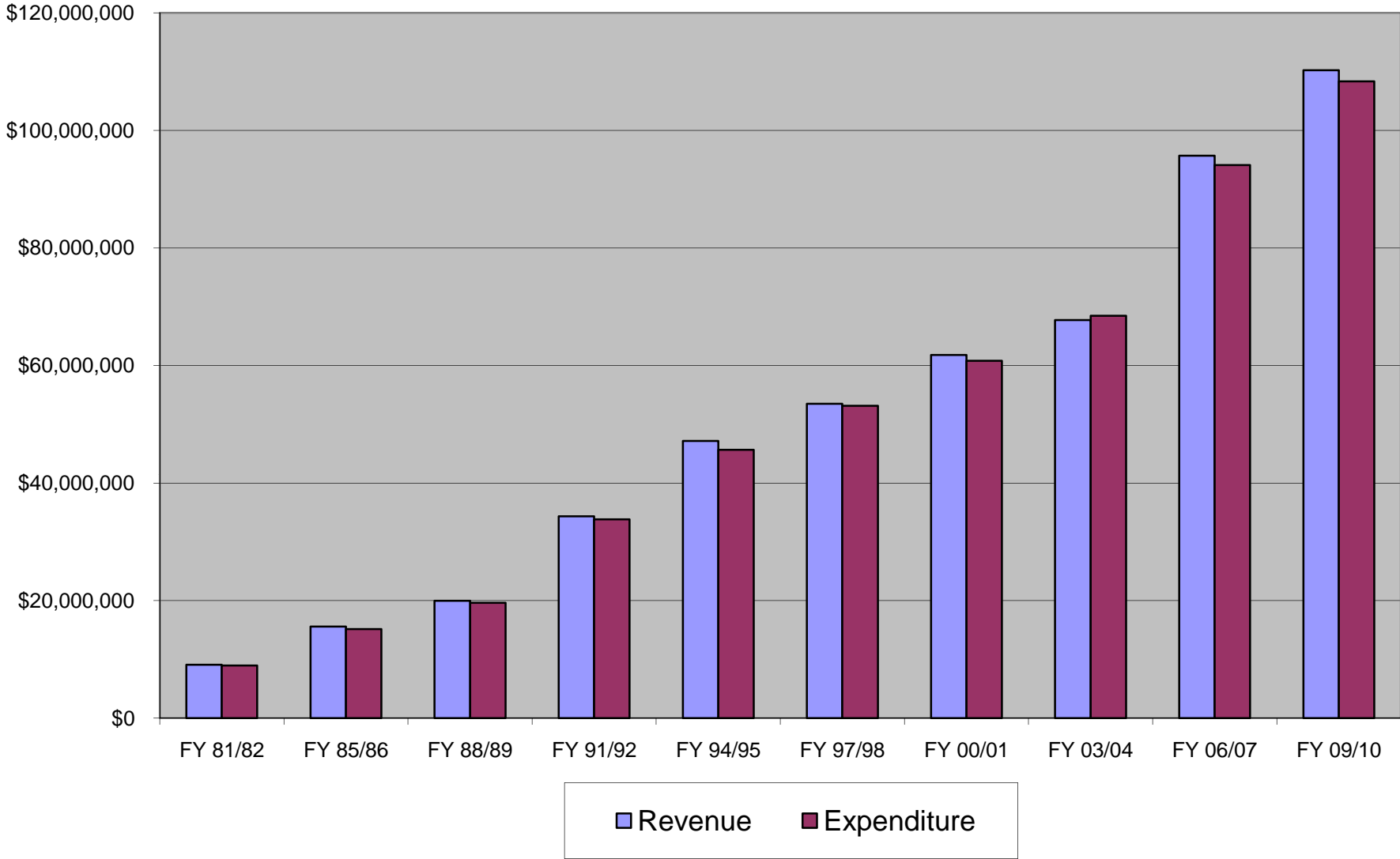


Operating Budget Projections of Major Categories of Revenue and Expenditures

Operating Budget	Actual				Projected					
	Year 2008/2009		Year 2009/2010		Year 2010/2011		Year 2011/2012		Year 2012/2013	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating Budget Revenues										
State Allotment	27,933,734	62.3%	27,183,952	60.1%	26,059,005	58.1%	25,800,000	57.1%	25,800,000	56.4%
Tuition and Investment Interest	8,959,846	20.0%	9,095,665	20.1%	9,500,000	21.2%	9,900,000	21.9%	10,400,000	22.7%
Other Revenue Budget Support:										
Dept. of Corrections	175,028	0.4%	211,044	0.5%	191,452	0.4%	191,453	0.4%	191,453	0.4%
Distance Learning	0	0.0%	330,000	0.7%	330,000	0.7%	330,000	0.7%	330,000	0.7%
EDCAP	253,684	0.6%	323,000	0.7%	323,000	0.7%	325,000	0.7%	325,000	0.7%
Excess Enrollment	1,600,000	3.6%	333,440	0.7%	2,200,000	4.9%	2,200,000	4.9%	2,200,000	4.8%
Fin. Aid AA/Job Location	37,430	0.1%	51,831	0.1%	36,268	0.1%	35,000	0.1%	35,000	0.1%
Head Start	250,226	0.6%	271,545	0.6%	256,933	0.6%	256,900	0.6%	256,900	0.6%
Intensive ESL	0	0.0%	294,280	0.7%	373,000	0.8%	350,000	0.8%	350,000	0.8%
International Program	2,500,000	5.6%	4,400,000	9.7%	2,651,700	5.9%	2,901,700	6.4%	3,001,700	6.6%
Misc. Grants & Contracts & ERC	360,000	0.8%	275,315	0.6%	385,000	0.9%	340,000	0.8%	340,000	0.7%
Running Start	1,334,350	3.0%	1,321,647	2.9%	1,521,647	3.4%	1,521,647	3.4%	1,521,647	3.3%
Self-Support Transfers	619,000	1.4%	832,000	1.8%	736,000	1.6%	736,000	1.6%	736,000	1.6%
Student Center M&O	61,725	0.1%	64,055	0.1%	60,000	0.1%	60,000	0.1%	60,000	0.1%
Technology Fee	225,000	0.5%	225,000	0.5%	225,000	0.5%	225,000	0.5%	225,000	0.5%
Transfer from Capital	521,400	1.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Sub-Total Other Revenue	7,937,843	17.7%	8,933,157	19.8%	9,290,000	20.7%	9,472,700	21.0%	9,572,700	21.2%
Total Operating Budget Revenues	44,831,423	100.0%	45,212,774	100.0%	44,849,005	100.0%	45,172,700	100.0%	45,772,700	100.0%
Operating Budget Expenditures										
Salaries & Benefits (A & B)	36,645,195	82.1%	38,348,860	83.8%	35,213,775	78.5%	35,505,742	78.6%	35,505,742	78.6%
Goods and Services (C & E)	6,010,251	13.5%	6,038,361	13.2%	8,021,448	17.9%	8,085,913	17.9%	8,085,913	17.9%
Travel (G)	115,236	0.3%	113,113	0.2%	198,467	0.4%	180,691	0.4%	180,691	0.4%
Equip./Software/Library (J & K)	801,979	1.8%	501,947	1.1%	282,912	0.6%	271,036	0.6%	271,036	0.6%
Scholarships/Grants/Client Services (N)	555,418	1.2%	272,123	0.6%	1,124,112	2.5%	1,129,318	2.5%	1,129,318	2.5%
Debt Service (P)	513,679	1.1%	475,913	1.0%	8,291	0.0%	9,486	0.02%	9,486	0.02%
Total Operating Budget Expenditures	44,641,758	100.0%	45,750,317	100.0%	44,849,005	100.0%	45,172,700	100.0%	45,772,700	100.0%
Budget Surplus/(Deficit)	189,665		(537,543)		0		0		0	

Note: The 2009/2010 Operating budget deficit, of \$537,543, is the result of an administrative decision to "spend-down" the local Operating budget's fund balance.

HISTORICAL SUMMARY OF REVENUE AND EXPENDITURES



Footnote: Revenue excludes unexpended portion of capital projects. - 9 -

CONSOLIDATED BALANCE SHEET
FOR FISCAL YEAR ENDING JUNE 30, 2010

Description	GRAND TOTAL	Operating Budget	Dedicated Fees	Grants & Contracts	Capital Funds	Service & Auxiliary	Financial Aid	Other Agency	General Asset & Liability ⁽²⁾
Assets:									
Cash and Investments ⁽¹⁾	\$20,067,502	\$500	\$13,550	\$2,816	\$287,725	\$11,829	\$0	\$19,751,082	\$0
Accounts Receivable Net	\$1,625,187	0	131,340	1,028,410	0	68,415	66,094	330,928	0
Inter/Intra Gov't. Receivables	\$24,312,904	1,459,639	3,995,357	8,631,317	91,182	6,078,240	635,318	3,421,851	0
Inventory & Deferred Charges	\$1,099,741	0	0	0	0	1,099,741	0	0	0
Land	\$2,986,397	0	0	0	0	0	0	0	2,986,397
Buildings	\$116,958,103	0	0	0	0	2,313,817	0	0	114,644,286
Improv. Other Than Bldgs.	\$21,033,044	0	0	0	0	270,740	0	0	20,762,304
Equipment/Machinery	\$3,220,427	0	0	0	0	260,146	0	0	2,960,281
Library Resources	\$1,102,031	0	0	0	0	0	0	0	1,102,031
Construction in Progress ⁽³⁾	\$0	0	0	0	0	0	0	0	0
Depreciation ⁽⁴⁾	(\$46,069,416)	0	0	0	0	(1,411,967)	0	0	(44,657,449)
Total Assets	146,335,920	1,460,139	4,140,247	9,662,543	378,907	8,690,961	701,412	23,503,861	97,797,850
Liabilities & Net Assets:									
Current Liabilities	2,686,014	756,225	107,813	805,910	411,804	343,336	93,515	167,411	0
Accrued Liabilities	1,077,446	705,434	24,161	323,226	0	24,625	0	0	0
Inter/Intra Gov't. Payables	22,794,844	881,463	209,831	385,689	137,648	91,263	2,531	21,086,419	0
Short-term Debt Service	1,101,876	0	0	0	0	134,682	0	0	967,194
Long-term Debt Service ⁽⁵⁾	14,595,839	0	0	0	0	0	0	0	14,595,839
Long-term Other Liabilities ⁽⁶⁾	3,790,489	0	0	0	0	60,071	0	0	3,730,418
Net Assets Unrestricted ⁽⁷⁾	4,404,328	69,641	1,987,615	2,197,191	0	149,881	0	0	0
Net Assets Restricted ⁽⁷⁾	17,380,685	(952,624)	1,810,827	5,950,527	(170,545)	7,887,103	605,366	2,250,031	0
Invested in Capital Assets, Net of Related Debt ⁽⁷⁾	78,504,399	0	0	0	0	0	0	0	78,504,399
Total Liabilities & Net Assets	\$146,335,920	\$1,460,139	\$4,140,247	\$9,662,543	\$378,907	\$8,690,961	\$701,412	\$23,503,861	\$97,797,850

CONSOLIDATED BALANCE SHEET - Footnotes

- (1) All cash is transferred, or "pooled" into an agency fund for investment management purposes. The exception to this is petty cash, retained earnings in escrow accounts or year-end inter-state agency deposits.
- (2) Capitalized assets and long-term liabilities resulting from capital, state, and operating funds are recorded in two account groups, titled General Fixed Asset, and General Long-term Liability. These two account groups have been combined for the purposes of this report.
- (3) Construction in Progress - there are currently no projects in this category.
- (4) The Depreciation of \$46,069,416 is an accumulated amount, not a current year change. The only fixed assets which are not depreciated are Land and Construction in Progress. See page 22 of the Notes to the Financial Statements for definition.
- (5) The Long-term debt service liability amount of \$14,595,839 represents the principal portion of the Certificates of Participation contracts. See page 17 for the schedule of the college's short and long-term debt service.
- (6) The Long-term Other Liabilities amount of \$3,790,489 represents the accrual of employee's vacation and sick leave.
- (7) The "Net Assets" is the GAAP preferred title of what is more commonly referred to by the college as fund balance. The net assets are divided into three categories:
 - a) Unrestricted: Balances to be used for operations, capital or critical needs.
 - b) Restricted: Balances restricted by legal or fiduciary mandates.
 - c) Invested in Capital Assets, Net of Related Debt: This is the difference between the value of capital assets, less accumulated depreciation and liabilities attributable to the acquisition, construction, or improvement of those assets.

COMPARATIVE SCHEDULE OF UNRESTRICTED NET ASSETS
(Fund Balance Reserves)

Descriptions of Contributions and Uses	FY 09/10	FY 10/11
Tuition - Operating Fees (Fund 149)	\$607,184	\$69,641
Dedicated Local (Fund 148)	1,092,244	1,987,615
Grant & Contract (Fund 145)	1,600,033	2,197,191
Excess Enrollment-Prior Years (Fund 570)	189,671	149,881
Uncommitted Fund Balance at Year-end	3,489,132	4,404,328
International Contract (Shared Funding)	1,289,552	2,600,000
Excess Enrollment	4,454,200	3,100,000
Over/(Under) Additional Revenue Support net of Misc. Expenses	102,893	0
Investment Interest to Uncommitted Fund Balances	39,621	35,000
Annual Athletic Field Inter-fund Loan Repayment	53,489	53,489
Return of unused portion of Athletic Field Inter-fund Loan	197,668	0
Return of unused portion of Alternative Learning Center design	171,573	0
Sub-Total of Contributions	6,308,996	5,788,489
Operating contribution to Fund Balance	(537,543)	(500,000)
PC Approved Critical Needs 09/10	(1,002,884)	(285,350)
PC Approved Critical Needs - Continuations	(299,173)	(226,958)
PC Approved Critical Needs 10/11	0	(750,000)
Debt Service Reserve	(3,554,200)	(200,000)
Warehouse Acquisition		(3,500,000)
ESCO Project #2		(1,000,000)
Sub-Total of Uses	(5,393,800)	(6,462,308)
Unrestricted Net Assets Available	\$4,404,328	\$3,730,509
Less Target Ending Fund Balance	(\$3,200,000)	(\$3,200,000)
Overage or (Shortage)	\$1,204,328	\$530,509

CAPITAL PROJECT ALLOTMENTS VS EXPENDITURES BY FUND

FOR FISCAL YEAR ENDING JUNE 30, 2010

By Fund and Project Description ⁽¹⁾	State's Biennium Allotments	Prior Year's (2007 - 2009) Expenditures	Current Year (2009 / 2010) Expenditures	Allotment Balance For 10/11
Local Capital Fund:				
Alternative Learning Center ⁽²⁾	140,427	140,427	0	0
Sub-total Local Capital Fund	140,427	140,427	0	0
State Capital Funds:				
Meadowdale Renovation	9,230,499	3,885,605	4,213,738	1,131,156
Electrical Infrastructure	2,465,999	1,254,256	193,681	1,018,062
Roof Repairs	423,891	33,777	207,386	182,728
R. M. I. (repair & maintenance)	651,399	175,606	179,684	296,109
Facilities Repairs	1,738,954	482,495	635,971	620,488
Minor Improvements	1,032,899	443,083	448,165	141,651
Facility Maintenance & Repairs ⁽³⁾	0	0	0	0
Sub-total State Capital Funds	15,543,641	6,274,822	5,878,625	3,390,194
Grand Total	\$15,684,068	\$6,415,249	\$5,878,625	\$3,390,194

Footnotes:

(1) Only allotted projects with current active status are included.

(2) The Alternative Learning Center allocation of \$312,000 was reduced to the level equaling the prior year expenditures, due to the cancellation of the project by the Edmonds School District. The projects balance of \$171,573 was returned to uncommitted fund balance.

(3) Facility Maintenance & Repairs began with a fiscal allocation of \$521,400. The legislative Supplemental Budget passed, in the spring, transferred this amount into the Operating Budget.

COMPARATIVE SCHEDULE OF FTE ENROLLMENT DATA
FOR FISCAL YEARS 00/01 THROUGH 09/10

Description	FISCAL YEAR 00/01	FISCAL YEAR 01/02	FISCAL YEAR 02/03	FISCAL YEAR 03/04	FISCAL YEAR 04/05	FISCAL YEAR 05/06	FISCAL YEAR 06/07	FISCAL YEAR 07/08	FISCAL YEAR 08/09	FISCAL YEAR 09/10
State Funded FTE Target	4,298	4,494	4,676	4,663	4,763	4,839	4,871	4,916	5,069	5,117
Target Over/(Short) ⁽¹⁾	324	158	298	304	(72)	(222)	27	284	579	1,320
State Funded FTE:										
Operating	4,088	4,292	4,416	4,422	4,435	4,365	4,599	4,713	4,824	4,824
Workforce Training	202	201	254	241	256	252	272	203	245	253
University Contract ⁽²⁾	0	0	0	0	0	0	0	0	0	40
Natural Resource	3	0	0	0	0	0	0	0	0	0
Sub-Total State Generated FTE	4,293	4,493	4,670	4,663	4,691	4,617	4,871	4,916	5,069	5,117
University Contract FTE ⁽²⁾	0	0	0	0	0	0	50	80	80	0
Local Funded FTE:										
Excess Enrollment	329	159	304	304	0	0	27	284	579	1,320
Contracted ⁽³⁾	1,292	1,216	1,225	1,301	998	922	837	884	1,043	928
Community Service	284	274	225	176	193	199	262	352	373	371
International (Shared Funding)	458	442	429	414	402	458	517	612	795	865
Running Start	317	411	444	490	329	361	392	386	420	453
EDCAP ⁽³⁾	0	0	0	0	193	185	143	135	167	198
Other Miscellaneous	103	104	65	40	56	46	60	46	55	46
Sub-Total Local Generated FTE	2,783	2,606	2,692	2,725	2,171	2,171	2,238	2,699	3,432	4,181
Grand Total	7,076	7,099	7,362	7,388	6,862	6,788	7,159	7,695	8,581	9,298

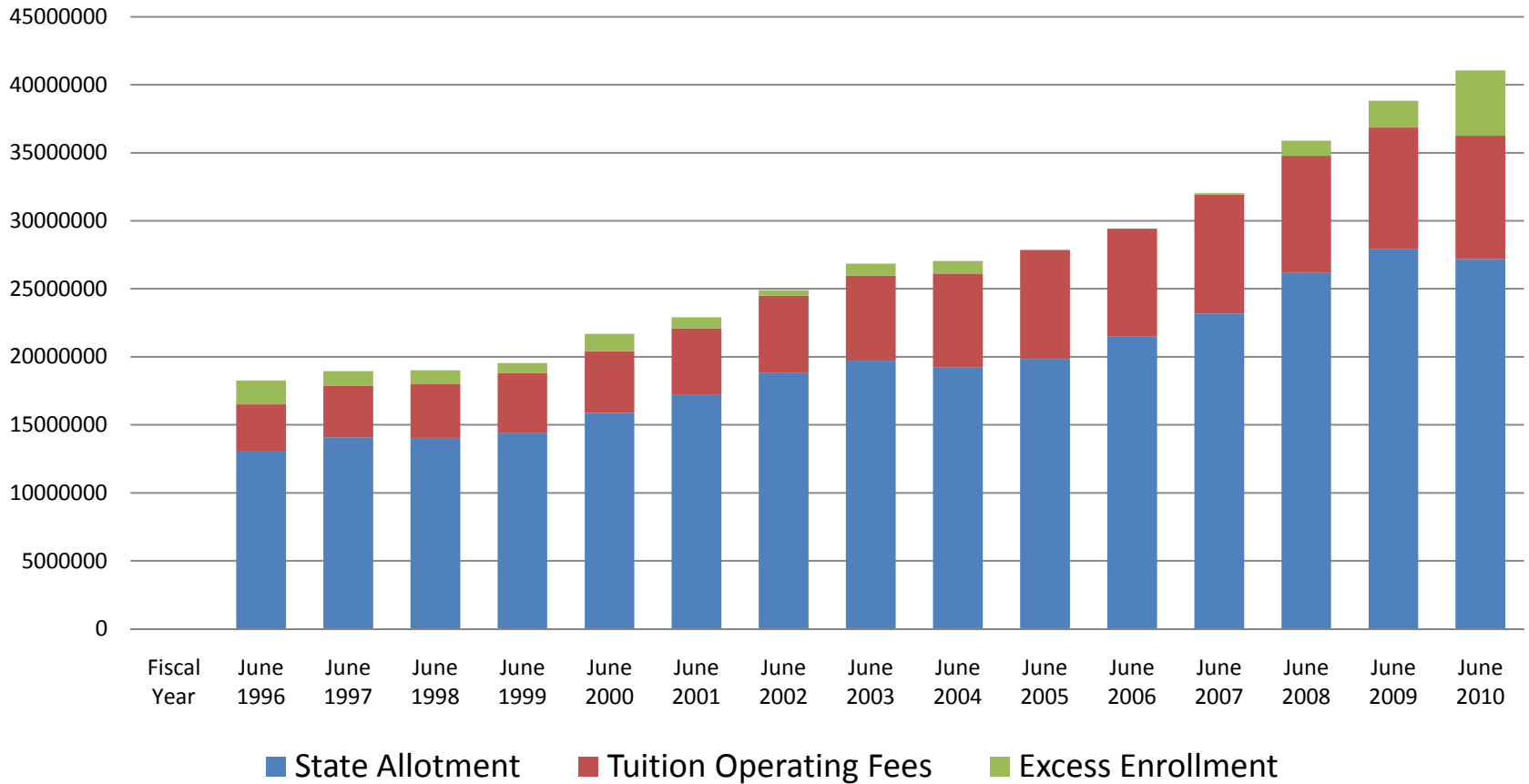
Footnotes:

(1) Excess Enrollment and State Funded FTE's are combined when compared to the "targeted" FTE.

(2) This represents the Central Washington University bachelor programs in Information Technology Management, Food Service Management and general science education. Beginning in 09/10 these FTEs are included in our State Funded FTE Target, which is used in the calculation of excess enrollment.

(3) Prior to fiscal year 04/05 the EDCAP program FTE's were reported under the "Contracted" line item.

State Allotment, Tuition and Excess Enrollment Comparison



TUITION DISTRIBUTION BY TYPE AND QUARTER
FOR THE FISCAL YEAR ENDING JUNE, 2010

Description	Operating Fees	Bond Redemption Fees	Student Activities Fees	Financial Aid	Tuition Total	Self Support Total
FEE TYPE:						
Resident Fees	\$7,926,694	\$954,140	\$924,024	\$355,616	\$10,160,474	\$4,787,640
Non-Resident	585,089	54,211	21,309	23,960	684,569	7,074,209
Parent Education	51,770	0	0	0	51,770	0
High School Completion	28,138	3,456	3,320	1,266	36,180	0
Perisan Gulf/SEA Vet.	266,974	32,487	31,307	11,997	342,765	0
Basic Skills ABE/ESL	101,964	0	0	3,698	105,662	0
Athletic Waiver	72,800	8,960	8,512	3,274	93,546	0
Non-Res. US Citizen	28,729	8,160	3,327	1,459	41,675	0
Other Miscellaneous	7,789	567	531	323	9,210	0
TUITION BY TYPE	9,069,947	1,061,981	992,330	401,593	11,525,851	11,861,849
	(1)	(2)	(3)	(4)	(5)	(6)
QUARTER:						
Summer	1,509,261	181,719	182,331	67,911	1,941,222	983,865
Fall	2,954,494	347,451	321,987	130,823	3,754,755	3,093,306
Winter	2,582,826	299,155	275,409	113,887	3,271,277	3,546,165
Spring	2,023,366	233,656	212,603	88,972	2,558,597	4,238,513
TUITION BY QUARTER	\$9,069,947	\$1,061,981	\$992,330	\$401,593	\$11,525,851	\$11,861,849

Footnotes:

- (1) The Operating Fees were allotted and budgeted at \$9,300,000.
- (2) Bond Redemption fees are remitted in total to the State Treasurer's office.
- (3) These fees support the Associated Student's annual budget.
- (4) This financial aid represents a 3.5% portion of most collected tuition.
- (5) The actual state supported FTE for fiscal year 09-10 was 5,117. The tuition totals exclude waivers and receivables.
- (6) The Self-Support column combines Excess Enrollment (\$4,787,640), and the International contract (\$7,074,209).

SCHEDULE OF DEBT SERVICE - SHORT & LONG TERM
FOR PERIOD ENDING JUNE 30, 2010

Debt Description	Short-term	Long-term				2013 to 2027 Combined	Long-term Total	Combined Short & Long Total
	Fiscal Yr. 10/11	Fiscal Yr. 11/12	Fiscal Yr. 12/13	Fiscal Yr. 13/14				
Black Box Theatre:								
Start Date: Feb 2007 - Principal	115,000	120,000	125,000	130,000	2,235,000	2,610,000	2,725,000	
End Date: Dec 2026 - Interest	111,958	107,257	102,358	97,257	684,304	991,176	1,103,134	
Total Annual Payments	226,958	227,257	227,358	227,257	2,919,304	3,601,176	3,828,134	
Mill Creek Hall (Music Building):								
Start Date: Aug. 2000 - Principal	245,000	250,000	260,000	280,000	1,240,000	\$2,030,000	2,275,000	
End Date: July 2018 - Interest	91,000	81,200	71,200	60,800	126,600	\$339,800	430,800	
Total Annual Payments	336,000	331,200	331,200	340,800	1,366,600	2,369,800	2,705,800	
North Campus Complex:								
Start Date: Oct. 1992 - Principal	\$100,000	\$110,000	\$115,000	\$120,000	\$120,000	\$465,000	\$565,000	
End Date: June 2015 - Interest	26,612	22,163	17,102	11,640	5,880	\$56,785	83,397	
Total Annual Payments	126,612	132,163	132,102	131,640	125,880	521,785	648,397	
Student Union/Bookstore								
Start Date: June 2007 - Principal	355,000	365,000	380,000	395,000	6,895,000	8,035,000	8,390,000	
End Date: June 2027 - Interest	349,410	335,210	320,610	305,410	2,236,545	3,197,775	3,547,185	
Total Annual Payments	704,410	700,210	700,610	700,410	9,131,545	11,232,775	11,937,185	
Triton Union Building								
Start Date: Sept. 1991 - Principal	134,681	0	0	0	0	0	134,681	
End Date: March 2011 - Interest	4,747	0	0	0	0	0	4,747	
Total Annual Payments	139,428	0	0	0	0	0	139,428	
Equipment/Energy: Bobcat & ESCO								
Combined Principal	152,194	143,460	149,299	151,486	1,011,594	\$1,455,839	1,608,033	
Interest	43,548	41,089	36,842	32,551	97,567	\$208,049	251,597	
Total Annual Payments	195,742	184,549	186,141	184,037	1,109,161	1,663,888	1,859,630	
Combined Totals	\$1,589,722	\$1,575,379	\$1,577,411	\$1,584,144	\$14,652,490	\$19,389,424	\$20,979,146	

The debt service is in compliance with the 7% debt limit set by the Board of Trustee Resolution No. 08-9-1. The debt service for fiscal year 10/11 is 3.9% of the average general operating revenues from the three preceding fiscal years, and the college has adequate resources for repayment.

COMPARATIVE SCHEDULE OF STUDENT FINANCIAL AID
FOR FISCAL YEARS 06/07 THROUGH 09/10

Financial Aid Program Title	FY 2006 / 07		FY 2007 / 08		FY 2008 / 09		FY 2009 / 10	
	Amount	No. of Awards	Amount	No. of Awards	Amount	No. of Awards	Amount	No. of Awards
Pell Grant	\$3,154,127	1,434	\$3,611,734	1,541	\$4,598,537	1,754	\$8,103,895	2,407
Supplem'tl Educ. Opport. Grant ⁽¹⁾	144,965	128	138,326	123	159,264	133	121,027	116
College Workstudy - Federal	182,172	83	153,066	73	133,777	59	157,508	69
College Workstudy - State	243,936	74	265,402	94	280,154	87	239,993	80
Washington State Need Grants	2,500,034	1,455	2,723,453	1,674	2,794,053	1,602	2,843,977	1,575
Washington Opportunity Grant	405,894	88	401,396	76	370,991	143	382,181	175
Worker Retraining	439,198	242	352,025	200	481,721	301	431,759	318
WorkFirst Learning	108,718	88	60,360	48	90,816	59	62,221	55
Triad (Dept of Labor) ⁽²⁾	0	0	119,279	65	114,838	72	111,163	57
Federal Family Education Loan	3,894,986	981	3,925,732	950	4,470,232	1,002	6,633,544	1,321
Food Stamp Employment Training	49,367	55	259,343	167	158,466	174	110,235	191
Scholarships - Institutional	15,321	194	226,047	252	144,562	188	162,160	186
Scholarships - Community	294,219	231	276,658	173	409,661	323	383,195	203
Institutional Student Employment	827,438	419	993,989	472	1,051,731	497	981,903	477
Institutional Financial Aid Fund	221,552	440	342,860	541	350,739	604	458,229	393
Veterans Education Benefits	756,938	189	823,451	165	951,132	166	1,030,218	241
Totals ⁽³⁾⁽⁴⁾	\$13,238,865	6,101	\$14,673,121	6,614	\$16,560,674	7,164	\$22,213,208	7,864

Footnote:

(1) Includes Supplemental Educational Opportunity Grant (SEOG) match, from the institutional financial aid fund.

(2) Triad began in 2007/2008.

(3) Student waivers are listed on Comparative Schedule of Tuition Waivers, page 19.

(4) An "unduplicated headcount" was used in the number of awards.

COMPARATIVE SCHEDULE OF TUITION AND FEE WAIVERS

FOR FISCAL YEARS 07/08 THROUGH 09/10

Tuition Waiver Title	Fiscal Yr 07/08		Fiscal Yr 08/09 ⁽³⁾		Fiscal Yr 09/10	
	Tuition Waived	No. of Awards ⁽¹⁾	Tuition Waived	No. of Awards ⁽¹⁾	Tuition Waived	No. of Awards ⁽¹⁾
Adult Basic Educ. & English Second Language	\$336,868	9,862	\$368,192	10,960	\$373,966	12,179
Athletic Waiver - Non Resident ⁽²⁾	11,165	39	12,210	26	39,869	306
Athletic Waiver - Resident ⁽²⁾	38,096	277	31,698	171	43,075	121
Basic Skills	32,275	1,867	46,800	2,418	52,575	2,779
Children of Deceased Law Enfrmnt & Fire Fighters	3,789	35	1,698	17	2,015	18
Classified State Employees	85,519	362	90,396	416	86,572	375
Fallen Veterans Spouse & Child ⁽²⁾	17,795	66	51,866	179	46,827	291
Foreign Veterans Service	30,444	593	31,410	610	43,201	667
High School Completion - Non Resident	5,409	6	20,776	51	9,456	30
High School Completion - Resident	120,178	603	99,173	577	10,227	571
Native American - Non Resident	0	0	3,434	9	5,157	3
Need Based 3%	278,699	232	198,474	154	353,126	294
Operating Fee - Non Resident	73,861	211	64,668	177	58,961	185
Other Veterans Services	39,593	687	31,969	567	59,399	1,021
Over 18 Exempt - Resident	7,100	45	2,486	29	0	0
Parent Education/ Family	263,173	3,136	271,208	2,984	295,652	3,177
Refugee	31,510	120	56,663	172	9,234	36
Running Start Class Fees	0	0	88,965	2,637	9,889	344
Senior Citizen (Audit)	22,253	115	21,364	116	24,277	141
Senior Citizen (Credit)	5,010	54	6,942	71	8,739	74
TOTAL	\$1,402,737	18,310	\$1,500,392	22,341	\$1,532,217	22,612

Footnotes:

- (1) An "unduplicated headcount" was not obtainable for this report. The only exception to this is in Need Based 3% waiver.
- (2) These waivers began in Fall, 2007.
- (3) All fees except consumable fees were waived in 08/09.

NOTES TO THE FINANCIAL STATEMENTS

Post-Closing Adjustments

Post-closing adjustments, are only made through the State Board for Community and Technical Colleges (SBCTC), prior to the Office of Financial Management's (OFM) final deadline. All non-reversed post-closing adjustments have been recorded in this Annual Financial Report. The post-closing entries include adjustments for balancing interagency receivable/payables.

State General Fund

Following OFM's directive, we can not carry-forward the state's general fund allotment balance from one year to the next.

Budgeted Tuition

Operating fees are a portion of student tuition that is retained at the college in the local general fund. The operating fees are used in balancing the college's operating budget and are expensed accordingly. Any operating fee revenue balances at the end of the year may be carried forward to the next fiscal year. The ending balance as of June 30, 2010 was \$69,641.

Excess Enrollment:

Since 1991 colleges, under the guidance of SBCTC, retain excess enrollment (EE) revenues. These revenues are 100% of all tuition collected on enrollments exceeding the base FTEs funded to each college. The colleges are allowed to retain these revenues since additional state allocations are not provided for enrollments over the base. This allows more students to access the college, and retained revenue can be used to pay for the expenses attributed to those students. These extra enrollments show visible proof that the college can not only meet it's enrollment requirements, but that it has exceeded them. This sets the college up for receiving future growth dollars that expand our state-funded base allocation.

Capital Asset Summaries:

Capital Operating funds:

Beginning in fiscal year 03/04 the legislature balanced the operating budget by changing the support for maintenance and repair to a funded capital allocation. In fiscal year 09/10 the legislative Supplemental Budget transferred support for these expenditures back to the operating budget.

Meadowdale Hall Renovation:

This renovation was completed in 09/10, with a value of \$7,281,613.

NOTES TO THE FINANCIAL STATEMENTS - Continued:

Capital Asset Summaries - Continued:

Electrical power distribution - (Infrastructure):

The college is continuing to re-engineer and improve its primary power distribution system. Edmonds was one of the first community colleges to receive capital infrastructure funding.

Acquisition of Warehouse - Pending:

The College is proceeding to provide an equitable match between programs and goals by planning the acquisition of property, which has been identified by our Facilities Master Plan. The College currently rents this space from the City of Lynnwood. The warehouse is used for the Horticulture program, Central Receiving, Custodial Services and Grounds Maintenance.

The property is directly north of the College and would connect the main campus with the north campus complex. This connection will help the College meet the City of Lynnwood's parking codes and would be an essential part of the parking mitigation required for the scheduled addition of the Science, Engineering, and Technology building.

Athletic Field - Pending Second Renovation:

The baseball field is in the process of being converted to a multi-purpose turf field, to support baseball, softball and soccer year-round. The Associated Students and Board of Trustees approved a general athletic fee (\$1.50) to pay for the project, which is expected to cost \$1.3M.

The first athletic field renovation upgraded netting and added lights.

Changes to Short and Long-term Debt:

Energy Upgrades Certificate of Participation (COP)

The College contracted with an Energy Services Company to perform a comprehensive campus energy audit and replacement and upgrades project. As a result, the College received a COP to fund the recommendations. The energy savings from this project are projected to off-set the COP debt services in the operating budget.

Energy Upgrades - Planning:

The College is in the process of implementing a second energy upgrade. A federal grant, of \$850,000, has been secured to assist us with this project.

NOTES TO THE FINANCIAL STATEMENTS - Continued:

Debt Service Reserve:

The College initiated a Certificate of Participation debt service reserve. Taking advantage of an overabundance of tuition revenues in a budget declining year, excess enrollment revenues were redirected into this reserve. This action is projected to save the operating budget approximately \$500,000.

Depreciation:

Depreciation is an expense resulting from the use of long-lived assets. It is measured by prorating the cost of the asset over its estimated useful life.

Depreciation is computed on the straight-line method with useful lives ranging from three years for minor equipment to 50 years for new buildings.

Only equipment over \$5,000 is capitalized and depreciated.

Receivables, Allowance for Doubtful Accounts/Bad Debt Expense:

Receivables are recorded when the revenue is earned. A determination of risk is examined and an estimated uncollectible debt is recorded to offset the receivable. In operating funds, this uncollectible amount reduces operating revenues, while proprietary funds are charged an expense.

Inter/Intra Governmental Receivables (see Consolidated Balance Sheet on page three) include receivables from the federal and state governments, year-end transfers between funds, and the internal cash management investment pool.

WR Grace Litigation:

This refers to a state-wide lawsuit concerning asbestos abatement, in which the college submitted past expenses as requested. The resulting future settlement is approximately \$449,790 after legal fees. The college plans to use these funds to support current capital projects where costs have escalated due to inflation. It is unknown when the lawsuit is anticipated to be settled.

GASB Compliance Issues:

Reporting of Affiliated Foundations:

In accordance with the Governmental Accounting Standards Board the Edmonds Community College Foundation is determined to be a "component unit" of the college. To comply with this requirement, the Foundation's balance sheet and income statement have been included. A copy of these statements are included as Attachments A and B.

EDMONDS COMMUNITY COLLEGE FOUNDATION
BALANCE SHEET BY RESTRICTION- UNAUDITED
As of 06/30/2010

Attachment A

	Unrestricted	Board Designated	Temporarily Restricted	Permanently Restricted	Total
Current Assets:					
Cash and Cash Equivalents	\$386,982	\$1,555	\$210,863	\$8,482	\$607,882
Investments	0	0	20,070	0	20,070
Pledges & Grants Receivable- net allow.	25,415	0	2,536	3,737	31,688
Prepaid Expenses	3,624	0	0	0	3,624
Transfers to/from Endowment Corpus	(78,929)	0	78,929	0	0
Long-term Assets:					
Pledges Receivable-net of discount	8,556	0	0	2,500	11,056
Stock Accounts	40	0	3,206	0	3,246
Investments	246,326	584,934	225,154	2,321,710	3,378,124
Trusts	0	0	0	537,255	537,255
Insurance Policy	5,816	0	0	0	5,816
Equipment - net of depreciation	12,152	0	0	0	12,152
Total Assets	\$609,982	\$586,489	\$540,758	\$2,873,684	\$4,610,913
Liabilities:					
Accounts Payable & Deferred Income	\$203,279		\$0	\$0	\$203,279
Net Assets:					
Beginning Balance	852,929	99,706	446,417	2,790,353	4,189,405
Balance Sheet Net Asset Transfers	89,480		(89,480)	0	0
Current Year Net Asset Changes	(535,706)	486,783	183,821	83,331	218,229
Total Net Assets	406,703	586,489	540,758	2,873,684	4,407,634
Total Liabilities and Net Assets	\$609,982	\$586,489	\$540,758	\$2,873,684	\$4,610,913

EDMONDS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF REVENUE AND EXPENDITURES BY RESTRICTION - UNAUDITED
From 07/01/2009 Through 06/30/2010

	Unrestricted	Board Designated	Temporarily Restricted	Permanently Restricted	Total
Revenue					
Contributions	\$45,630	\$0	\$172,685	\$23,589	\$241,904
Events	129,292	0	0	0	129,292
Total Revenue from Fundraising	174,922	0	172,685	23,589	371,196
Investment Income	26,744	(13,217)	195,929	59,742	269,198
Earned and Other Income	4,435	0	0	0	4,435
Net Asset Transfers	(504,337)	500,000	4,337	0	0
Net Assets Released from Restrictions	189,130	0	(189,130)	0	0
Total Revenue	(109,106)	486,783	183,821	83,331	644,829
Expenses					
Fundraising	130,107	0	0	0	130,107
Support to College	77,104	0	0	0	77,104
Support To Students	190,955	0	0	0	190,955
Program Administration	6,259	0	0	0	6,259
Administration & Support Services	71,831	0	0	0	71,831
Total Expenses	476,256	0	0	0	476,256
In-Kind Revenues and Expenses	49,656	0	0	0	49,656
Excess Revenues (Expenses)	(\$535,706)	\$486,783	\$183,821	\$83,331	\$218,229

ACKNOWLEDGMENTS

Special thanks to the following people for their help in preparing the annual financial report.

Marian Paananen, Director of Finance, for preparation of the financial charts and schedules used in this annual report; and for the coordination of accounting services for the college.

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Barbara Counsellor, Accounting Manager, for providing the financial aid waiver information.

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The Financial Aid office for their cooperation in the preparation of the schedule of student financial aid.

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Linda Krouse, Edmonds Community College Foundation Accountant, for the preparation of the Foundation's 2009/10 Balance Sheet and Statement of Revenue and Expenditures.

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Finance and Operations staff for the ongoing contributions to the administrative support processes that generate the data that comprises this report.