

STANDARD VII

FINANCE

This standard contains detailed information about the college and the District's financial planning and management activities including information about investment management and audit requirements. Included is a description of responsibilities as they are distributed between the district and the college. Finally, there is a section on Financial Aid.

The focus of the Standard VII Self-Study Committee was to a) ensure that the college is in compliance with the standard; b) determine that the distinctions in the roles of the district and the college are clear; c) determine the extent to which the administration, faculty, and staff are involved in the financial aspects of the college; and d) be certain that the recommendations from the 1990 report were addressed. This was accomplished by reviewing existing District Policies and Procedures, examining internal structures that are established to address staff/student concerns relative to these issues, and by adding a supplemental question to the 1999 Climate Survey. To analyze the data, the committee compared the results of the 1992 and 1995 Climate Survey with the results of the 1999 Climate Survey. It also reviewed the 1990 Self Study and the follow-up reports submitted as a result of that process.

RESPONSE TO RECOMMENDATIONS FROM 1990 REPORT

An effort should be made, on an annual basis during budget preparation, to inform division chairs of that portion of contracted program income that will be used to support general fund activities. A procedure should also be established for the use of other surplus contracted income.

Contract training decreased during the 1990s as new priorities arose and were addressed. However, the current strategic plan includes a goal of increasing contract training. One of the strategies for 2000-2001 is to review and update existing administrative budget manage-

ment and reporting procedures. This will include a recommendation of how excess contract revenue is distributed to support the college's strategic initiatives.

ACCREDITATION 2000 SELF-STUDY

As part of the Seattle Community College District (the district), the President of South Seattle Community College (the college) reports to the Chancellor of the district. In turn, the Chancellor reports to the district Board of Trustees (an independent body of five members appointed to five-year terms by the Governor of the State of Washington). (7.A.1)

The district, as part of the 34 community and technical colleges within Washington State, is also subject to the policies and procedures of the Washington State Board for Community and Technical Colleges (SBCTC). This body provides procedural guidance to the state's community and technical colleges; and it acts as the conduit for legislative appropriations, as it receives and then distributes these dollars to the State's institutions. These appropriations include general operating funds in addition to dedicated funds for specific purposes and initiatives.

The college has appropriate autonomy in the delivery of its educational offerings, as the Board of Trustees is a policy-making board, with limited involvement in management of the institution. Although the SBCTC has the ability to set procedural guidelines and impact the allocation of resources to the district, it has no impact on matters of institutional management outside of compliance monitoring as it seeks to ensure system compliance with legislative mandates and state wide policies and procedures. It is the responsibility of the college to allocate resources and manage its program offerings and operations in such a manner as to meet the mission and objectives of the college.

As part of a multi-college district, which includes North Seattle Community College and Seattle Central Community College, the financial functions of South are aligned with central support functions performed at the district level for all three colleges.

FINANCIAL PLANNING

The college's financial planning (7.A.2) for the future is a strategically guided and collaborative process. It begins by reviewing the mission and objectives of the college and by establishing the college's priorities based upon the strategic plan. The college accomplishes multi-year planning through program reviews and institutional effectiveness planning cycles. Instructional units are provided enrollment and financial history and are given the opportunity to forecast future enrollment and program growth, as well as personnel and program needs. Changes in existing programs or new program requests must align with the Strategic Plan for budget consideration.

When the budget is drafted each spring, the College Council holds an open hearing on the campus where faculty, staff, and students review the proposed budget in light of the college's priorities and provide input to the President and cabinet members. This input is considered when the budget request is prepared for submission to the Board of Trustees for its approval. In addition a three-year projection of major categories of income, expenditures, and plans for the management of capital revenue are developed. Short and long-range capital budgets reflect the college's goals and objectives and relate to the plans for physical facilities and acquisition of equipment.

Each year, the district receives a budget allocation from the SBCTC through the Office of Financial Management (OFM) upon authority of the Washington State Legislature. Resources are then distributed through the District's Resource Allocation Model as approved by the Chancellor and the Presidents. This model is a modified version of the SBCTC's budget allocation model.

Using the projected allocation from the district, the college's business office prepares planning sheets that are based upon the permanent current budget.

The policies, guidelines, and processes for budget development are clearly defined and distributed with the budget planning sheets. The timeline includes deadlines for budget review by the College Council, the President's Cabinet, the district, and finally, by the Board of Trustees. (7.A.3)

The college business office publishes an annual budget summary that is distributed at the college and community public hearing. The detailed budget is distributed to the Vice Presidents for distribution to the appropriate unit heads. Revisions to budgets may be requested by unit administrators and are reviewed by the business office. Upon approval by the district, budget revisions are then entered into the college's financial system and are then reported to unit administrators. (7.A.3)

CAPITAL PLANNING (7.A.4)

Authority to enter into debt and/or rental contracts for the financing of equipment has been delegated (through the Board of Trustees and Chancellor) to the college President. Although the President does have at his disposal the ability to enter into short-term financing (up to four years) through the State Treasurer's office or to secure external financing for projects, all such activity is coordinated and reviewed at the district level for compliance and fiscal prudence. Even though any such obligations are for the benefit of the college, and the college makes the payments, the district is the legal entity obligated under such contracts.

The servicing of existing debt is included in the College's annual planning processes. As well, complete amortization and expected repayment schedules are maintained. The items financed enhance the quality of the college's educational offerings and are financed only after careful analysis that the required debt-servicing obligation will not have a material adverse effect on program offerings throughout the repayment term. (7.B.2)

The state model for capital planning is a three-biennium (six-year) planning cycle. The funding for major projects includes appropriations for an initial biennium planning period followed by an architectural design biennium and then a construction biennium.

The college also receives capital funds each biennium for repairs, maintenance, and minor projects. The repair funds are allocated as a result of a statewide survey of community college facility conditions and the amount of funds allocated by the state legislature. The maintenance funds are allocated by a state formula that considers the age of the college's facilities and the number of square feet of facilities. The President's Cabinet prioritizes minor projects based on unit input and the strategic plan.

Long-range capital planning (Master Plan) is reviewed at least each decade and submitted to the Seattle City Council for approval after a detailed and thorough process involving community representatives and City staff. This plan is required by the City of Seattle and is available to the public upon request.

College buildings are paid for through state legislative appropriations and are financed at the state level by general obligation bonds. A portion of student tuition revenue is designated for the state's bond redemption, and is remitted to the State within thirty-five days of the start of the academic quarter.

FINANCIAL MANAGEMENT

The business functions at the college are under the direction of the Vice President of Administrative Services. Staffing in the administrative service area is adequately budgeted to carry out the following responsibilities (7.C.2):

BUDGETARY/FINANCIAL MANAGEMENT

- Management of college budget development process
- Budgetary monitoring, review, and approval
- Review of payroll and purchase/expenditure requests for compliance, budget, and coding
- Travel review and approval
- Management and review for compliance with college and district internal control policies
- Management reporting/decision support functions
- Development, implementation, and monitoring of business practices and procedures for the college
- Training of college personnel on budgetary and financial procedures and practices

ACCOUNTING

- Billing and accounts receivables management for grants and contracts (Federal items are handled at the district)
- Origination and/or coding review of expenditure and charge/credit documents
- Financial and grant compliance reporting

CASHIERING

Management of main cashiering function for college and the Duwamish Industrial Education and Apprenticeship Center and Food Service Operations

BOOKSTORE OPERATIONS

- Management of college bookstore
- Coordination of operational issues with contract service provider

FACILITIES MANAGEMENT AND CAMPUS SERVICES

- Management of college facilities including custodial, grounds maintenance, and utilities
- Supervision of college security function
- Management of campus parking services
- Development of campus facilities plan in conjunction with campus personnel and architects
- Management of capital project construction including budget, project completion, and liaison activities with project consultants (architects, Department of Engineering and Architecture)
- Management reporting for facilities and assets
- Risk and liability management

Recent developments in the Administrative Services area at the college include a newly appointed Vice President of Administrative Services. This position previously held by a Director of Administrative Services was filled on July 1. The business office also includes two new financial support staff and there is currently a vacant position that should be filled in the near future. The new Vice President and his staff will review current strategic initiatives and goals to determine if results have been achieved and will recommend changes to the college's financial component of the strategic plan.

As part of a multi-college district, the President reports to the district Chancellor. On a quarterly basis, the Chancellor reports to the Board of Trustees on the financial adequacy and stability of the district. The report packet provided to the Board of Trustees includes the following information:

- Tender of Gifts (provided monthly for Board acceptance of such gifts.)
- Budget Status Report (provides detail information on current budgeted levels and any changes to those budgeted levels during the reported period)
- Grants and Contracts Report (information on new, continuing, and expired grants/contracts throughout the district)
- Financial Status (fiscal year-to-date summary of revenues and expenditure activity)
- Capital Projects (summary financial information on active capital projects, detailing appropriated dollars and expenditures project and fiscal year to date)

Although the financial reports presented to the board reflect total district activity, the Tender of Gifts, Grants and Contracts Report, and Capital Projects reports reflect college-specific activities. (7.C.1.)

The business staff at the college work closely with district staff in the accomplishment of the business functions for the college. There are a number of mechanisms to help facilitate cross-campus communication among different groups, including District Budgeting, Accounting and Reporting (DBAR) which includes, the Vice President of Administrative Services from each college, the Vice Chancellor of Business and Finance, and other district managerial and professional financial staff. Additionally, the Business Services Group (BSG) augment the DBAR group in the areas of purchasing and facilities management. Both of these district-wide groups meet monthly to review and discuss areas of interest to district business operations.

The business functions of the college are supported by central support services housed at the district office (see Exhibits – Organization Charts) that provide district administrative activities as well as support services to the college in the following areas:

- Accounting
- Investment/cash management
- Payroll
- Benefits administration
- District-wide internal control support services
- Budgetary and management reporting support services
- Systems support for financial and other administrative computing systems
- Management of pooled college resources (district-wide accounts) such as parking, armored car contracts, banking services
- Resource/budget allocation to colleges
- Purchasing

Cash management and investment of district resources is handled at the district level. The Accounting Department forecasts the ending cash position daily and transfers dollars between the district's operating account and investment fund in an effort to minimize cash on hand and maximize invested funds. (7.C.4.)

The district is limited in the investment options that it can employ by statute. Presently, it utilizes the short-term investment pool that is managed by the State Treasurer's office, which provides short-term investment of district funds. District policy requires adherence to the allowable investment policy as indicated by the State Treasurer's office. (see Exhibits – Policies).

As dictated by the OFM and the district Board of Trustees, the district must adhere to Generally Accepted Accounting Principles (GAAP). It utilizes a financial accounting system that is common to all of the state's community and technical colleges and is GAAP compliant. The college follows all OFM policies and procedures as well as district and adopted policies and procedures. (7.C.5)

All college funds are subject to governmental audit by the State Auditor's Office. The college is audited annually, as a component of the district and the state system of community colleges. The college responds to audit findings, management letter, and exit items to ensure all issues are resolved appropriately and promptly. Through ongoing internal review, the college establishes and monitors the

effectiveness of financial management practices. As part of the audit process the State Auditor's Office conducts a review of the resolution of prior year's findings, management letter, and exit items. As is evident in the current audit report, there were no repeat findings from prior years, clearly demonstrating that all items were addressed. The auditors meet with district and college administration and the Board of Trustees for an exit interview at the conclusion of each year's audit. As well, there is review and tracking of such resolutions at the state level through the OFM. (7.C.9, 7.C.12, 7.C.13)

All applicable audit reports for the past 3 years are on file in the college Business Office and are available for review. These reports are considered public records as required by State law. The SSCC Foundation is also subject to such audit review if requested, although it is audited annually by an independent certified public accountant. (7.C.10)

Internal control is a shared responsibility between the college and the district. The Vice President of Administrative Services, who reports to the President, is ultimately responsible for internal control at the college. The Manager of Internal Control, under direction of the Vice Chancellor of Business and Finance, at the district, works with the colleges to monitor, report on, and enhance the effectiveness of college and district-wide internal control efforts. (7.C.11)

A significant component of the college's internal control efforts relates to processing and reviewing certain documents (e.g., payroll documents purchase requisitions, charge/credit forms). Document reviews include checking documents to ensure proper management approval, budgetary availability, and compliance with applicable policies and regulations. There are several layers of review occurring within the college. For example, in addition to college and district review, budget managers are required to review their operational detail reports monthly and to raise any issues related to transactions posted against their budgets. In addition, certain documents are reviewed at the district Office (particularly those documents that are deemed to pose more risk of noncompliance and exposure to the college/district). (7.C.11)

The college and the district undergo an annual risk assessment where all areas of the college and district are evaluated, and high-risk areas are identified as areas to focus any audit/internal control efforts on. Currently identified areas of high risk include: (7.C.11)

- Cash Handling (identification of areas handling cash, processes to ensure controls and monitoring of areas identified for compliance)
- Fixed Assets (tracking and accounting for new and existing fixed assets that can be inventoried)
- Travel (ensuring adequate compliance review for travel documents)

ADEQUACY OF RESOURCES (7.B.1)

Since the 1980s, the college has recognized that outside funds are necessary in order to support students needs. The college regularly pursues grants, contracts, and partnerships with business and industry in order to serve students. As opportunities for new revenue sources are explored, a review of college needs and a case for support has been developed to insure that the college mission, goals and priorities form the foundation for any request for new resources. For example, the "Building the Best" campaign started with a review of the college mission, outcomes, and college priorities and developed into an initiative currently led by the SSCC Foundation. Recent federal grants have focused on addressing the needs of the increasing number of under prepared students and on increasing the success rate for all students.

Employers and Technical Advisory Committees provide great support in providing instructional equipment, supplies, scholarships, and program support. Faculty and staff have been very innovative and creative in using a combination of state budgets, grants, and private support to help keep up with industry. The college and the Foundation have provided faculty development grants to be used for curriculum development and for attending professional conferences, to insure that faculty remain up to date in their programs and teaching techniques. A recently implemented student technology fee will assist the college in keeping pace with rapidly advancing technological developments. (7.B.5)

Transfers between funds are legal in this state and are guided by state regulations. Transfers are made in accordance with generally accepted accounting principles as set forth by the OFM. Transfers are routinely made for the purpose of indirect cost recoveries, recharges, and expenditure reclassifications, in which case expenditures or expenditure recoveries are the means of transfer. Transfers between funds for other purposes require approval of the Board of Trustees. (7.B.4)

Fundraising and Development (7.D. 1-3)

A majority of the college's fundraising efforts are conducted by the SSCC Foundation, which operates as a separate 501(c) (3) organization. The Foundation has a history of conducting itself professionally and follows all state laws and relevant policies.

The endowments and life income funds are administered by the SSCC Foundation Board of Directors and are managed as outlined in the contractual agreement. The college President, the SSCC Foundation Board of Directors, and the Chancellor of the Seattle Community College District approved the agreement. Currently the Foundation's endowment assets are managed by Union Bank of California.

The Foundation has a specific contractual agreement with the college that has been approved by the State of Washington Attorney General's Office. The agreement clearly outlines the relationship between the college and the Foundation and how it pertains to fundraising. Also stated in the agreement are the expectations and responsibilities of both parties. The college President, the SSCC Foundation Board of Directors, and the Chancellor of the Seattle Community College District approved the agreement.

Financial Aid (7.B.6, 7.C.3)

The administration and control of financial aid funds is a joint venture among 3 entities: the Financial Aid Office, the district accounting department, and the source of the funds. In the latter case, the source of funds may be the Federal or state governments, governmental agencies, or private contributors. As a general rule there is a distinct separation of duties between these entities to ensure that the funds are

properly accounted for and disbursed only to students who qualify. The Financial Aid Office has the responsibility to administer the financial aid programs, authorize expenditures, and prepare required reports. The accounting department, along with cashiering, receives funds, enters them into the appropriate accounts, disburses funds, and reports to the contributing entities. The contributing entities conduct and require reconciliation between funds authorized by the financial aid department and disbursed by the accounting department. In addition, the contributing entities require regular audits by the State Auditor and conduct periodic program reviews themselves to ensure that funds are being authorized and disbursed according to the statutes governing the use of these funds

Because South is a public institution, tuition rates are set by the legislature. As such the legislature has authorized the Board of Trustees to waive 3 percent of anticipated tuition revenues for needy students and to use 3.5 percent of actual tuition revenues for financial aid purposes for needy students. Using a formula developed by the State Board, the Accounting Department calculates the 3 percent waiver authority for each financial aid office. The college is required to provide matching funds for both the state and federal work-study programs. This match is part of the college's annual budgeting process.

The amount of financial aid funds available to the institution is controlled through state and federal laws and regulations set up to provide reasonably fair-share allocations to all institutions and all students. In general, the college is able to offer students financial aid awards that consist of approximately half "gifted aid" (grants and scholarships) and half "self-help aid" – (work study awards that allow a student to work ten – fifteen hours a week while s/he is attending school).

With the oversight of the financial aid department, employing departments of the college are involved in a.) monitoring of student hours worked b) the preparing of payroll documents, and c) hiring and supervising work-study eligible students. The college Human Resources Office is also involved in matters pertaining to rules and regulations regarding employment and payroll issues.

In addition to handling the large financial aid programs provided by the federal and state governments, the college also works with public agencies and coordinates dispersion of the funds flowing to students from these agencies. These agencies include the Division of Vocational Rehabilitation, the Department of Labor and Industries, the Workforce Development Council, Worker Retraining, and Work-Based Learning which are helping certain target populations accomplish educational and career objectives.

The college is also involved with the SSCC Foundation and with individuals and private organizations that provide scholarship assistance to students. These entities generally establish their own criteria for their funds they ask the college to market the availability of their scholarships, select the scholarship winners, and disburse the funds to their recipients according to their wishes. As required by the Program Participation Agreements with the federal and state governments, the Financial Aid Office coordinates all of these outside resources flowing to students with the regular financial aid programs. This process ensures that students are not being over awarded and that the funds flow to the students in time for them to pay tuition, and fees, books and supplies, and other living expenses. (7.B.6)

The Financial Aid Office provides a scholarship brochure that informs students how to conduct scholarship searches. This brochure also informs students of government sponsored educational assistance programs such as the Hope Scholarship, Lifetime Learning Award, and Education IRA's.

FUTURE DIRECTIONS

The college and the district are committed to maintaining a high level of fiscal integrity and providing effective stewardship of public resources. As such, the college and the district are continually assessing the effectiveness of it's financial management policies and procedures. New initiatives include:

- Establishing budget development and revenue forecasting guidelines that are consistent across campuses

- Improving budget and financial management procedures including the control of system access to various transactions
- Developing reserve targets in various funds to ensure on-going financial stability
- Streamlining financial reporting information for timeliness, accuracy and ease of understanding by all constituents.

In addition to developing these district-wide financial initiatives, a change in reporting relationships was recently made to ensure consistency of financial operations. Chief Business Officers for each campus will report dually to their respective President's as well as to the Vice Chancellor of Business and Finance at the district office.

To support the Mission of the college and to provide for the needs of its students, the college will continue to pursue new revenue generating opportunities. Resources through grants, contracts and partnerships with business and industry will provide numerous opportunities to support students and the community. These efforts will enhance the financial stability of the college, thus making it less vulnerable to state funding fluctuations and economic and legislative issues. As the demand for skills in the information technology industry continue, the college will pursue opportunities and program investments to meet those demands. New directions and initiatives will be pursued as they support the mission and goals of the college.

Table VII.1
Current Funds Revenues

Source (IPEDS Report)	ACTUAL						PROJECTED					
	Year 1 (1996-97)		Year 2 (1997-98)		Year 3 (1998-99)		Year 4 (1999-2000)		Year 5 (2000-01)		Year 6 (2001-2002)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Tuition and Fees	5,017,947	18.9%	4,500,989	17.0%	4,491,049	16.1%	4,684,740	16.4%	4,853,391	16.5%	4,853,391	16.5%
Government Appropriations												
Federal	14,078,859	53.1%	14,355,691	54.1%	14,756,696	52.8%	14,865,892	52.1%	15,311,869	52.0%	15,311,869	52.0%
State												
Local												
Government Grants & Contracts												
Federal	52,961	0.2%	49,239	0.2%	53,357	0.2%	54,958	0.2%	56,606	0.2%	56,606	0.2%
State	1,921,867	7.2%	1,689,703	6.4%	1,733,731	6.2%	1,785,743	6.3%	1,839,315	6.3%	1,839,315	6.3%
Local	4,625	0.0%	2,314	0.0%	8,597	0.0%	8,855	0.0%	9,121	0.0%	9,121	0.0%
Private Gifts, Unrestricted	1,111,448	4.2%	1,583,353	6.0%	2,120,498	7.6%	2,184,113	7.7%	2,249,636	7.6%	2,249,636	7.6%
Grants, Contracts	2,600	0.0%	6,220	0.0%	15,171	0.1%	15,626	0.1%	16,095	0.1%	16,095	0.1%
Endowment income	966,562	3.6%	1,334,162	5.0%	1,541,608	5.5%	1,587,856	5.6%	1,635,492	5.6%	1,635,492	5.6%
Restricted												
Unrestricted	55,986	0.2%	18,496	0.1%	74,815	0.3%	77,059	0.3%	79,371	0.3%	79,371	0.3%
Restricted												
Sales and Services of Educational Activities	873,914	3.3%	387,586	1.5%	533,303	1.9%	549,302	1.9%	565,781	1.9%	565,781	1.9%
Auxiliary Enterprises												
Hospitals												
Other Sources	1,186,300	4.5%	1,198,306	4.5%	1,598,729	5.7%	1,646,691	5.8%	1,696,092	5.8%	1,696,092	5.8%
Independent Operations	1,106,322	4.2%	1,060,024	4.0%	547,471	2.0%	563,895	2.0%	580,812	2.0%	580,812	2.0%
Total Current Funds Revenues												
	26,524,986	100.0%	26,547,731	100.0%	27,971,506	100.0%	28,536,106	100.0%	29,420,298	100.0%	29,420,298	100.0%

Table VII.2
Current Funds Expenditures and Mandatory Transfers

Source (IPEDS Report)	ACTUAL						PROJECTED							
	Year 1 (1996-97)		Year 2 (1997-98)		Year 3 (1998-99)		Year 4 (1999-2000)		Year 5 (2000-01)		Year 6 (2001-2002)			
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
Educational and General														
Instruction	12,092,954	46.9%	13,012,254	48.7%	13,434,294	48.7%	14,136,260	50.1%	14,560,348	50.1%	14,560,348	50.0%	14,560,348	50.0%
Research	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Public Services	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Academic Support (Excluding Libraries)	1,324,758	5.1%	1,520,505	5.7%	1,532,186	5.6%	1,535,067	5.4%	1,581,119	5.4%	1,581,119	5.4%	1,581,119	5.4%
Library Expenditures	604,853	2.3%	462,006	1.7%	546,309	2.0%	560,790	2.0%	577,614	2.0%	577,614	2.0%	577,614	2.0%
Student Services	2,470,512	9.6%	2,550,364	9.5%	2,513,318	9.1%	2,350,568	8.3%	2,421,085	8.3%	2,421,085	8.3%	2,421,085	8.3%
Institutional Support	3,290,376	12.8%	3,038,357	11.4%	3,184,039	11.5%	3,234,892	11.5%	3,331,939	11.5%	3,331,939	11.5%	3,331,939	11.4%
Plant Operations and Maintenance	2,205,336	8.6%	2,087,946	7.8%	2,201,966	8.0%	2,098,125	7.4%	2,161,069	7.4%	2,161,069	7.4%	2,161,069	7.4%
Scholarships and Fellowships Awards from Unrestricted Funds	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Awards from Restricted Funds	2,916,999	11.3%	2,814,702	10.5%	2,746,638	10.0%	2,829,037	10.0%	2,913,908	10.0%	2,913,908	10.0%	2,913,908	10.0%
Educational and general														
Mandatory Transfer	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Educational and General Expenditures & Mandatory Transfers	24,905,788	96.6%	25,486,134	95.3%	26,158,750	94.8%	26,744,739	94.8%	27,547,081	94.8%	27,547,081	94.6%	27,547,081	94.6%
Auxiliary Enterprises (Including Transfers)	873,511	3.4%	1,249,626	4.7%	1,437,309	5.2%	1,480,428	5.2%	1,524,841	5.2%	1,570,586	5.4%	1,570,586	5.4%
Hospitals (Including Transfers)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Independent Operations (incl. Transfers)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Current Funds Expenditures & Mandatory Transfers	25,779,299	100.0%	26,735,760	100.0%	27,596,059	100.0%	28,225,167	100.0%	29,071,922	100.0%	29,117,668	100.0%	29,117,668	100.0%

Table VII.3
Source of Financial Aid
(Table 4)

SOURCE	ACTUAL						PROJECTED					
	Year 1 (1996-97)		Year 2 (1997-98)		Year 3 (1998-99)		Year 4 (1999-2000)		Year 5 (2000-01)		Year 6 (2001-2002)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Annual Private Contributions	57,822	21.0%	1,023,166	28.3%	1,072,178	28.8%	1,064,182	29.6%	1,358,588	34.3%	1,385,729	34.3%
Government State Aid	1,242,388	34.4%	1,251,278	34.6%	1,157,378	31.1%	1,047,188	29.1%	1,085,466	27.4%	1,107,175	27.4%
Federal Aid (PELL, SEOG, WS)	1,412,579	39.1%	1,340,798	37.1%	1,263,692	33.9%	1,235,738	34.3%	1,260,453	31.8%	1,285,662	31.8%
Endowment Earnings	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Institutional Unfunded Aid	198,565	5.5%	-	0.0%	233,127	6.3%	233,811	6.5%	238,487	6.0%	243,257	6.0%
Federal Student Loans	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Nonfederal Workstudy Aid	-	0.0%	-	0.0%	-	0.0%	16,994	0.5%	17,334	0.4%	17,680	0.4%
Total Financial Aid	3,611,354	100%	3,615,242	100.0%	3,726,375	100.0%	3,597,913	100.0%	3,960,328	100.0%	4,039,503	100.0%

Table VII.4
Capital Investments
(Table 10)

	ACTUAL			PROJECTED		
	Year 1 (1996-97) Amount	Year 2 (1997-98) Amount	Year 3* (1998-99) Amount	Year 4** (1999-2000) Amount	Year 5 (2000-01) Amount	Year 6 (2001-02) Amount
Land						
Beginning Cost #	1,521,980	1,521,980	1,521,980	1,521,980	1,521,980	1,521,980
Additions	-	-	-	-	-	-
Deductions	-	-	-	-	-	-
Ending Cost #	1,521,980	1,521,980	1,521,980	1,521,980	1,521,980	1,521,980
Buildings						
Beginning Cost	29,029,337	28,894,380	29,768,061	29,880,905	29,880,905	29,880,905
Additions	-	873,681	112,844	-	-	-
Deductions	134,957	(50,000)	(14,035)	-	-	-
Ending Cost	28,894,380	29,768,061	29,880,905	29,880,905	29,880,905	29,880,905
Furniture and Equipment						
Beginning Cost	8,279,621	8,597,423	9,306,858	9,450,043	9,597,524	9,749,429
Additions	584,956	986,843	443,485	456,790	470,493	484,608
Deductions	267,154	277,408	300,300	309,309	318,588	328,146
Ending Cost	8,597,423	9,306,858	9,450,043	9,597,524	9,749,429	9,905,891
Construction in Progress						
Beginning Cost	-	256,158	3,863,417	3,863,417	-	-
Additions	-	-	-	-	-	-
Deductions	-	-	-	-	-	-
Ending Cost	3,289,026	256,158	3,863,417	-	-	-
Debt Service						
Principle	68,170	93,863	114,676	114,676	104,270	54,441
Interest	27,420	32,054	33,360	33,360	32,707	25,026
Depreciation (Private Institutions Only)	267,154	277,408	300,300	309,309	318,588	328,146

* Most recent fiscal year for which audited financial statements are available. ** Budget for current year.

Briefly describe the nature of the projects under way and/or anticipated (e.g. dormitories, classroom facilities, auditorium). Also, indicates sources of funds for the project (i.e. fundraising programs, debt). NOTE: Depreciation is booked for equipment in Washington State Community College financial systems. See attachment for details of entries on this table.

Table VII.4
Attachment
(Table 10)

Note: Differences in Table 10 figures and IPEDS figures is a result of using two different sources for the information. The IPEDS figures are from the Fixed Asset database which has not been updated since 1996-97, due to annual turnover in the controller position. The figures in Table 10 are from the Financial database, where the actual expenditures are booked.

Buildings

All sources of funds for construction are from the Capital Appropriation approved by the Washington State Legislature, allotted by the Office of Financial Management to the State Board of Community and Technical Colleges for distribution. Requests are submitted each biennium and reviewed and forwarded by the State Board to the Office of Financial Management. The OFM prepares the requests that go before the State Legislature for funding approval. Requests include major and minor projects, repairs, renovations and remodeling.

Additions in 1997-98 include the landscape/horticulture building and Bldg. 0. The addition of \$112,844 in 1998-99 includes the Greenhouse.

Deductions for 1997-98 and 1998-99 include the end of the warehouse rental of \$50,000 and \$14,035 for the machine shop 2 that was demolished.

Construction in progress includes:

1996-97	\$3,289,026 Robert Smith and landscape/horticulture buildings
1997-98	\$256,158 Greenhouse and completion of the landscape/horticulture building
1998-99	\$3,863,417 Library building

Equipment

Equipment purchases are projected at the same rate as current year plus 3% inflation. Equipment depreciation projections are calculated at the historical rate.

Debt Service

Debt Service includes a modular building, backhoe, energy conservation loans, a portable classroom and storm lathes. Detail is provided in Standard Seven, Item 7.A.4. One lease was added in August 1998, not listed in Item 7.A.4. That is a 3 year lease purchase of 50 computers, Agency Payment Schedule - Disbursement #670-0040.

Table VII.5
Debt Service Calculation

		96-97	97-98	98-99	99-00	00-01	01-02
Modular building	Principal	5747	5747	5747	5747	5747	-
	Interest	908	908	908	908	908	-
		6,655	6,655	6,655	6,655	6,655	-
Back hoe	Principal	7,982	7,982	7,982	7,982	7,982	-
	Interest	1,486	1,486	1,486	1,486	1,486	-
		9,468	9,468	9,468	9,468	9,468	-
Energy Conserv	Principal	21,010	21,010	21,010	21,010	21,010	21,010
	Interest	10,019	10,019	10,019	10,019	10,019	10,019
		31,029	31,029	31,029	31,029	31,029	31,029
Port. Classrm	Principal	9,989	9,989	9,989	9,989	9,989	9,989
	Interest	4,536	4,536	4,536	4,536	4,536	4,536
		14,525	14,525	14,525	14,525	14,525	14,525
Energy Conserv	Principal	14,982	14,982	14,982	14,982	14,982	14,982
	Interest	6,514	6,514	6,514	6,514	6,514	6,514
		21,496	21,496	21,496	21,496	21,496	21,496
Energy Conserv	Principal	8,460	8,460	8,460	8,460	8,460	8,460
	Interest	3,957	3,957	3,957	3,957	3,957	3,957
		12,417	12,417	12,417	12,417	12,417	12,417
Storm Lathes	Principal	-	25,693	25,693	25,693	25,693	-
	Interest	-	4,634	4,634	4,634	4,634	-
		-	30,327	30,327	30,327	30,327	-
50 Computers	Principal	-	-	20,813	20,813	10,407	-
	Interest	-	-	1,306	1,306	653	-
		-	-	22,119	22,119	11,060	-
TOTAL	Principal	68,170	93,863	114,676	114,676	104,270	54,441
	Interest	27,420	32,054	33,360	33,360	32,707	25,026
		95,590	125,917	148,036	148,036	136,977	79,467

Standard VII

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