

ANGELINA COLLEGE
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
AUGUST 31, 2017 AND 2016



PREPARED BY:
THE BUSINESS OFFICE
ANGELINA COLLEGE
LUFKIN, TEXAS

ANGELINA COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Angelina College

INTRODUCTORY SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2017 and 2016**



Angelina College

P.O. Box 1768, Lufkin, Texas 75902-1768 • 936/639-1301 • Fax 936/639/4299 •
www.angelina.edu

December 6, 2017

To the Taxpayers of Angelina County, the Citizens of Angelina College Service Area, the Members of the Board of Trustees, and the President:

We are pleased to present the following comprehensive annual financial report (CAFR) of Angelina College (the College) for the fiscal year ended August 31, 2017. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

The financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and follow any applicable Government Accounting Standards Board (GASB) pronouncements. The independent accounting firm of Alexander, Lankford & Hiers, Inc. conducted the audit of the financial statements and related notes in conformance with U.S. generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and state statutes. The independent auditor's report on MD&A, the basic financial statements, and other supplemental financial information is included within the financial section of this report. The independent auditor's report issued in accordance with *Government Auditing Standards* is in the single audit section of this report.

As a recipient of federal and state awards, the audit was also designed to meet any requirements set forth by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular*. The College is responsible for maintaining adequate internal control over compliance with applicable laws and regulations related to these programs. Internal controls are designed to provide reasonable, rather than absolute, assurances that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits derived. The auditor considered the internal controls over financial reporting, as well as adherence to applicable laws and regulations, and did not identify any material weaknesses in internal control or any significant violations of applicable laws and regulations. The report can be found within the single audit section of this report.

PROFILE OF DISTRICT

Angelina College was established as a public community college under the laws of the State of Texas by election on September 24, 1966. It is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award the following degrees: Associate in Arts, Associate in Science, Associate in Applied Science, and certificates. The College's seven educational divisions (Social and Behavioral Sciences and Business, Community Services, Fine Arts, Health Careers, Language Arts and Education, Science & Mathematics, and Technology & Workforce) offer over 65 different areas of study.

Course work includes not only credit-type courses, but also certificate programs in multiple areas to provide for the educational needs of the local communities.

The College is governed by a seven member, locally elected, Board of Trustees and services 12 counties in East Texas encompassing over 10,200 square miles. The service area, as defined by the Texas Legislature, includes all of Angelina, Houston, Nacogdoches, Polk, Sabine, San Augustine, Trinity, and Tyler counties. Also included are parts of Cherokee (Wells & Alto ISDs), Newton (Burkeville & Newton ISDs), Jasper (Colmesneil & Jasper ISDs), and San Jacinto (Shepherd & Coldspring-Oakhurst Consolidated ISDs) counties. Portions of Brookeland ISD located in Jasper and Newton counties are also included in the College's service area.

The College's main campus is located on over 230 wooded acres in Lufkin, Texas. Classes are also offered at various off-campus teaching sites including the Career and Technical Center in Crockett, the Higher Education & Technology Center in Jasper, the Polk County Center in Livingston, and several area high schools or local community sites. In addition to physical locations, courses are offered through interactive video, via the Internet, and through the Virtual College of Texas in cooperation with other Texas colleges. The student body is comprised of over 5,200 credit students and 5,000 community service students. In addition to instructional programs, the College has multiple opportunities for students to become involved in college life experiences through 25 student clubs and organizations, fine arts activities, and intercollegiate athletic programs.

MISSION AND GOALS

The mission of Angelina College is "to provide quality educational opportunities and services to aid students in the service area in reaching their full potential".

This mission is exemplified by these five goals as stated in the College's strategic plan:

- **Goal One:** *Expanding Access to Higher Education Opportunities*
Angelina College will increase awareness of the educational opportunities and services offered by the College, continuously improve processes and services to make enrollment convenient and efficient, and expand access to all credit and noncredit programs.
- **Goal Two:** *Promoting Student Success*
Angelina College will assist students in identifying and achieving their educational goals including program completion, academic transfer, basic skills improvement, career preparation, and personal and professional growth.
- **Goal Three:** *Pursuing Excellence through Continuous Improvement*
Angelina College will cultivate a learning and working environment committed to evidence-based decision making, identifying and implementing best practices, and continuously improving programs and services.
- **Goal Four:** *Engaging in Community Service*
Angelina College will provide programs and services to support learners' career and personal enrichment goals, to meet the human capital needs of employers, to contribute to the social and cultural environment of the region, and to support economic development in the College's service area.

- **Goal Five: Investing Responsibly in Quality**

Angelina College will manage resources in a prudent manner while investing to enhance educational offerings and the physical environment to meet student and community needs and expectations.

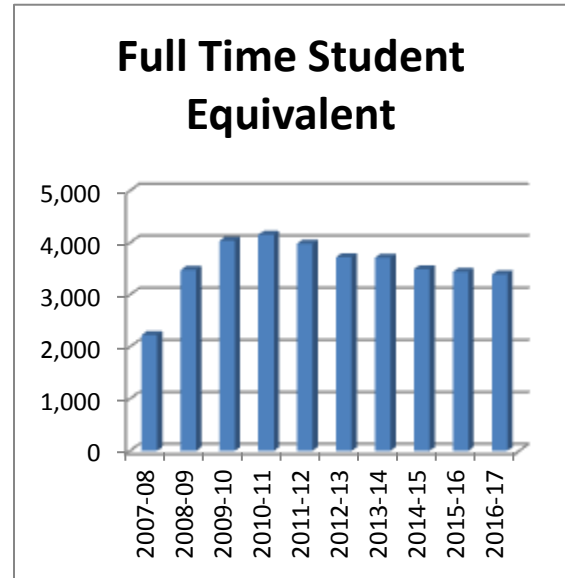
FINANCIAL CONDITION

While the population of the College’s service area has grown slightly over the last ten years, the full-time student equivalent enrollment has grown by over fifty percent. Public two-year community colleges throughout the state of Texas have also experienced similar growth patterns. Our enrollment is expected to remain stable as students continue to take advantage of the low cost but high quality education of community colleges.

Another major source of revenue for the College is property taxes. Angelina County’s tax base has remained relatively consistent over the last ten years and is anticipated to increase slightly or remain flat in the upcoming years.

One of the challenges community colleges are facing is being able to meet educational demands under the continued pressure of level or reduced state funding.

Cost-saving measures, additional tuition and increased property tax revenue have enabled the College to balance these demands against decreases in state appropriations but it is a continuing concern, which may influence future budgets and educational programs.



LONG-TERM PLANNING

The Board’s long-range planning committee provides leadership and guidance in developing the College’s long-term goals and strategic plans. The committee reviews educational programs, student activities, fiscal needs, and facilities to meet the future needs of the College and community. Current goals are outlined in the committee’s “2020 Vision” plan for the College.

The College also has a multi-year renewal and replacement plan, which addresses new construction projects and renovation projects to ensure the long-term viability of the College’s facilities. The plan covers a three-year period of anticipated projects and expenditures.

BUDGETARY PROCESS

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. Program needs are balanced against available resources in preparing the budget to ensure that the College remains fiscally sound and stable. The budget is subsequently reviewed and approved by the College’s Board of Trustees. During the year, the financial impact of College expenditures is monitored through a system of budget controls to adhere to legal provisions embodied in the annual appropriated budget and to maintain a balanced budget.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Angelina College for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2016. This was the sixth year that the College achieved this prestigious award.

We believe that our current CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the staff of the College's business office for their hard work in preparing this report and to the accounting firm of Alexander, Lankford & Hiers, Inc. for their timely completion of the audit.

We would also like to thank the College President and Board of Trustees for providing their outstanding leadership and vision for the College.

Respectfully submitted,

Chris Sullivan

Chris Sullivan
Vice President of Business Affairs

Michaelyn Greene

Michaelyn Greene
Controller





Government Finance Officers Association

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

Presented to

**Angelina County
Junior College District
Texas**

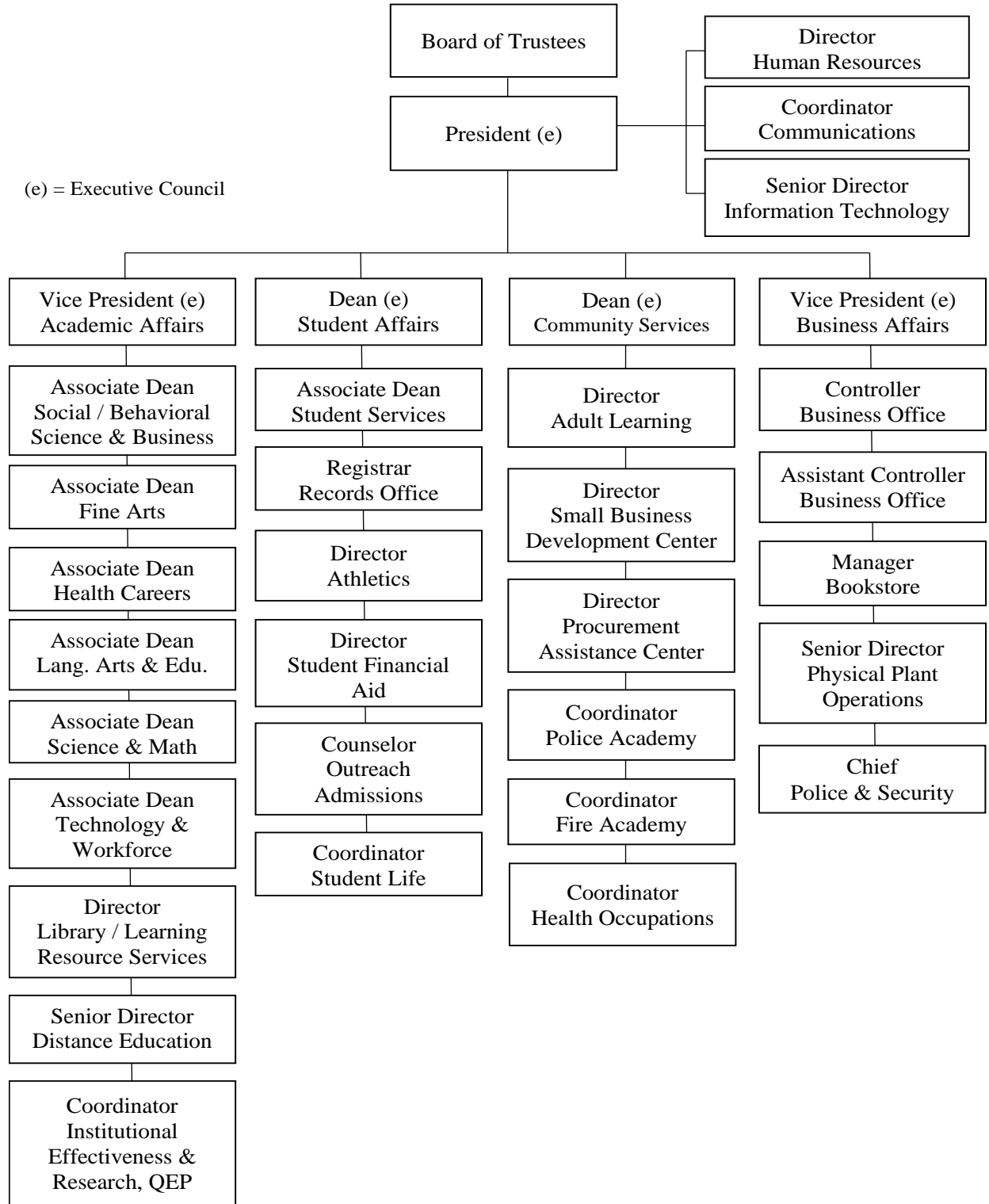
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2016

Christopher P. Morrill

Executive Director/CEO

ANGELINA COLLEGE
 ORGANIZATIONAL CHART
 For the Fiscal Year Ending August 31, 2017



ANGELINA COLLEGE
PRINCIPAL OFFICIALS
For the Fiscal Year Ending August 31, 2017

BOARD OF TRUSTEES

		<u>TITLE</u>	<u>TERM EXPIRES</u>
Robert L. Poland, Jr.	Lufkin, Texas	President	2018
Dr. Sidney Roberts, M.D.	Lufkin, Texas	Vice-President	2018
Trey Henderson	Lufkin, Texas	Secretary	2020
Joe Deason	Lufkin, Texas	Member	2020
Jay Shands	Lufkin, Texas	Member	2020
Tim Stacy	Lufkin, Texas	Member	2022
Ellen Clarke Temple	Lufkin, Texas	Member	2018

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. Michael Simon	President
Dr. Cynthia Casparis	Vice President of Academic Affairs
Chris Sullivan	Vice President of Business Affairs
Tim Ditoro	Dean of Community Services
Steven Hudman	Dean of Student Affairs



Angelina College

FINANCIAL SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2017 and 2016**

Ted A. Lankford, CPA
Glenda J. Hiers, CPA
Richard A. Rudel, CPA

AL&H ALEXANDER LANKFORD & HIERS, INC.

Yvette Sidnell, CPA
Jennifer L. Webster, CPA
Kimber Rhodes Jones, CPA
Susan L. Murrell, CPA

Wilbur E. Alexander, CPA
(1940 – 2009)

Certified Public Accountants, A Professional Corporation
4000 S. Medford Drive, Lufkin, Texas 75901
(936) 632-7771, FAX: (936) 637-2448

E-mail: admin@alhcpa.com Website: www.alhcpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Angelina College
Lufkin, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Angelina College (the College) as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College'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 College'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.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Report on the Financial Statements – Continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Angelina College as of August 31, 2017 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Financial Statements

The financial statements of Angelina College as of August 31, 2016, were audited by other auditors whose report dated December 12, 2016, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the College's share of the net pension liability, and schedule of College contributions on pages 15 through 22 and 57 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Angelina College's basic financial statements. The introductory section, supplementary schedules, which include the schedule of expenditures of federal awards and the schedule of expenditures of state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Texas Single Audit Circular*, and statistical section are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Report on the Financial Statements – Continued

Other Matters - Continued

Other Information - Continued

The supplementary schedules, including the schedule of expenditures of federal awards and the schedule of expenditures of state awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2017 on our consideration of Angelina College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Angelina College's internal control over financial reporting and compliance.



ALEXANDER, LANKFORD & HIERS, INC.
Certified Public Accountants

Lufkin, Texas
December 6, 2017



Angelina College
Management's Discussion and Analysis
August 31, 2017

The management of Angelina College (the College) has prepared the following Management's Discussion and Analysis. As management of the College, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the College for the fiscal years ended August 31, 2017 and 2016. The information presented should be read in conjunction with additional information we have furnished in our letter of transmittal, which precedes this report, as well as the financial statements and the accompanying notes to the financial statements, which follow this section. Responsibility for the completeness and fairness of this information rests with the preparers.

Basic Financial Statements

The comprehensive annual financial report consists of three basic financial statements that provide information on the College as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The financial statements are designed to provide readers with a broad overview of Angelina College's finances in a manner comparable to those of a private sector college. The following information is intended to provide an overview of these statements.

Statement of Net Position

The Statement of Net Position presents current assets (unrestricted assets expected to provide support within a year), noncurrent assets (restricted assets expected to provide long-term benefit to the College), deferred outflows of resources (a consumption of net position that applies to a future period), current liabilities (obligations which must be met within the current year), noncurrent liabilities (obligations which are not to be settled in the current year), and deferred inflows of resources (an acquisition of net position that applies to a future period). The difference is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the College is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the College's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Statement of Cash Flows

The Statement of Cash Flows is reported on the direct method. The direct method of cash flow reporting portrays net cash flows from operations as major classes of operating receipts (e.g. receipts from students and other customers) and disbursements (e.g. payments to or on behalf of employees). GASB Statements No. 34 and 35 require this method to be used. The primary purpose of cash flow analysis is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also may help users assess

**Angelina College
Management's Discussion and Analysis - Continued
August 31, 2017**

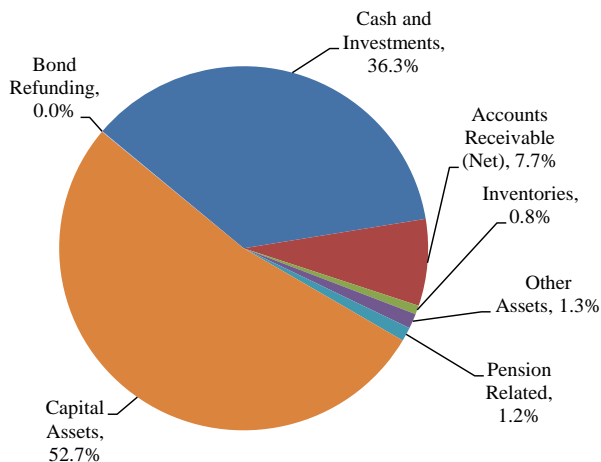
the College's ability to generate future net cash flows, to meet its obligations as they come due, and to determine its need for external financing.

Comparative Financial Information and Analysis

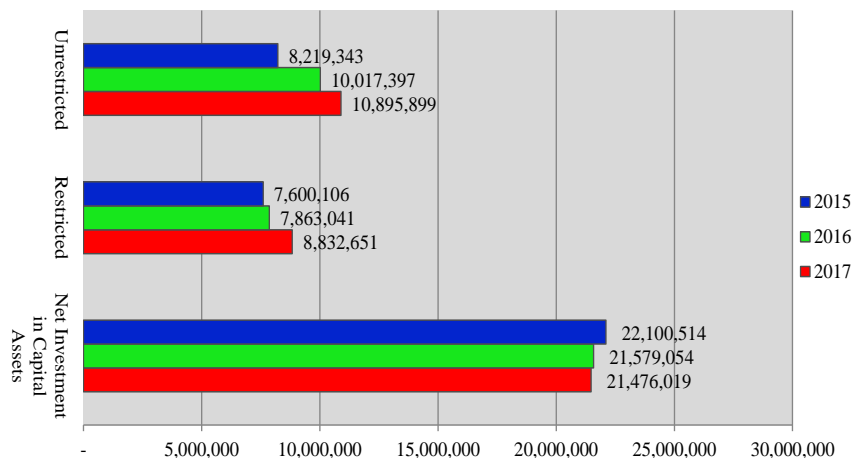
Comparison of Current to Prior Years' Net Position

	2017	2016	\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2015	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
Assets							
Cash and Investments	\$ 25,221,988	\$ 22,563,056	\$ 2,658,932	11.78%	\$ 20,061,122	\$ 2,501,934	12.47%
Accounts Receivable (Net)	5,350,757	5,206,685	144,072	2.77%	4,790,914	415,771	8.68%
Inventories	543,883	583,165	(39,282)	(6.74%)	701,899	(118,734)	(16.92%)
Other Assets	920,030	199,072	720,958	362.16%	238,698	(39,626)	(16.60%)
Capital Assets	36,555,035	37,815,273	(1,260,238)	(3.33%)	39,749,899	(1,934,626)	(4.87%)
Total Assets	68,591,693	66,367,251	2,224,442	3.35%	65,542,532	824,719	1.26%
Deferred Outflows of Resources							
Pension Related	858,257	1,473,284	(615,027)	(41.75%)	572,650	900,634	157.27%
Loss on Bond Refunding	30,516	45,773	(15,257)	(33.33%)	-	45,773	-
Total Deferred Outflows of Resources	888,773	1,519,057	(630,284)	(41.49%)	572,650	946,407	165.27%
Liabilities							
Current Liabilities	9,621,467	8,022,294	1,599,173	19.93%	7,633,411	388,883	5.09%
Noncurrent Liabilities	18,076,754	19,191,633	(1,114,879)	(5.81%)	19,602,995	(411,362)	(2.10%)
Total Liabilities	27,698,221	27,213,927	484,294	1.78%	27,236,406	(22,479)	(0.08%)
Deferred Inflows of Resources							
Pension Related	577,676	1,212,889	(635,213)	(52.37%)	958,813	254,076	26.50%
Total Deferred Inflows of Resources	577,676	1,212,889	(635,213)	(52.37%)	958,813	254,076	26.50%
Net Position							
Net Investment in Capital Assets	21,476,019	21,579,054	(103,035)	(0.48%)	22,100,514	(521,460)	(2.36%)
Restricted	8,832,651	7,863,041	969,610	12.33%	7,600,106	262,935	3.46%
Unrestricted	10,895,899	10,017,397	878,502	8.77%	8,219,343	1,798,054	21.88%
Total Net Position	\$ 41,204,569	\$ 39,459,492	\$ 1,745,077	4.42%	\$ 37,919,963	\$ 1,539,529	4.06%

Year Ending 2017 – Assets and Deferred Outflows



Net Position – Past Three Years



Angelina College
Management's Discussion and Analysis - Continued
August 31, 2017

Cash and Investments increased by \$2,658,932 (12%) in FY17 while increasing by \$2,501,934 (12%) in FY16. The increases result from a lower than normal investment in capital assets.

Accounts Receivable (Net) increased by \$144,072 (3%) in FY17 and \$415,771 (9%) in FY16 as a result of a modest tuition increase as well as slight fluctuations in the start date of classes.

Bookstore Inventories decreased \$39,282 (7%) in FY17 and \$118,734 (17%) in FY16 as a result of better inventory management procedures as well as a slightly earlier start of classes in FY16.

Other Assets increased \$720,958 (362%) in FY17 as a result of the decision to begin the implementation of new enterprise software. The new software is not expected to be fully functional until Spring 2019 but required purchasing the software and support services related to future periods in FY17.

Capital Assets compose 53% of the College's total assets. The \$36,555,035 invested in capital assets includes land, buildings, furniture and equipment, and improvements and is the largest single component of net position. The College uses these capital assets to provide services to students, faculty, and staff. The College's investment in capital assets is reported net of accumulated depreciation. A portion of the capital assets was acquired with debt, some of which is still outstanding. It should be noted that resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Current Liabilities increased by \$1,599,173 (20%) in FY17 and by \$388,883 (5%) in FY16. These amounts fluctuate based on purchases and services required at year end and based on changes in unearned revenues. Tuition and fees of \$5,355,782 for the Fall 2017 semester and \$5,143,427 for the Fall 2016 semester relate to periods after the fiscal year end and are included in Current Liabilities as unearned revenue. The increase is a result of a slight tuition increase. Federal, state, and local grant receipts of \$1,196,030 in FY17 and \$408,256 in FY16 also relate to future periods. These unearned revenues increased as a result of a private grant for projects slated to occur in FY18.

Noncurrent Liabilities decreased by \$1,114,879 (6%) in FY17 and in FY16 \$411,362 (2%) as a result of payments on long-term indebtedness. The decrease in FY16 was partially offset by an increase in the Net Pension Liability.

The assets and deferred outflows of the College exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$41,204,569 (Net Position), an increase of \$1,745,077 from the prior fiscal year. Of total Net Position, \$10,895,899 is classified as Unrestricted and may be used to meet the College's day-to-day obligations.

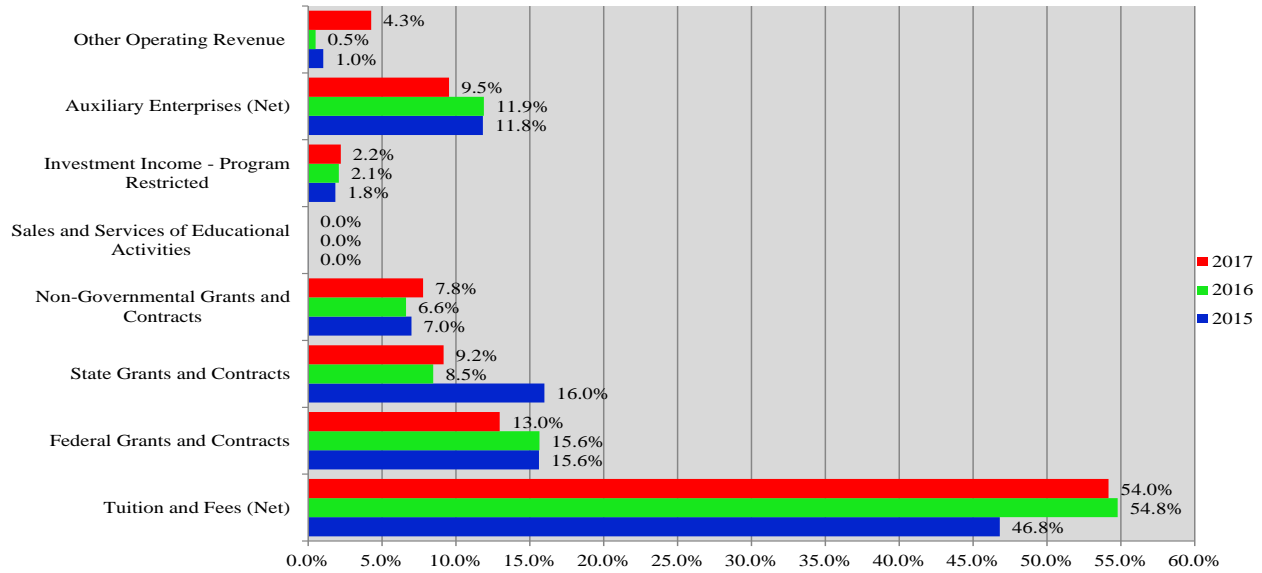
Angelina College
Management's Discussion and Analysis - Continued
August 31, 2017

Analysis of Significant Changes in Operations

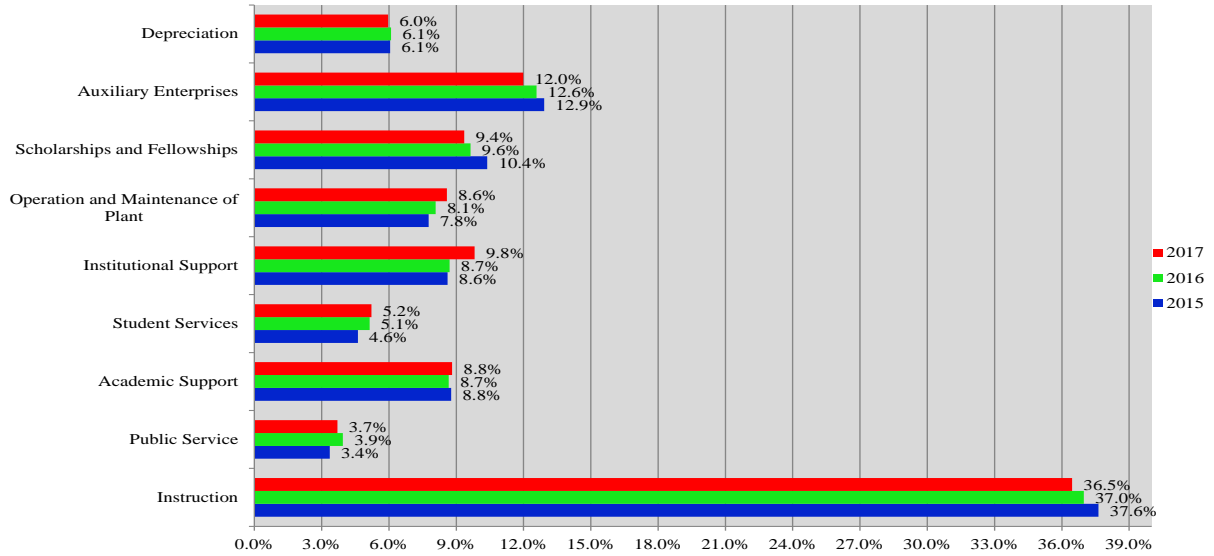
	2017	2016	\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2015	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
Operating Revenues							
Tuition and Fees (Net)	\$ 6,157,350	\$ 5,947,776	\$ 209,574	3.52%	\$ 4,993,701	\$ 954,075	19.11%
Federal Grants and Contracts	1,476,582	1,698,421	(221,839)	(13.06%)	1,670,839	27,582	1.65%
State Grants and Contracts	1,044,053	919,265	124,788	13.57%	1,709,566	(790,301)	(46.23%)
Non-Governmental Grants and Contracts	886,134	718,228	167,906	23.38%	748,048	(29,820)	(3.99%)
Sales and Services of Educational Activities		-	-	0.00%	400	(400)	(100.00%)
Investment Income - Program Restricted	251,105	225,867	25,238	11.17%	195,998	29,869	15.24%
Auxiliary Enterprises (Net)	1,085,964	1,291,358	(205,394)	(15.91%)	1,264,501	26,857	2.12%
Other Operating Revenue	486,394	54,781	431,613	787.89%	108,460	(53,679)	(49.49%)
Total Operating Revenue	<u>11,387,582</u>	<u>10,855,696</u>	<u>531,886</u>	<u>4.90%</u>	<u>10,691,513</u>	<u>164,183</u>	<u>1.54%</u>
Operating Expenses							
Instruction	12,901,510	12,808,913	92,597	0.72%	12,877,472	(68,559)	(0.53%)
Public Service	1,306,847	1,363,120	(56,273)	(4.13%)	1,151,647	211,473	18.36%
Academic Support	3,111,659	2,991,252	120,407	4.03%	3,008,866	(17,614)	(0.59%)
Student Services	1,840,758	1,773,556	67,202	3.79%	1,583,332	190,224	12.01%
Institutional Support	3,465,762	3,005,739	460,023	15.30%	2,954,274	51,465	1.74%
Operation and Maintenance of Plant	3,028,321	2,792,393	235,928	8.45%	2,664,350	128,043	4.81%
Scholarships and Fellowships	3,302,629	3,328,425	(25,796)	(0.78%)	3,562,585	(234,160)	(6.57%)
Auxiliary Enterprises	4,231,109	4,379,873	(148,764)	(3.40%)	4,433,118	(53,245)	(1.20%)
Depreciation	2,102,392	2,105,071	(2,679)	(0.13%)	2,077,154	27,917	1.34%
Total Operating Expenses	<u>35,290,987</u>	<u>34,548,342</u>	<u>742,645</u>	<u>2.15%</u>	<u>34,312,798</u>	<u>235,544</u>	<u>0.69%</u>
Net Operating Loss	(23,903,405)	(23,692,646)	(210,759)	0.89%	(23,621,285)	(71,361)	0.30%
Non-Operating Revenues							
State Appropriations	9,140,236	9,121,348	18,888	0.21%	9,243,039	(121,691)	(1.32%)
Maintenance Ad Valorem Taxes	5,532,767	5,244,579	288,188	5.49%	5,016,251	228,328	4.55%
Debt Service Ad Valorem Taxes	1,813,343	1,829,913	(16,570)	(0.91%)	1,818,724	11,189	0.62%
Federal Revenue, Non-Operating	8,054,554	8,460,303	(405,749)	(4.80%)	9,101,905	(641,602)	(7.05%)
Gifts	676,775	710,798	(34,023)	(4.79%)	520,048	190,750	36.68%
Investment Income	274,721	283,080	(8,359)	(2.95%)	106,997	176,083	164.57%
Other Non-Operating Revenues	307,922	288,166	19,756	6.86%	346,585	(58,419)	(16.86%)
Total Non-Operating Revenues	<u>25,800,318</u>	<u>25,938,187</u>	<u>(137,869)</u>	<u>(0.53%)</u>	<u>26,153,549</u>	<u>(215,362)</u>	<u>(0.82%)</u>
Non-Operating Expenses							
Interest on Capital Related Debt	664,948	752,245	(87,297)	(11.60%)	797,712	(45,467)	(5.70%)
Disposal of Capital Asset (Net)	8,216	8,604	(388)	(4.51%)	1,500	7,104	473.60%
Investment Expenses	2,771	4,343	(1,572)	(36.20%)	273,537	(269,194)	(98.41%)
Total Non-Operating Expenses	<u>675,935</u>	<u>765,192</u>	<u>(89,257)</u>	<u>(11.66%)</u>	<u>1,072,749</u>	<u>(307,557)</u>	<u>(28.67%)</u>
Income Before Other Revenues	1,220,978	1,480,349	(259,371)	(17.52%)	1,459,515	20,834	1.43%
Other Revenues							
Capital Contributions		-	-	-	-	-	-
Additions to Permanent Endowments	524,099	59,180	464,919	785.60%	67,989	(8,809)	(12.96%)
Total Other Revenues	<u>524,099</u>	<u>59,180</u>	<u>464,919</u>	<u>785.60%</u>	<u>67,989</u>	<u>(8,809)</u>	<u>(12.96%)</u>
Increase in Net Position	1,745,077	1,539,529	205,548	13.35%	1,527,504	12,025	0.79%
Beginning Net Position	39,459,492	37,919,963	1,539,529	4.06%	39,943,713	(2,023,750)	(5.07%)
Cumulative Effect of Change in Accounting Principle							
	-	-	-	-	(3,551,254)	3,551,254	-
Ending Net Position	<u>\$ 41,204,569</u>	<u>\$ 39,459,492</u>	<u>\$ 1,745,077</u>	<u>4.42%</u>	<u>\$ 37,919,963</u>	<u>\$ 1,539,529</u>	<u>4.06%</u>

**Angelina College
Management's Discussion and Analysis - Continued
August 31, 2017**

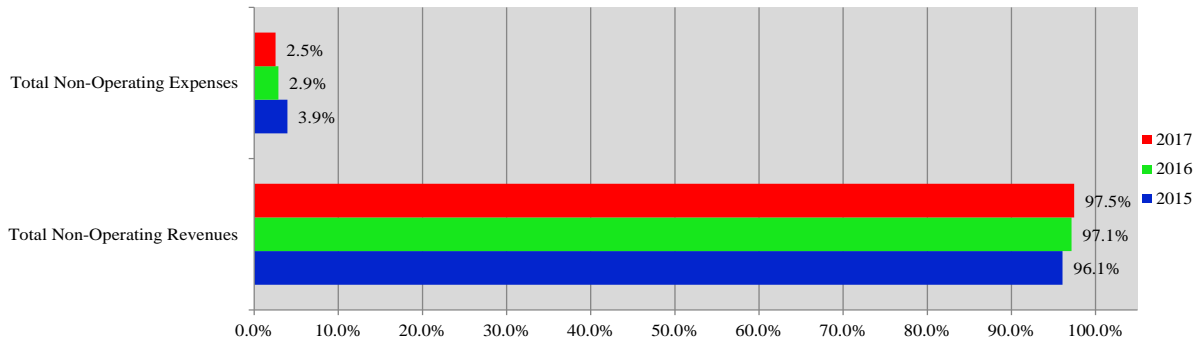
Operating Revenues – Past Three Years



Operating Expenses – Past Three Years



Non-Operating Revenues and Expenses – Past Three Years



Angelina College
Management's Discussion and Analysis - Continued
August 31, 2017

Operating revenues include all transactions that result from providing services related to the College's principal ongoing business activities such as tuition and fees, and sales from bookstore operations. In addition, certain federal, state, and private grants are considered operating revenue if they are not for capital purposes and are considered a contract for services.

Net Tuition and Fees increased \$209,574 (4%) in FY17 and \$954,075 (19%) in FY16 due primarily to increases in tuition rates. Federal Grants and Contracts revenue decreased by \$221,839 (13%) in FY17 due to the Childcare Training, Skills Development, and Nursing Innovation grants ending, but was level in the prior two years. State Grants and Contracts increased \$124,788 (14%) in FY17, but decreased by \$790,301 (46%) in FY16 showing the fluctuating nature of such grants. Non-Governmental Grants and Contracts increased \$167,906 (23%) after receiving a private grant to upgrade to energy efficient lighting in FY17, but remained relatively stable in the prior two years. The Auxiliary Enterprises (Net) decreased \$205,394 (16%) in FY17 due to a general decline in the College Bookstore's sales but increased \$26,857 (2%) in FY16 due to a slightly earlier start date of fall classes that year.

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College. Instructional costs increased slightly in FY17 after a slight decline in FY16, but generally remained flat over the three-year period. Public Service also remained relatively flat in FY17 but increased by \$211,473 (18%) in FY16 due to additional grants. Student Services increased \$67,202 (4%) in FY17 and \$190,224 (12%) in FY16 evidencing the College's continued effort to increase and improve its student services. Scholarships and Fellowships remained relatively flat in FY17 but decreased \$234,160 (7%) in FY16 because the average course load decreased resulting in less Title IV aid.

Non-operating revenues are all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, federal Title IV revenues, investment income, and grants and contracts that do not require any services to be performed. State Appropriations have remained fairly level over the three-year period. Maintenance Ad Valorem Tax revenue increased \$288,188 (5%) in FY17 and \$228,328 (5%) in FY16 because of changes in property valuations and increased tax rates. Federal Revenue, Non-Operating decreased \$405,749 (5%) in FY17 and \$641,602 (7%) in FY16 as Pell eligible recipients reduced their average course load and, as a result, their awards. Investment Income remained relatively flat in FY17 but increased \$176,083 (165%) in FY16 stemming from fluctuations in the equities market.

Non-operating expenses are all expenditures that are not directly related to the basic services performed by the institution. They consist primarily of interest on capital related debt and disposal of capital assets. The College reduced interest expenses on capital related debt by paying scheduled principal payments on outstanding debt. The College had minimal Investment Expenses in FY17, but they decreased \$269,194 (98%) in FY16 as a result of fluctuations in the equities market which resulted in an unrealized loss on investments in FY15.

Capital or endowment donations to the College can vary greatly from year to year. These variations led to an increase of \$464,919 (786%) in FY17 but a decrease of \$8,809 (13%) in FY16.

Angelina College
Management's Discussion and Analysis - Continued
August 31, 2017

Analysis of Cash Flows

	<u>2017</u>	<u>2016</u>	<u>\$ Difference Current Year and Previous Year</u>	<u>% Difference Current Year and Previous Year</u>	<u>2015</u>	<u>\$ Difference Previous Year and Year Before</u>	<u>% Difference Previous Year and Year Before</u>
Net Cash Used by							
Operating Activities	\$ (18,833,923)	\$ (19,084,411)	\$ 250,488	(1.31%)	\$ (19,048,021)	\$ (36,390)	0.19%
Net Cash Provided by Non-							
Capital Financing Activities	22,031,795	21,810,508	221,287	1.01%	22,186,842	(376,334)	(1.70%)
Net Cash Used by Capital							
Financing Activities	(828,874)	(489,730)	(339,144)	69.25%	(2,290,493)	1,800,763	(78.62%)
Net Cash Provided by							
Investing Activities	1,108,406	230,696	877,710	380.46%	(535,528)	766,224	(143.08%)
Increase (Decrease) in							
Cash and Cash Equivalents	3,477,404	2,467,063	1,010,341	40.95%	312,800	2,154,263	688.70%
Cash and Cash Equivalents at							
September 1	14,536,313	12,069,250	2,467,063	20.44%	11,756,450	312,800	2.66%
Cash and Cash Equivalents at							
August 31	<u>\$ 18,013,717</u>	<u>\$ 14,536,313</u>	<u>\$ 3,477,404</u>	<u>23.92%</u>	<u>\$ 12,069,250</u>	<u>\$ 2,467,063</u>	<u>20.44%</u>

Overall, the College's year-end cash balance of \$18,013,717 increased by \$3,477,404 (24%) from last year's balance of \$14,536,313 which was an increase of \$2,467,063 (20%) from the previous year's balance of \$12,069,250.

Capital Assets and Long-Term Debt

Capital Assets
(Net of Accumulated Depreciation)

	<u>Year Ending</u>		<u>\$ Difference Current Year and Previous Year</u>	<u>% Difference Current Year and Previous Year</u>	<u>2015</u>	<u>\$ Difference Previous Year and Year Before</u>	<u>% Difference Previous Year and Year Before</u>
	<u>2017</u>	<u>2016</u>					
Buildings and Improvements	\$ 29,236,149	\$ 30,355,218	\$ (1,119,069)	(3.69%)	\$ 31,690,902	\$ (1,335,684)	(4.21%)
Land and Land Improvements	5,434,578	5,722,914	(288,336)	(5.04%)	6,012,006	(289,092)	(4.81%)
Library Books	238,692	253,251	(14,559)	(5.75%)	262,116	(8,865)	(3.38%)
Furniture, Machinery, and							
Equipment	1,550,704	1,483,890	66,814	4.50%	1,784,875	(300,985)	(16.86%)
Construction in Process	94,912	-	94,912	-	-	-	-
Total	<u>\$ 36,555,035</u>	<u>\$ 37,815,273</u>	<u>\$ (1,260,238)</u>	<u>(3.33%)</u>	<u>\$ 39,749,899</u>	<u>\$ (1,934,626)</u>	<u>(4.87%)</u>

During FY17, the College expended \$18,276 on library books and materials, and \$520,567 on furniture, machinery, and equipment. The College also capitalized \$216,615 for building improvements related to air conditioning a gymnasium.

During FY16, the College expended \$23,885 on library books and materials, and \$155,164 on furniture, machinery, and equipment.

Angelina College
Management's Discussion and Analysis - Continued
August 31, 2017

The College had \$36.5 and \$37.8 million invested in capital assets, net of accumulated depreciation of \$37.3 and \$35.4 million for FY17 and FY16, respectively. The largest single component of capital assets is buildings totaling \$25,485,783 for FY17 and \$26,503,728 for FY16 net of accumulated depreciation. Depreciation charges totaled \$2,102,392 for FY17 and \$2,105,071 for FY16.

The College currently has outstanding various forms of long-term debt. Tuition revenue and a portion of taxes collected are committed to pay these debt obligations as they come due.

Detailed information about the College's capital assets can be found in Note 7 – Capital Assets on pages 38-39. In addition, detailed information about the College's long-term debt can be found in Note 8 – Long-Term Liabilities, Note 9 – Debt Obligations, Note 10 – Bonds and Notes Payable and Note 11 – Advance Refunding Bonds found on pages 40-42.

Other Conditions and Factors

The College's Nacogdoches Center moved into the Nacogdoches ISD Technical Training Center in the fall of 2015. The College was unsuccessful at renegotiating the terms of its agreement with Nacogdoches ISD relating to this center. As a result, this center was closed in June 2017. Some classes were relocated to a local church after the closure.

The challenge for Angelina College and for other Texas community colleges is trying to meet the expanding educational needs of the community with limited funding. The College's diverse revenue base of state appropriations, ad valorem tax collections, and tuition and fees revenues has lessened the impact of variations in these funding sources but additional cuts in state appropriations could adversely affect future operations.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Angelina College Business Office, P.O. Box 1768, Lufkin, Texas 75902.



BASIC FINANCIAL STATEMENTS

**For the Fiscal Years Ended
August 31, 2017 and 2016**

ANGELINA COLLEGE
EXHIBIT 1
STATEMENTS OF NET POSITION
August 31, 2017 and 2016

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 9,168,578	\$ 8,021,764
Accounts Receivable (Net)	5,350,757	5,206,685
Inventories	543,883	583,165
Other Assets	920,030	199,072
Total Current Assets	<u>15,983,248</u>	<u>14,010,686</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalents	8,845,139	6,514,549
Restricted Short-Term Investments	-	1,650,000
Endowment Investments	7,208,271	6,376,743
Capital Assets (Net) (See Note 7)	<u>36,555,035</u>	<u>37,815,273</u>
Total Noncurrent Assets	<u>52,608,445</u>	<u>52,356,565</u>
Total Assets	<u>68,591,693</u>	<u>66,367,251</u>
Deferred Outflows of Resources		
Pension Related	858,257	1,473,284
Loss on Bond Refunding	<u>30,516</u>	<u>45,773</u>
Total Deferred Outflows of Resources	<u>888,773</u>	<u>1,519,057</u>
Liabilities		
Current Liabilities		
Accounts Payable	1,444,493	638,321
Accrued Liabilities	313,705	571,886
Accrued Compensable Absences-Current Portion	45,159	41,419
Funds Held for Others	65,291	46,525
Unearned Revenues	6,551,812	5,551,683
Bonds Payable - Current Portion	<u>1,201,007</u>	<u>1,172,460</u>
Total Current Liabilities	<u>9,621,467</u>	<u>8,022,294</u>
Noncurrent Liabilities		
Deposits	18,200	14,100
Accrued Compensable Absences	256,576	245,184
Net Pension Liability	3,893,453	3,822,817
Bonds Payable	<u>13,908,525</u>	<u>15,109,532</u>
Total Noncurrent Liabilities	<u>18,076,754</u>	<u>19,191,633</u>
Total Liabilities	<u>27,698,221</u>	<u>27,213,927</u>
Deferred Inflows of Resources		
Pension Related	<u>577,676</u>	<u>1,212,889</u>
Total Deferred Inflows of Resources	<u>577,676</u>	<u>1,212,889</u>

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

ANGELINA COLLEGE
EXHIBIT 1 (Continued)
STATEMENTS OF NET POSITION
August 31, 2017 and 2016

	<u>Current Year</u>	<u>Prior Year</u>
Net Position		
Net Investment in Capital Assets	21,476,019	21,579,054
Restricted		
Nonexpendable		
Student Aid	6,299,182	5,529,017
Expendable		
Student Aid	1,831,405	1,657,182
Debt Service	540,210	485,965
Other	161,854	190,877
Unrestricted	10,895,899	10,017,397
Total Net Position (Schedule D)	<u>\$ 41,204,569</u>	<u>\$ 39,459,492</u>

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

ANGELINA COLLEGE
EXHIBIT 2
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
August 31, 2017 and 2016

	<u>Current Year</u>	<u>Prior Year</u>
Operating Revenues		
Tuition and Fees (Net of Discounts of \$5,003,147 and \$5,163,623, respectively)	\$ 6,157,350	\$ 5,947,776
Federal Grants and Contracts	1,476,582	1,698,421
State Grants and Contracts	1,044,053	919,265
Non-Governmental Grants and Contracts	886,134	718,228
Investment Income - Program Restricted	251,105	225,867
Auxiliary Enterprises (Net of Discounts of \$1,732,771 and \$1,985,824, respectively)	1,085,964	1,291,358
Other Operating Revenues	486,394	54,781
Total Operating Revenues (Schedule A)	<u>11,387,582</u>	<u>10,855,696</u>
Operating Expenses		
Instruction	12,901,510	12,808,913
Public Service	1,306,847	1,363,120
Academic Support	3,111,659	2,991,252
Student Services	1,840,758	1,773,556
Institutional Support	3,465,762	3,005,739
Operation and Maintenance of Plant	3,028,321	2,792,393
Scholarships and Fellowships	3,302,629	3,328,425
Auxiliary Enterprises	4,231,109	4,379,873
Depreciation	2,102,392	2,105,071
Total Operating Expenses (Schedule B)	<u>35,290,987</u>	<u>34,548,342</u>
Operating Loss	<u>(23,903,405)</u>	<u>(23,692,646)</u>
Non-Operating Revenues (Expenses)		
State Appropriations	9,140,236	9,121,348
Maintenance Ad Valorem Taxes	5,532,767	5,244,579
Debt Service Ad Valorem Taxes	1,813,343	1,829,913
Federal Revenue, Non-Operating	8,054,554	8,460,303
Gifts	676,775	710,798
Investment Income	274,721	283,080
Interest on Capital Related Debt	(664,948)	(752,245)
Disposal of Capital Assets, net	(8,216)	(8,604)
Investment Expenses	(2,771)	(4,343)
Other Non-Operating Revenues	307,922	288,166
Total Non-Operating Revenue (Expenses) (Schedule C)	<u>25,124,383</u>	<u>25,172,995</u>
Income Before Other Revenues	1,220,978	1,480,349

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

ANGELINA COLLEGE
EXHIBIT 2 (Continued)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
August 31, 2017 and 2016

	<u>Current Year</u>	<u>Prior Year</u>
Other Revenues		
Additions to Permanent Endowments	524,099	59,180
Total Other Revenues	<u>524,099</u>	<u>59,180</u>
Increase (Decrease) in Net Position	1,745,077	1,539,529
Net Position		
Net Position - Beginning of Year	39,459,492	37,919,963
Net Position - End of Year	<u>\$ 41,204,569</u>	<u>\$ 39,459,492</u>

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

ANGELINA COLLEGE
EXHIBIT 3
STATEMENTS OF CASH FLOWS
August 31, 2017 and 2016

	<u>Current Year</u>	<u>Prior Year</u>
Cash Flows from Operating Activities		
Receipts from Students and Other Customers	\$ 6,909,953	\$ 6,997,803
Receipts from Grants and Contracts	3,594,063	2,657,506
Investment Income, Program Restricted	251,105	225,867
Collection of Loans to Students and Employees	5,584	24,084
Other Receipts	799,363	342,058
Payments to or on Behalf of Employees	(18,674,869)	(17,955,715)
Payments to Suppliers for Goods or Services	(8,154,378)	(7,680,487)
Payments of Scholarships	(3,560,954)	(3,688,031)
Other Cash Payments	(3,790)	(7,496)
Net Cash Provided (Used) by Operating Activities	<u>(18,833,923)</u>	<u>(19,084,411)</u>
Cash Flows from Noncapital Financing Activities		
Receipts from State Appropriations	7,411,011	7,399,885
Ad Valorem Tax Revenues	5,528,785	5,246,411
Receipts from Non-Operating Federal Revenue	8,050,000	8,566,209
Payments for Collection of Taxes	(148,310)	(142,546)
Gifts and Grants (Other Than Capital)	1,171,543	747,132
Student Organization and Other Agency Transactions	18,766	(6,583)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>22,031,795</u>	<u>21,810,508</u>
Cash Flows from Capital and Related Financing Activities		
Net Proceeds from Issuance of Capital Debt	-	3,404,587
Ad Valorem Tax Revenues	1,814,316	1,831,885
Purchases of Capital Assets	(821,040)	(156,203)
Payments on Capital Debt	(1,822,150)	(5,569,999)
Net Cash Provided (Used) by Capital Financing Activities	<u>(828,874)</u>	<u>(489,730)</u>
Cash Flows from Investing Activities		
Proceeds from Sale and Maturity of Investments	1,839,772	454,317
Investment Earnings	51,905	57,981
Purchases of Investments	(783,271)	(281,602)
Net Cash Provided (Used) by Investing Activities	<u>1,108,406</u>	<u>230,696</u>
Increase (Decrease) in Cash and Cash Equivalents	3,477,404	2,467,063
Cash and Cash Equivalents - September 1	<u>14,536,313</u>	<u>12,069,250</u>
Cash and Cash Equivalents - August 31	<u>\$ 18,013,717</u>	<u>\$ 14,536,313</u>

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

ANGELINA COLLEGE
EXHIBIT 3 (Continued)
STATEMENTS OF CASH FLOWS
August 31, 2017 and 2016

	<u>Current Year</u>	<u>Prior Year</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (23,903,405)	\$ (23,692,646)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	2,102,392	2,105,071
Bad Debt Expense	94,645	(26,015)
Tax Collection Fee	148,310	142,546
Payments made directly by state for benefits	1,729,225	1,721,463
Other Non-Operating Revenue	307,922	288,165
Changes in Assets and Liabilities		
Interest Receivable	(17,982)	13,170
Ad Valorem Taxes Receivable	3,007	(3,803)
Federal Receivable - Non-operating	4,554	(105,906)
Accounts Receivable (Net)	(238,717)	(389,756)
Inventories	39,282	118,734
Other Assets	(720,958)	39,626
Pension Related Outflows	615,027	(900,634)
Accounts Payable	806,172	(161,131)
Accrued Liabilities	(258,181)	314,956
Unearned Revenue	1,000,129	499,058
Pension Related Inflows	(635,213)	254,076
Deposits	4,100	(900)
Accrued Compensable Absences	15,132	11,065
Net Pension Liability	70,636	688,450
Net Cash Provided (Used) by Operating Activities	<u>\$ (18,833,923)</u>	<u>\$ (19,084,411)</u>

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

1. Reporting Entity

Angelina College (the College) was established in 1966, in accordance with the laws of the State of Texas, to serve the educational needs of Angelina and the surrounding counties. Angelina College is considered a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. Summary of Significant Accounting Policies

Reporting Guidelines

The significant accounting policies followed by Angelina College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities (BTA).

Tuition Discounting

Texas Public Education Grants - Certain tuition amounts must be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code Chapter 56.033). When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act (HEA) Program Funds - Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts - The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

The financial statements of Angelina College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay. When an expense is incurred for which both restricted and unrestricted net position is available, the College's policy is to apply restricted resources first.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

2. Summary of Significant Accounting Policies - Continued

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting, and amends the budget as needed throughout the year. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, the Legislative Budget Board, the Legislative Reference Library, and the Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on-hand, demand deposits, and money market accounts.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

Investments

Investments are reported at fair value on a recurring basis. Fair values are based on quoted prices (Level 1 of the fair value hierarchy). Short-term investments have a maturity of less than one year at the fiscal year end. Long-term investments have a maturity of greater than one year at the fiscal year end.

Inventories

Inventories consisting of copier paper and supplies, postage, and bookstore stock are valued at the lower of cost under the "first-in, first-out" method, or market, and are charged to expense as consumed or sold.

Capital Assets

Capital assets are recorded at cost at the date of acquisition. Donated capital assets are reported at acquisition value. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are charged to operating expense in the year in which the expense is incurred.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

2. Summary of Significant Accounting Policies - Continued

Items costing \$2,500 or more with a useful life greater than one year are capitalized and depreciated. Additionally, these items have a permanent decal affixed to them and are inventoried annually.

Items costing from \$1,000 to \$2,499 with a useful life greater than one year have a permanent decal affixed to them and are inventoried annually. However, they are neither capitalized nor depreciated. These items are expensed in the year of purchase.

Items costing less than \$1,000 but having a useful life greater than one year are expensed in the year of purchase. No separate inventory records are maintained on these items.

The College computes depreciation under the straight-line method over the estimated useful life of assets. The following lives are used:

Buildings	50 years
Building Improvements	20 years
Land Improvements	20 years
Library Books	15 years
Furniture, Machinery, Vehicles, and Other Equipment	10 years
Telecommunications and Peripheral Equipment	5 years

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined on the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Unearned Revenues

Tuition, fees, and other revenues received and related to periods after August 31, 2017 or 2016, respectively, have been reported as unearned revenue.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

2. Summary of Significant Accounting Policies - Continued

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. Principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations, ad valorem tax collections, and Title IV grant revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operation of food services is not performed by the College but is contracted to an independent vendor.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

3. Authorized Investments

Angelina College is authorized to invest in obligations and instruments as defined in the Public Funds Act (Sec. 2256.001 Texas Government Code). Such investments include: (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute. The investments of the College are in compliance with these investment policies.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

4. Deposits and Investments

Cash and deposits reported on the Statements of Net Position consist of the following:

	Cash and Deposits	
	August 31, 2017	August 31, 2016
Bank Deposits		
Demand Deposits and Money		
Market Mutual Funds	\$ 17,758,307	\$ 13,952,515
Certificates of Deposit - Short-term	248,358	1,788,008
Certificates of Deposit - Long-term	1,561,891	1,755,482
	19,568,556	17,496,005
Cash and Cash Equivalents		
Petty Cash on Hand	10,468	10,624
Total Cash and Deposits	\$ 19,579,024	\$ 17,506,629

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Fair Value August 31, 2017	Fair Value August 31, 2016
U.S. Government Agencies	\$ 593,418	\$ 560,343
Mutual Funds	4,060,708	3,574,412
Corporate Bonds	743,896	348,498
Total Cash and Bank Deposits	19,579,024	17,506,629
Total Endowment Brokerage Deposits	244,942	573,174
Total Cash, Deposits, and Investments	\$ 25,221,988	\$ 22,563,056
Current (Exhibit 1)		
Cash and Cash Equivalents	\$ 9,168,578	\$ 8,021,764
Noncurrent (Exhibit 1)		
Restricted Cash and Cash Equivalents	8,845,139	6,514,549
Restricted Short-Term Investments	-	1,650,000
Endowment Investments	7,208,271	6,376,743
Total Current and Noncurrent Cash and Investments	\$ 25,221,988	\$ 22,563,056

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

4. Deposits and Investments – Continued

Restricted cash and investments are limited for capital acquisition, debt service, and student aid as well as other restricted purposes.

Following is a discussion of the College's investment policy related to specific investment risks:

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with state law and College policy for non-endowment funds, the College does not purchase any investments with maturities greater than 10 years. All College investments are in compliance with the Public Funds Investment Act. Maturities for the College's investments that are subject to interest rate risk are shown in the table below.

Investment Type	Fair Value	Investment Maturities (in years)		
	(Level 1)	Less Than 1	1 to 5	5 or More
U.S. Government Securities	\$ 593,418	\$ 262,849	\$ 288,761	\$ 41,808
Certificates of Deposit	1,810,249	248,358	948,502	613,389
Corporate Bonds	743,896	123,376	412,907	207,613
Total	<u>\$ 3,147,563</u>	<u>\$ 634,583</u>	<u>\$ 1,650,170</u>	<u>\$ 862,810</u>

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's policy for reducing its exposure to credit risk is to comply with state law and the College's investment policy. Investments in money market funds and investment pools must be rated at least AAA or an equivalent rating by at least one nationally recognized rating service. Commercial paper must be rated at least A-1 or P-1. Investments in obligations from other states, municipalities, counties, etc. must be rated at least A. As of August 31, 2017, the College's investments in U.S. Government Agencies are rated AAA/AA+ by Moody's and Standard and Poor's, respectively. As of August 31, 2017, the College's investments in corporate bonds are rated at least BAA1/BBB+ by Moody's and Standard and Poor's, respectively. The College's investments in mutual funds are rated at least ★★ by Morningstar, Inc. as of August 31, 2017.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss that occurs due to the lack of diversification. The College's investment policy does not place a limit on the amount the College may invest in any one issuer. At August 31, 2017 and 2016, no single investment comprised more than 5% of the College's investments, excluding non-negotiable certificates of deposit.

Custodial Credit Risk - Custodial credit risk is the risk that the College's deposits may not be returned in the event of a bank failure. The College's policy with respect to custodial credit risk complies with state law. At August 31, 2017 and 2016, the bank balances of the College's deposits were \$15,685,977 and \$14,074,900 respectively. Of these balances, the amounts covered by FDIC insurance were \$619,733 and \$1,323,174 at August 31, 2017 and 2016, respectively.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

4. Deposits and Investments - Continued

The remaining balances at August 31, 2017 and 2016 of \$15,066,243 and \$12,751,726 were entirely covered by pledged collateral held by the pledging financial institution's agent bank in the College's name.

5. Derivative Investments

Derivatives are investment products that may be a security or contract deriving its value from another security, currency, commodity, or index, regardless of the source of funds used. Angelina College did not invest in derivative products during fiscal year 2017 or 2016.

6. Endowments

The investment policy of the Board of Trustees is reviewed and adopted annually. Within that investment policy, the investment objective for the endowment fund is to preserve the real purchasing power of the principal and to provide a stable source of perpetual financial support to scholarships in accordance with the endowment spending policy. The brokerage firm or other endowment manager is also adopted annually by the Board of Trustees and is required to certify familiarity and compliance with the Public Funds Investment Act of the State of Texas, and the investment policy of the College. Endowment funds are subject to the provisions of the "Uniform Prudent Management of Institutional Funds Act" in Chapter 163 of the Texas Property Code. Endowment assets are reported at fair value on a recurring basis. Fair values are based on quoted prices (Level 1 of the fair value hierarchy).

Distributions from endowment investments are required to be spent for the purposes for which the endowment was established. Scholarship distributions are made pursuant to the investment policy. The policy for distribution of investment income designates an annual spending rate of no more than 5% as applied to a 36 month moving average of market value less current year contributions as measured at August 31 of each year. Endowment net position is classified as restricted nonexpendable student aid in the Statement of Net Position except for \$1,474,838 which is included in unrestricted.

	<u>August 31, 2017</u>	<u>August 31, 2016</u>
Beginning Net Position	\$ 7,001,104	\$ 6,666,880
Interest, Dividends, Earnings, Capital Gains (Losses)	259,667	277,457
Unrealized Gains (Losses)	238,028	207,586
Excess Distributions Returned to Endowment	1,122	15,000
Contributions	<u>524,099</u>	<u>59,180</u>
Funds Available in the Endowment	8,024,020	7,226,103
Less Scholarship Distributions from Current Year Endowment Interest	<u>250,000</u>	<u>224,999</u>
Ending Net Position	<u>\$ 7,774,020</u>	<u>\$ 7,001,104</u>

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

6. Endowments - Continued

The restricted expendable balances of endowments available for distribution at August 31, 2017 and 2016 are \$913,732 and \$759,985, respectively. Endowment assets consist of the following:

	<u>August 31, 2017</u>	<u>August 31, 2016</u>
Bank Deposits	\$ 299,882	\$ 24,362
Brokerage Deposits	244,942	573,174
Endowment Investments	7,208,271	6,376,743
Interest Receivable	20,925	26,825
Endowment Assets	<u>\$ 7,774,020</u>	<u>\$ 7,001,104</u>

7. Capital Assets

Capital assets activity for the year ended August 31, 2017 was as follows:

	Balance September 1, 2016	Increase	Decrease	Balance August 31, 2017
Not Depreciated				
Land	\$ 1,773,999	\$ -	\$ -	\$ 1,773,999
Construction in Process	-	94,912	-	94,912
Total Not Depreciated	<u>1,773,999</u>	<u>94,912</u>	<u>-</u>	<u>1,868,911</u>
Other Capital Assets				
Buildings	50,897,262	-	-	50,897,262
Land Improvements	7,548,396	-	-	7,548,396
Building Improvements	6,354,774	216,615	-	6,571,389
Library Books	1,033,655	18,276	41,572	1,010,359
Furniture, Machinery, Vehicles, and Other Equipment	3,083,388	439,085	81,517	3,440,956
Telecommunications and Peripheral Equipment	2,539,084	81,482	99,944	2,520,622
Total Capital Assets	<u>71,456,559</u>	<u>755,458</u>	<u>223,033</u>	<u>71,988,984</u>
Accumulated Depreciation				
Buildings	24,393,534	1,017,945	-	25,411,479
Land Improvements	3,599,481	288,336	-	3,887,817
Building Improvements	2,503,284	317,739	-	2,821,023
Library Books	780,404	32,835	41,572	771,667
Furniture, Machinery, Vehicles, and Other Equipment	2,174,965	229,498	74,069	2,330,394
Telecommunications and Peripheral Equipment	1,963,617	216,039	99,176	2,080,480
Total Accumulated Depreciation	<u>35,415,285</u>	<u>2,102,392</u>	<u>214,817</u>	<u>37,302,860</u>
Net Capital Assets	<u>\$ 37,815,273</u>	<u>\$ (1,252,022)</u>	<u>\$ 8,216</u>	<u>\$ 36,555,035</u>

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

7. Capital Assets - Continued

The College has an artwork collection that it does not capitalize. This collection adheres to the College's policy to (a) maintain it for public exhibition or education; (b) protect, keep unencumbered, care for, and preserve it; and (c) require proceeds from its sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at time of acquisition rather than capitalized.

Capital assets activity for the year ended August 31, 2016 was as follows:

	Balance September 1, 2015	Increase	Decrease	Balance August 31, 2016
Not Depreciated				
Land	\$ 1,773,999	\$ -	\$ -	\$ 1,773,999
Total Not Depreciated	<u>1,773,999</u>	<u>-</u>	<u>-</u>	<u>1,773,999</u>
Other Capital Assets				
Buildings	50,897,262	-	-	50,897,262
Land Improvements	7,548,396	-	-	7,548,396
Building Improvements	6,354,774	-	-	6,354,774
Library Books	1,029,031	23,885	19,261	1,033,655
Furniture, Machinery, Vehicles, and Other Equipment	3,006,188	103,086	25,886	3,083,388
Telecommunications and Peripheral Equipment	2,528,112	52,078	41,106	2,539,084
Total Other Capital Assets	<u>71,363,763</u>	<u>179,049</u>	<u>86,253</u>	<u>71,456,559</u>
Accumulated Depreciation				
Buildings	23,375,589	1,017,945	-	24,393,534
Land Improvements	3,310,389	289,092	-	3,599,481
Building Improvements	2,185,545	317,739	-	2,503,284
Library Books	766,915	32,750	19,261	780,404
Furniture, Machinery, Vehicles, and Other Equipment	1,987,425	204,822	17,282	2,174,965
Telecommunications and Peripheral Equipment	1,762,000	242,723	41,106	1,963,617
Total Accumulated Depreciation	<u>33,387,863</u>	<u>2,105,071</u>	<u>77,649</u>	<u>35,415,285</u>
Net Capital Assets	<u>\$ 39,749,899</u>	<u>\$ (1,926,022)</u>	<u>\$ 8,604</u>	<u>\$ 37,815,273</u>

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

8. Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2017 was as follows:

	Balance August 31, 2016	Additions	Reductions	Balance August 31, 2017	Current Portion
Bonds					
Series 2008 Limited Tax Bonds	\$ 8,186,942	\$ -	\$ 334,994	\$ 7,851,949	\$ 323,616
Series 2009 Limited Tax Bonds	5,376,867	-	212,656	5,164,211	211,036
Series 2015 Limited Tax Refunding Bonds	2,718,183	-	624,811	2,093,372	666,355
Total Bonds	<u>16,281,992</u>	<u>-</u>	<u>1,172,461</u>	<u>15,109,532</u>	<u>1,201,007</u>
Other Liabilities					
Accrued Compensable Absences	286,603	260,576	245,444	301,735	45,159
Net Pension Liability	3,822,817	398,648	328,012	3,893,453	-
Deposits Payable	14,100	13,800	9,700	18,200	-
Total Liabilities	20,405,512	<u>\$ 673,024</u>	<u>\$ 1,755,617</u>	19,322,920	<u>\$ 1,246,166</u>
Current Portion	<u>(1,213,879)</u>			<u>(1,246,166)</u>	
Total Noncurrent Portion	<u>\$ 19,191,633</u>			<u>\$ 18,076,754</u>	

Long-term liability activity for the year ended August 31, 2016 was as follows:

	Balance August 31, 2015	Additions	Reductions	Balance August 31, 2016	Current Portion
Bonds					
Series 1995 Revenue Bonds	\$ 265,000	\$ -	\$ 265,000	\$ -	\$ -
Series 2004 Tax Refunding Bonds	1,424,422	-	1,424,422	-	-
Series 2005 Advance Refunding Bonds	1,848,610	-	1,848,610	-	-
Series 2008 Limited Tax Bonds	8,520,884	-	333,942	8,186,942	334,995
Series 2009 Limited Tax Bonds	5,590,469	-	213,602	5,376,867	212,654
Series 2015 Limited Tax Refunding Bonds	-	3,404,587	686,404	2,718,183	624,811
Total Bonds	<u>17,649,385</u>	<u>3,404,587</u>	<u>4,771,980</u>	<u>16,281,992</u>	<u>1,172,460</u>
Other Liabilities					
Accrued Compensable Absences	275,538	281,420	270,355	286,603	41,419
Net Pension Liability	3,134,367	1,585,920	897,470	3,822,817	-
Deposits Payable	15,000	12,800	13,700	14,100	-
Total Liabilities	21,074,290	<u>\$ 5,284,727</u>	<u>\$ 5,953,505</u>	20,405,512	<u>\$ 1,213,879</u>
Current Portion	<u>(1,471,295)</u>			<u>(1,213,879)</u>	
Total Noncurrent Portion	<u>\$ 19,602,995</u>			<u>\$ 19,191,633</u>	

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

9. Debt Obligations

The debt service requirements for the next five years and beyond are summarized below for bonds and notes issued:

Fiscal Year	Principal	Interest	Total
2018	\$ 1,201,007	\$ 602,438	\$ 1,803,445
2019	1,281,263	558,969	1,840,232
2020	940,926	517,906	1,458,832
2021	947,338	483,737	1,431,075
2022	625,885	455,363	1,081,248
2023-2027	3,553,957	1,872,931	5,426,888
2028-2032	4,469,280	1,033,794	5,503,074
2033-2034	2,089,876	121,762	2,211,638
Total	<u>\$ 15,109,532</u>	<u>\$ 5,646,900</u>	<u>\$ 20,756,432</u>

10. Bonds Payable

Bonds are payable semi-annually with annual obligations varying from \$1,076,063 to \$1,773,969, with interest rates from 3.00% to 7.00%. The final installment is due in 2034.

General information related to bonds and notes payable is summarized below:

	August 31, 2017	August 31, 2016
Limited Tax Bonds, Series 2008.		
• To construct a softball and baseball complex, Health Careers building, and a Technical Education Shop Center.		
• Issued June 15, 2008, matures fiscal 2034.		
• \$16,500,000 was authorized and \$10,000,000 was issued.		
• Source of revenue for debt service – ad valorem taxes.		
• Interest rate of 3.65% to 5.00%.		
• Outstanding balance:	\$ 7,851,949	\$ 8,186,944
Limited Tax Bonds, Series 2009.		
• To construct a softball and baseball complex, Health Careers building, and a Technical Education Shop Center.		
• Issued June 15, 2009, matures fiscal 2034.		
• \$16,500,000 was authorized and \$6,500,000 was issued.		
• Source of revenue for debt service – ad valorem taxes.		
• Interest rate of 4.25% to 5.50%.		
• Outstanding balance:	5,164,211	5,376,865

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

10. Bonds Payable - Continued

Limited Tax Refunding Bonds, Series 2015.

- To refund the series 2004 limited tax refunding bonds which refunded the series 1994 limited tax bonds that provided funds for construction of a Community Service Building and a Workforce Development Center. Also to refund the series 2005 limited tax refunding bonds which refunded the series 1996 limited tax bonds that provided funds for renovation of existing facilities, construction of a Science Building, and a contribution of \$3,000,000 towards the construction of the Angelina Center for the Arts.
- Issued December 1, 2015, matures fiscal 2021.
- \$3,245,000 was authorized and issued.
- Source of revenue for debt service – ad valorem taxes.
- Interest rate of 3.00% to 4.00%.
- Outstanding balance:

	2,093,372	2,718,183
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Total Bonds Payable	\$ 15,109,532	\$ 16,281,992
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11. Advance Refunding Bonds

- Refunded \$1,430,000 of Limited Tax Refunding Bonds, Series 2004 and \$1,840,000 of Limited Tax Refunding Bonds, Series 2005.
- Issued refunding bonds on December 1, 2015.
- \$3,245,000, all authorized bonds have been issued.
- Angelina College Limited Tax Refunding Bonds, Series 2015.
- Average interest rate of bonds refunded – 3.48%.
- Net proceeds from Refunding Series -- \$3,391,766 including premium of \$159,587 and net of \$12,821 in underwriter's discount.
- \$3,326,435 was retained for the redemption of the Limited Tax Refunding Bonds, Series 2004 and 2005.
- The refunding resulted in a deferred loss on refunding of \$53,402 which will be amortized over 3.5 years.
- The 2004 and 2005 Series Limited Tax Refunding Bonds are fully defeased and the liability for those bonds has been removed from the College's financial statements.
- There was no balance for the defeased debt on August 31, 2016 because the debt was redeemed on January 19, 2016.
- Advance refunding of the 2004 and 2005 Series Limited Tax Refunding Bonds reduced the College's debt service payments over the next 5 years by approximately \$160,331.
- Economic Gain -- \$135,153 difference between the net present value of the old and new debt service payments.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

12. Unearned Revenues

Tuition and fees of \$5,355,782 and \$5,143,427 and federal, state, and local grants of \$1,196,030 and \$408,256 have been reported as unearned revenues at August 31, 2017 and 2016, respectively.

13. Pending Lawsuits and Claims

As of August 31, 2017, various claims and lawsuits are pending against the College. In the opinion of the College administration, the potential loss on all claims and lawsuits, to the extent not provided by insurance or otherwise, will not be significant to the financial statements of the College. No claims involving the College were pending on August 31, 2016.

14. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all of its employees. The College requires all full-time employees to participate in either the Teacher Retirement System of Texas (TRS) or in the Optional Retirement Plan (ORP). Faculty, administrators, and professional employees may enroll in either TRS or ORP. Secretarial, clerical, and classified employees are limited to participation in TRS. Employees who are eligible to participate in ORP have ninety days from the date of their employment to select the Optional Retirement Program. Employees who previously had the opportunity to participate in ORP but declined must remain with TRS for the duration of their employment in the Texas education system.

Teacher Retirement System of Texas (TRS)

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

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

14. Employees' Retirement Plan - Continued

Pension Plan Fiduciary Net Position - Detailed information about TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/trs%20documents/cafr_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

Contributions - Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 84rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

14. Employees' Retirement Plan - Continued

	<u>Contribution Rates</u>	
	<u>2017</u>	<u>2016</u>
Member (Employee)	7.7%	7.2%
The State of Texas and/or Angelina College	6.8%	6.8%
Angelina College Contributions	\$348,853	\$322,056
Member Contributions	\$618,906	\$575,133
State of Texas On-behalf Contributions	\$221,134	\$219,336

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act.

As the non-employer contributing entity for community colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. The College as the employer is required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- The state contribution is limited to 50% for eligible employees of public junior colleges or junior college districts. As a result, the College shall contribute 50% of the state contribution rate for eligible employees and 100% of the state contribution rate for all other employees.
- When employing a retiree of TRS the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

14. Employees' Retirement Plan - Continued

Actuarial Assumptions - The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.0%
Long-term expected Investment Rate of Return	8.0%
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are based on a study of actual experience for the four-year period ending August 31, 2014 and adopted on September 24, 2015. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

14. Employees' Retirement Plan - Continued

developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016, are summarized below:

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

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

Source: Teacher Retirement System of Texas 2016 Comprehensive Annual Financial Report

Discount Rate Sensitivity Analysis - The following schedule shows the impact on the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8.0%) in measuring the 2016 Net Pension Liability recorded at August 31, 2017.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Angelina College proportionate share of the net pension liability:	\$6,025,753	\$3,893,453	\$2,084,831

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

14. Employees' Retirement Plan - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At August 31, 2017, the College reported a liability of \$3,893,453 for its proportionate share of TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	\$ 3,893,453
State's proportionate share that is associated with the College	<u>2,603,482</u>
Total	<u><u>\$ 6,496,935</u></u>

The net pension liability was measured as of August 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2015 through August 31, 2016.

At the measurement date of August 31, 2016, the College's proportion of the collective net pension liability was .0103033%, which was a decrease of .000511% from its proportion measured as of August 31, 2015.

For the year ended August 31, 2017, the College recognized pension expense of \$270,179 and revenue of \$270,179 for support provided by the State.

At August 31, 2017, the College reported its proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 61,049	\$116,256
Changes in actuarial assumptions	\$118,665	\$107,921
Difference between projected and actual investment earnings	\$329,690	
Changes in proportion and difference between the College's contributions and the proportionate share of contributions		\$353,499
Contributions paid to TRS subsequent to the measurement date	\$348,853	
Total	\$858,257	\$577,676

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

14. Employees' Retirement Plan - Continued

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

Plan (Fiscal) Year ended August 31:	Pension Expense Amount
2017 (2018)	(\$36,074)
2018 (2019)	(\$36,074)
2019 (2020)	\$174,218
2020 (2021)	(\$52,230)
2021 (2022)	(\$98,652)
Thereafter	(\$19,460)

Optional Retirement Program (ORP)

Plan Description - Participation in the Optional Retirement Program, a defined contribution plan, is in lieu of participation in the Teacher Retirement System of Texas. The optional retirement program provides for the purchase of annuity contracts or mutual funds from a variety of providers who administer the plans for employees. The program operates under the provisions of the Texas Constitution, Article XVI, Sec 67, and the Texas Government Code, Title 8, Subtitle C.

Funding Policy - Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentage of participant salaries contributed by each participating employee is 6.65 percent for fiscal years 2017, 2016, and 2015. The percentage of participant salaries contributed by the state is 3.135 percent for 2017 and 2016 and 3.3 percent for 2015. The percentage of participant salaries contributed by the College is 3.465 percent for 2017 and 2016 and 3.3 percent for 2015. The College contributed an additional 1.9 percent for fiscal years 2017, 2016 and 2015 for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual contracts, the state has no additional or unfunded liability for this program.

Actual contributions to ORP, which were equal to the required contributions each year, are shown below:

Fiscal Year Ended August 31,	On-Behalf State Contribution	Angelina College Contribution	Participant Contribution	Total Contribution	Covered Payroll	Total College Payroll
2017	\$ 142,038	\$ 206,671	\$ 330,484	\$ 679,193	\$4,969,691	\$ 15,589,982
2016	132,207	206,008	320,171	658,386	4,814,598	15,579,645
2015	146,893	213,666	338,279	698,838	5,086,900	15,543,617

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

14. Employees' Retirement Plan - Continued

Part-time Employees

Plan Description - Part-time employees who are not members of the Teacher Retirement System of Texas participate in a separate IRS 403(b) plan administered by Teacher Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF).

Funding Policy - The plan offered through TIAA-CREF is a defined contribution plan to which the employees contribute 7.5 percent and the State of Texas and the College do not contribute. Employee contributions to TIAA-CREF for the years ended August 31, 2017, 2016, and 2015 were \$137,828, \$152,700, and \$155,521, respectively, which equaled the required contributions each year.

15. Compensable Absences

Full-time employees earn annual leave from 5.83 to 10.00 hours per month depending on whether they have less than or more than five years continuous employment with the College. The College's policy is that an employee may carry their accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to total hours earned in the two years immediately preceding. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed.

The College recognized the accrued liability for the unpaid annual leave in the amounts of \$301,735 and \$286,603 for fiscal years ended August 31, 2017 and 2016, respectively. The liability is shown in the Statement of Net Position split between current and noncurrent in the amounts of \$41,159 and \$256,576, respectively for August 31, 2017 and \$41,419 and \$245,184, respectively for August 31, 2016.

Sick leave, which can be accumulated to a maximum of 90 days, is earned at the rate of one day per month per length of the contract. It is paid to an employee who misses work because of personal or immediate family illness. The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since sick leave is not a vested benefit and is not paid upon termination or to a deceased employee's estate.

16. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA audit and accounting guide, State and Local Governments, 8.99). Contract and grant awards for which funds are expended but not collected are reported as Accounts Receivable on Exhibit 1. Funds received but not yet expended are reported as Current Unearned Revenues on Exhibit 1. Contract and grant awards that are not yet funded, and for which the institution has not yet performed services, are not included in the financial statements.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

16. Contract and Grant Awards - Continued

Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2017 and 2016 for which monies have not been received nor funds expended totaled \$4,549,435 and \$4,174,557. Of these amounts, \$2,554,759 and \$2,602,400 were from Federal Contract and Grant Awards; \$951,914 and \$1,089,157 were from State Contract and Grant Awards; and \$1,042,762 and \$483,000 were from Private Contract and Grant Awards for the fiscal years ended 2017 and 2016, respectively.

17. Disaggregation of Receivables and Payables Balances

Receivables were as follows:

	August 31, 2017	August 31, 2016
Students and Other Customers	\$ 7,043,640	\$ 6,787,185
Allowance for Doubtful Accounts	(2,415,238)	(2,316,965)
Federal Grants and Contracts - Operating	313,387	379,141
Federal Grants and Contracts - Non-operating	38,877	34,323
Other Grants and Contracts	68,189	32,226
Loans to Students	150,997	156,365
Allowance for Doubtful Accounts	(144,873)	(148,501)
Taxes Receivable	656,165	629,966
Allowance for Uncollectible Taxes	(471,515)	(448,323)
Interest Receivable	20,925	38,907
Other Receivables	90,203	62,361
	<u>\$ 5,350,757</u>	<u>\$ 5,206,685</u>
Total Receivables	<u>\$ 5,350,757</u>	<u>\$ 5,206,685</u>

Payables and accrued liabilities were as follows:

	August 31, 2017	August 31, 2016
Vendors	\$ 1,443,305	\$ 627,468
Students	1,188	10,853
Total Payables	<u>\$ 1,444,493</u>	<u>\$ 638,321</u>
Salaries and benefits	\$ 229,786	\$ 488,384
Sales taxes	76,904	80,695
Other	7,015	2,807
Total Accrued Liabilities	<u>\$ 313,705</u>	<u>\$ 571,886</u>

18. Self-Insured Plans

From September 1, 1990 through August 31, 1997, the College participated in a workers' compensation self-insurance program as permitted by Labor Code Chapter 504. The liability for unpaid claims relates to claims incurred prior to September 1, 1997. Changes in the College's undiscounted claims liability for the following fiscal years are as follows:

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2017	\$ 1,249	\$ 3	\$ 29	\$ 1,223
2016	1,303	(9)	45	1,249

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

18. Self-Insured Plans - Continued

Neither was an expenditure made nor a liability accrued based on the actuarial valuation of the present value of unpaid expected claims due to immateriality.

19. Post-Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the full-time employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year.

The state recognizes the cost of providing these benefits for retirees who retired from certain cost centers paid by state appropriated funds by expending annual insurance premiums. The College recognizes the cost of providing these benefits for retirees who retired from all other cost centers by expending annual insurance premiums.

	August 31, 2017	August 31, 2016	August 31, 2015
State's monthly contribution per full-time employee	\$ 617 - 1,798	\$ 577 - 1,679	\$ 538 - 1,566
State's contribution for retired participants	\$ 452,725	\$ 434,353	\$ 359,882
Number of retired participants	119	115	112
State's contribution for active participants	\$ 864,284	\$ 813,597	\$ 926,621
Number of active participants	252	252	252
State's total contribution	\$ 1,317,009	\$ 1,247,950	\$ 1,286,503
Number of total participants	371	367	364

20. Ad Valorem Tax

The College's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in Angelina County.

	August 31, 2017	August 31, 2016
Assessed Valuation of the College	\$ 4,668,069,513	\$ 4,708,708,162
Less: Exemptions	582,919,135	600,460,055
Less: Abatements	16,708,089	31,023,392
Net Assessed Valuation of the College	<u>\$ 4,068,442,289</u>	<u>\$ 4,077,224,715</u>

	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation - authorized	\$ 0.4000	\$ 0.5000	\$ 0.9000
Tax Rate per \$100 valuation - assessed			
- FYE August 31, 2017	\$ 0.1350	\$ 0.0442	\$ 0.1792
- FYE August 31, 2016	\$ 0.1274	\$ 0.0445	\$ 0.1719

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

20. Ad Valorem Tax - Continued

Taxes levied for the year ended August 31, 2017 were \$7,290,961 (which includes any penalty and interest assessed if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the following year in which imposed.

Tax Revenues-2017	Current Operations	Debt Service	Total
Current Taxes	\$ 5,348,454	\$ 1,750,374	\$ 7,098,828
Delinquent Taxes	102,478	34,660	137,138
Penalties and Interest	81,835	28,309	110,144
Total Tax Revenues	<u>\$ 5,532,767</u>	<u>\$ 1,813,343</u>	<u>\$ 7,346,110</u>

Taxes levied for the year ended August 31, 2016 were \$7,024,578 (which includes any penalty and interest assessed if applicable).

Tax Revenues-2016	Current Operations	Debt Service	Total
Current Taxes	\$ 5,070,174	\$ 1,766,747	\$ 6,836,921
Delinquent Taxes	95,631	34,561	130,192
Penalties and Interest	78,774	28,605	107,379
Total Tax Revenues	<u>\$ 5,244,579</u>	<u>\$ 1,829,913</u>	<u>\$ 7,074,492</u>

Tax collections for the year ended August 31, 2017 and 2016 were 97% and 97%, respectively of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

The College participated in multiple agreements during fiscal years 2017 and 2016 which resulted in abatements of tax revenues. Total tax revenues forgone by the College under these tax abatement agreements were \$29,941 and \$53,329 for the years ended August 31, 2017 and 2016, respectively, which amounted to approximately .407% and .753% of total tax revenues collected by the College in each fiscal year. The College has concluded that the dollar amounts of these tax abatements are immaterial to the revenues and the financial statements of the College taken as a whole. As such, we have elected not to present a full disclosure as required by GASB Statement No. 77, *Tax Abatements* since the GASB states that the provisions of Statement No. 77 need not be applied to immaterial items.

21. Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115 Income of States, Municipalities, Etc. although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the year ended August 31, 2017 and 2016.

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

22. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the College. At no time during the last three fiscal years have claims exceeded commercial coverage.

During the years ended August 31, 2017 and 2016, the College participated in several Texas Association of School Boards (TASB) Risk Management Fund programs including Auto Liability, Auto Physical Damage, General Liability, Legal Liability, Property, and Unemployment Compensation.

The TASB Risk Management Fund (the Fund) was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability, and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves.

The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool.

For the years ended August 31, 2017 and 2016, the Fund anticipates that the College has no additional liability beyond the contractual obligations for payment of contributions for all programs in which it participates.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2016, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

23. Non-Monetary Transactions

The College receives the benefit from the use of certain facilities at its off-campus sites at no cost or costs below prevailing market rates that the College would have to pay in an exchange transaction. Included in operating revenues is \$633,475 and \$633,475 in non-monetary transactions representing the value of the use of these off-campus facilities for

Angelina College
Notes to Financial Statements - Continued
August 31, 2017

23. Non-Monetary Transactions - Continued

the years ended August 31, 2017 and 2016, respectively. A corresponding amount is also included in operating expenses.

The College also provides the use of some of its facilities to an unrelated nonprofit entity at no cost. Included in operating expenses is \$119,066 and \$119,066 in non-monetary transactions representing the value of the donation of the facilities for the years ended August 31, 2017 and 2016, respectively. A corresponding amount is also included in non-operating revenues.

24. Post-Employment Benefits Other than Pensions

Plan Description: The College contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit post-employment healthcare plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Texas Legislature.

ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

Funding Policy - Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. Beginning September 1, 2013, SB 1812 limited the state's contribution to 50% of eligible employees for community colleges.

The College's contributions to SRHP for the years ended August 31, 2017, 2016, and 2015, were \$581,281, \$494,314, and \$497,478, respectively, which equaled the required contributions each year.

**REQUIRED SUPPLEMENTARY
INFORMATION SCHEDULES**

**For the Fiscal Years Ended
August 31, 2017 and 2016**

ANGELINA COLLEGE
REQUIRED SUPPLEMENTARY SCHEDULE I
SCHEDULE OF THE COLLEGE'S SHARE OF NET PENSION LIABILITY

Fiscal year ending August 31 *	2017	2016	2015 **
Total Teacher's Retirement System (TRS) pension liability	\$ 171,797,150,487	\$ 163,887,375,172	\$ 159,496,075,886
TRS' net position	(134,008,637,473)	(128,538,706,212)	(132,779,243,085)
TRS' net pension liability	\$ 37,788,513,014	\$ 35,348,668,960	\$ 26,716,832,801
TRS net position as a percentage of total pension liability	78.00%	78.43%	83.25%
The College's proportionate share of collective net pension liability (%)	0.0103033%	0.0108146%	0.0117342%
The College's proportionate share of collective net pension liability (\$)	\$ 3,893,453	\$ 3,822,817	\$ 3,134,367
Portion of nonemployer contributing entities (NECE) total proportionate share of NPL associated with the College	2,603,482	2,395,398	2,071,447
Total	\$ 6,496,935	\$ 6,218,215	\$ 5,205,814
The College's covered payroll amount in the year of measurement	\$ 7,990,530	\$ 7,631,192	\$ 7,225,531
Ratio of: AC proportionate share of collective NPL/AC's covered payroll amount	48.73%	50.09%	43.38%

* The amounts presented for each fiscal year were determined as of the measurement date which is August 31 of the prior fiscal year.

**Only three years of data are presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement.

See independent auditor's report.

**ANGELINA COLLEGE
REQUIRED SUPPLEMENTARY SCHEDULE II
SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS**

Fiscal year ending August 31 *	2017	2016	2015 **
Contractually required contributions	\$ 346,162	\$ 321,907	\$ 310,048
Actual Contributions	348,853	322,056	318,842
Contributions deficiency (excess)	\$ (2,691)	\$ (149)	\$ (8,794)
The College's covered payroll amount in the current fiscal year	\$ 8,041,917	\$ 7,990,530	\$ 7,631,192
Ratio of: Actual contributions / AC's covered payroll amount	4.34%	4.03%	4.18%

*Note: GASB 68, Paragraph 81.2b requires that the data in this schedule be presented as of the College's current fiscal year as opposed to the time period covered by the measurement date of the prior fiscal year.

**Only three years of data are presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement.

See independent auditor's report.



**SUPPLEMENTAL FINANCIAL
INFORMATION**

**For the Fiscal Years Ended
August 31, 2017 and 2016**

ANGELINA COLLEGE
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2017
With Memorandum Totals for the Year Ended August 31, 2016

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Totals	
					Current Year	Prior Year
Tuition						
State Funded Credit Courses						
In-District Resident Tuition	\$ 3,037,235	\$ -	\$ 3,037,235	\$ -	\$ 3,037,235	\$ 2,827,689
Out-of-District Resident Tuition	4,756,174	-	4,756,174	-	4,756,174	4,688,498
Non-Resident Tuition	211,789	-	211,789	-	211,789	250,454
TPEG - Credit (set aside)*	499,566	-	499,566	-	499,566	482,278
State Funded Continuing Education Courses	656,108	-	656,108	-	656,108	806,856
TPEG - Non-Credit (set aside)*	41,915	-	41,915	-	41,915	51,436
Non-State Funded Continuing Education	39,290	-	39,290	-	39,290	42,328
Total Tuition	<u>9,242,077</u>	<u>-</u>	<u>9,242,077</u>	<u>-</u>	<u>9,242,077</u>	<u>9,149,539</u>
Fees						
General Institutional Service Fee	-	-	-	951,566	951,566	871,928
Building Use Fee	-	(26)	(26)	-	(26)	175,526
Laboratory Fee	721,590	-	721,590	-	721,590	692,089
Other Fees	240,280	-	240,280	5,010	245,290	222,317
Total Fees	<u>961,870</u>	<u>(26)</u>	<u>961,844</u>	<u>956,576</u>	<u>1,918,420</u>	<u>1,961,860</u>
Scholarship Allowances and Discounts						
Local Scholarships	(410,168)	-	(410,168)	(34,266)	(444,434)	(376,767)
Auxiliary Scholarships	(235,570)	-	(235,570)	(16,262)	(251,832)	(260,801)
Remissions and Exemptions-State	(271,452)	-	(271,452)	(650)	(272,102)	(235,102)
Remissions and Exemptions-Local	(5,939)	-	(5,939)	-	(5,939)	(5,887)
TPEG Allowances	(529,483)	-	(529,483)	(5,544)	(535,027)	(505,640)
Other State Grants	(228,752)	-	(228,752)	(20,865)	(249,617)	(375,614)
Title IV Federal Grants	(2,844,323)	-	(2,844,323)	(303,647)	(3,147,970)	(3,238,512)
Other Federal Grants	(93,701)	-	(93,701)	(2,525)	(96,226)	(165,300)
Total Scholarship Allowances	<u>(4,619,388)</u>	<u>-</u>	<u>(4,619,388)</u>	<u>(383,759)</u>	<u>(5,003,147)</u>	<u>(5,163,623)</u>
Total Net Tuition and Fees	<u>5,584,559</u>	<u>(26)</u>	<u>5,584,533</u>	<u>572,817</u>	<u>6,157,350</u>	<u>5,947,776</u>
Additional Operating Revenues						
Federal Grants and Contracts	43,786	1,432,796	1,476,582	-	1,476,582	1,698,421
State Grants and Contracts	9,000	1,035,053	1,044,053	-	1,044,053	919,265
Non-Governmental Grants and Contracts	633,475	252,659	886,134	-	886,134	718,228
Investment Income (Program Restricted)	-	251,105	251,105	-	251,105	225,867
Other Operating Revenues	352,492	119,329	471,821	14,573	486,394	54,781
Total Additional Operating Revenues	<u>1,038,753</u>	<u>3,090,942</u>	<u>4,129,695</u>	<u>14,573</u>	<u>4,144,268</u>	<u>3,616,562</u>
Auxiliary Enterprises						
Residential Life	-	-	-	520,403	520,403	532,690
Scholarship Allowances and Discounts	-	-	-	(411,505)	(411,505)	(380,027)
Net Resident Life	-	-	-	108,898	108,898	152,663
Bookstore	-	-	-	2,298,332	2,298,332	2,744,492
Scholarship Allowances and Discounts	-	-	-	(1,321,266)	(1,321,266)	(1,605,797)
Net Bookstore	-	-	-	977,066	977,066	1,138,695
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,085,964</u>	<u>1,085,964</u>	<u>1,291,358</u>
Total Operating Revenues	<u>\$ 6,623,312</u>	<u>\$ 3,090,916</u>	<u>\$ 9,714,228</u>	<u>\$ 1,673,354</u>	<u>\$ 11,387,582</u>	<u>\$ 10,855,696</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$541,481 and \$533,714 respectively were set aside for Texas Public Education Grants (TPEG).

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2017
With Memorandum Totals for the Year Ended August 31, 2016

	Operating Expenses				Totals	
	Salaries and Wages	State Benefits	Local Benefits	Other Expenses	Current Year	Prior Year
Unrestricted - Educational Activities						
Instruction	\$ 8,938,120	\$ -	\$ 1,590,478	\$ 709,834	\$ 11,238,432	\$ 11,244,683
Public Service	28,384	-	5,050	7,349	40,783	42,634
Academic Support	1,645,752	-	292,850	952,632	2,891,234	2,776,140
Student Services	948,199	-	168,726	233,074	1,349,999	1,212,481
Institutional Support	1,361,349	-	242,242	1,673,357	3,276,948	2,831,530
Operation and Maintenance of Plant	814,321	-	144,903	1,957,505	2,916,729	2,675,589
Total Unrestricted Educational Activities	13,736,125	-	2,444,249	5,533,751	21,714,125	20,783,057
Restricted - Educational Activities						
Instruction	134,937	1,125,210	5,367	397,564	1,663,078	1,564,230
Public Service	891,587	3,573	156,009	214,895	1,266,064	1,320,486
Academic Support	13,243	207,182	-	-	220,425	215,112
Student Services	202,137	119,368	38,991	130,263	490,759	561,075
Institutional Support	17,436	171,378	-	-	188,814	174,209
Operation and Maintenance of Plant	9,078	102,514	-	-	111,592	116,804
Scholarships and Fellowships	-	-	-	3,302,629	3,302,629	3,328,425
Total Restricted Educational Activities	1,268,418	1,729,225	200,367	4,045,351	7,243,361	7,280,341
Total Educational Activities	15,004,543	1,729,225	2,644,616	9,579,102	28,957,486	28,063,398
Auxiliary Enterprises	585,439	-	232,721	3,412,949	4,231,109	4,379,873
Depreciation Expense-Buildings and Improvements	-	-	-	1,624,020	1,624,020	1,624,776
Depreciation Expense-Equipment and Furniture	-	-	-	478,372	478,372	480,295
Total Operating Expenses	<u>\$ 15,589,982</u>	<u>\$ 1,729,225</u>	<u>\$ 2,877,337</u>	<u>\$ 15,094,443</u>	<u>\$ 35,290,987</u> (Exhibit 2)	<u>\$ 34,548,342</u> (Exhibit 2)

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE C
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2017
With Memorandum Totals for the Year Ended August 31, 2016

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				Memorandum Only	
				Current Year	Prior Year
Non-Operating Revenues					
State Appropriations					
Educational and General State Support	\$ 6,308,548	\$ -	\$ -	\$ 6,308,548	\$ 6,297,129
State Group Insurance	-	1,317,008	-	1,317,008	1,247,950
State Retirement Matching	-	412,217	-	412,217	473,513
Special Appropriations	1,089,358	-	-	1,089,358	1,089,358
Other State Support	13,105	-	-	13,105	13,398
Total State Appropriations	<u>7,411,011</u>	<u>1,729,225</u>	<u>-</u>	<u>9,140,236</u>	<u>9,121,348</u>
Maintenance Ad Valorem Taxes	5,532,767	-	-	5,532,767	5,244,579
Debt Service Ad Valorem Taxes	-	1,813,343	-	1,813,343	1,829,913
Federal Revenue, Non-Operating	-	8,054,554	-	8,054,554	8,460,303
Gifts	29,630	627,380	19,765	676,775	710,798
Investment Income	22,583	251,281	857	274,721	283,080
Other Non-Operating Revenues	120,092	22,981	164,849	307,922	288,166
Total Non-Operating Revenues	13,116,083	12,498,764	185,471	25,800,318	25,938,187
Non-Operating Expenses					
Interest on Capital Related Debt	-	664,948	-	664,948	752,245
Disposal of Capital Assets, net	8,216	-	-	8,216	8,604
Investment Expenses	-	2,771	-	2,771	4,343
Total Non-Operating Expenses	8,216	667,719	-	675,935	765,192
Net Non-Operating Revenues	<u>\$ 13,107,867</u>	<u>\$ 11,831,045</u>	<u>\$ 185,471</u>	<u>\$ 25,124,383</u> (Exhibit 2)	<u>\$ 25,172,995</u> (Exhibit 2)

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE D
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 2017
With Memorandum Totals for the Year Ended August 31, 2016

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Net Investment in Capital Assets	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 2,639,748	\$ -	\$ -	\$ -	\$ 2,639,748	\$ 2,639,748	\$ -
Restricted	-	1,993,259	-	-	1,993,259	-	1,993,259
Auxiliary Enterprises	1,741,426	-	-	-	1,741,426	1,741,426	-
Loan	377,641	-	-	-	377,641	-	377,641
Endowment:							
Quasi:							
Unrestricted	1,474,838	-	-	-	1,474,838	-	1,474,838
Endowment:							
True	-	-	6,299,182	-	6,299,182	-	6,299,182
Plant:							
Unexpended	4,662,246	-	-	-	4,662,246	-	4,662,246
Debt Service	-	540,210	-	-	540,210	-	540,210
Investment in Plant	-	-	-	21,476,019	21,476,019	-	21,476,019
Total Net Position, August 31, 2017	10,895,899	2,533,469	6,299,182	21,476,019	41,204,569 (Exhibit 1)	4,381,174	36,823,395
Total Net Position, August 31, 2016	10,017,397	2,334,024	5,529,017	21,579,054	39,459,492 (Exhibit 1)	3,706,346	35,753,146
Net Increase (Decrease) in Net Position	\$ 878,502	\$ 199,445	\$ 770,165	\$ (103,035)	\$ 1,745,077 (Exhibit 2)	\$ 674,828	\$ 1,070,249

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2017

Federal Grantor/Cluster/Program Title/ Pass-Through Grantor/ Pass-Through Grantor's Award Number	CFDA Number	Direct Awards	Expenditures Pass-Through Awards	Total	Subrecipients Expenditures
U.S. DEPARTMENT OF EDUCATION					
Direct Programs:					
Student Financial Assistance Cluster					
Federal Supplemental Education Opportunity Grants	84.007	\$ 102,621	\$	\$ 102,621	\$
Federal Work-Study Program	84.033	99,594		99,594	
Federal Pell Grant Program	84.063	7,852,339		7,852,339	
Total Student Financial Assistance Cluster		<u>8,054,554</u>		<u>8,054,554</u>	
Pass-Through From:					
Texas Workforce Commission					
Adult Education and Literacy-Career Pathway 1716AEL000	84.002		68,914	68,914	
Adult Education and Literacy 1716AEL001	84.002		755,508	755,508	68,134
Adult Education and Literacy 1716AELB01	84.002		107,036	107,036	9,013
			<u>931,458</u>	<u>931,458</u>	<u>77,147</u>
LCOT East Texas Consortium					
Adult Education and Literacy 0816AEL002	84.002		6,620	6,620	
Adult Education and Literacy 0816AEL002	84.002		136	136	
			<u>6,756</u>	<u>6,756</u>	
Total CFDA 84.002			938,214	938,214	77,147
Texas Higher Education Coordinating Board					
Carl Perkins Vocational Education-Basic 17644	84.048		348,234	348,234	
Stephen F. Austin State University					
East Texas Gear Up For Success 11-094-12-051	84.334		5,334	5,334	
East Texas Gear Up For Success 11-094-12-051	84.334		108,816	108,816	
			<u>114,150</u>	<u>114,150</u>	
Total U.S. Department of Education		<u>8,054,554</u>	<u>1,400,598</u>	<u>9,455,152</u>	<u>77,147</u>
U.S. DEPARTMENT OF DEFENSE					
Direct Programs:					
Procurement Technical Assistance for					
Small Business Firms SP4800-16-2-1685	12.002	20,467		20,467	
Procurement Technical Assistance for					
Small Business Firms SP4800-17-2-1785	12.002	42,773		42,773	
		<u>63,240</u>		<u>63,240</u>	
U.S. SMALL BUSINESS ADMINISTRATION					
Pass-Through From:					
University of Houston					
Small Business Development Center R-16-0044-53801	59.037		15,333	15,333	
Small Business Development Center R-17-0026-53801	59.037		78,793	78,793	
Total U.S. Small Business Administration			<u>94,126</u>	<u>94,126</u>	

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE E (Continued)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2017

Federal Grantor/Cluster/Program Title/ Pass-Through Grantor/ Pass-Through Grantor's Award Number	CFDA Number	Direct Awards	Expenditures		Subrecipients Expenditures
			Pass-Through Awards	Total	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Pass-Through From:					
Texas Workforce Commission					
TANF Cluster					
Adult Education and Literacy for TANF Recipients 1716AEL001	93.558		68,629	68,629	2,500
Adult Education and Literacy for TANF Recipients 1716AELB01	93.558		2,372	2,372	
Total TANF Cluster			71,001	71,001	2,500
Deep East Texas Local Workforce Development Board, Inc.					
CCDF Cluster					
Child Care Training 16-338	93.596		46,593	46,593	
Total CCDF Cluster			46,593	46,593	
Total U.S. Department of Health and Human Services		-	117,594	117,594	2,500
Total Expenditures of Federal Awards		\$ 8,117,794	\$ 1,612,318	\$ 9,730,112	\$ 79,647

NOTE 1: Federal Awards Reconciliation

Other Operating Revenues - Federal Grants and Contracts - per Schedule A	\$ 1,432,796
Add: Indirect/Administrative Cost Recoveries - per Schedule A	43,786
Add: Non-Operating Revenues - Federal Revenue, Non-operating - per Schedule C	8,054,554
Total Federal Revenues per Schedule A and C	9,531,136
Reconciling items:	
Add: Cost of Capital Asset Acquisitions	119,329
Add: Funds passed Through to Others	79,647
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	\$ 9,730,112

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

This schedule is presented using the accrual basis of accounting. The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule. Since the College has an agency approved Indirect Recovery Rate, it has elected not to use the 10% de minimis cost rate as permitted in the UG, section 200.414.

NOTE 3: Amounts Passed Through by the College

A total amount of \$79,647 was passed through to Panola College by the College. Of this total, \$77,147 was from the Adult Education and Literacy Program, CFDA 84.002, and \$2,500 was from the Adult Education and Literacy Program for TANF Recipients, CFDA 93.558. The total amount was passed through the Texas Workforce Commission.

See independent auditor's report.

**ANGELINA COLLEGE
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2017**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Direct Programs:		
Nursing Innovation Grant Program	14113	\$ 6,812
Nursing Shortage Reduction Over 70 Program FY 2015		103,604
Nursing Shortage Reduction Regular Program FY 2017		20,373
Texas College Work-Study Program		28,107
Texas Education Opportunity Grant		382,152
Texas Grant I Program		9,912
Certified Education Aide Program		5,585
		<u>556,545</u>
Pass-Through From:		
College of the Mainland		
Accelerate Texas Mentor	THECB15130	5,263
Total Texas Higher Education Coordinating Board		<u>561,808</u>
TEXAS WORKFORCE COMMISSION		
Direct Programs:		
Skills for Small Business	1716SSD000	3,345
State Adult Education and Literacy	1716AEL001	155,140
Jobs and Education for Texans Grant Program	1716JET000	324,954
		<u>483,439</u>
Pass-Through From:		
LCOT East Texas Consortium		
State Adult Education and Literacy	0816AEL002	10,056
Total Texas Workforce Commission		<u>493,495</u>
Total Expenditures of State Awards		<u>\$ 1,055,303</u>

NOTE 1: State Assistance Reconciliation

Additional Operating Revenues-State Grants and Contracts-per Schedule A	\$ 1,035,053
Add: Indirect Cost Recoveries - per Schedule A	<u>9,000</u>
Total State Revenues per Schedule A	1,044,053
Reconciling items:	
Add: Amounts Passed Through by the College	<u>11,250</u>
Total State Awards per Schedule of Expenditures of State Awards	<u>\$ 1,055,303</u>

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

This schedule is presented using the accrual basis of accounting. See Note 2 to the financial statements for Angelina College's significant accounting policies. These expenditures are reported on Angelina College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.

NOTE 3: Amounts Passed Through by the College

An amount of \$11,250 was passed through to Panola College, a sub-recipient, by the College. This amount was from the State Adult Education and Literacy Program passed through the Texas Workforce Commission.

See independent auditor's report.

Angelina College

**STATISTICAL SECTION
(UNAUDITED)**

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2017 and 2016**

**ANGELINA COLLEGE
STATISTICAL SECTION OBJECTIVES
(UNAUDITED)**

This part of Angelina College's (the College's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

The information contained within this section is being presented to provide the reader with a better understanding of five objectives:

- Financial Trends – Showing how the College's financial position has changed over time.
- Revenue Capacity – Assessing the College's ability to generate revenue by examining its major revenue sources.
- Debt Capacity – Assessing the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.
- Demographic and Economic Information – Providing demographic and economic indicators to help in understanding the environment within which the College's financial activities take place.
- Operating Information – Providing information about how the College's financial report relates to the services it provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports or from employment, enrollment, and capital asset information of the College for the relevant year.

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Fiscal Year Ended August 31,				
	2017	2016	2015	2014	2013
Net Investment in Capital Assets	\$ 21,476,019	\$ 21,579,054	\$ 22,100,514	\$ 20,842,469	\$ 21,182,819
Restricted - Expendable	2,533,469	2,334,024	2,389,060	2,221,331	2,205,320
Restricted - Nonexpendable	6,299,182	5,529,017	5,211,046	5,332,837	4,764,495
Unrestricted	10,895,899	10,017,397	8,219,343	11,547,076	9,384,031
Total Net Position	<u>\$ 41,204,569</u>	<u>\$ 39,459,492</u>	<u>\$ 37,919,963</u>	<u>\$ 39,943,713</u>	<u>\$ 37,536,665</u>

	For the Fiscal Year Ended August 31,				
	2012	2011	2010	2009	2008
Net Investment in Capital Assets	\$ 19,852,472	\$ 18,329,853	\$ 17,808,653	\$ 17,162,195	\$ 17,104,444
Restricted - Expendable	2,138,476	2,012,956	2,023,521	2,164,189	2,208,832
Restricted - Nonexpendable	4,222,327	3,453,266	3,163,172	2,893,184	3,001,016
Unrestricted	10,151,810	10,167,908	8,966,937	8,472,941	7,799,155
Total Net Position	<u>\$ 36,365,085</u>	<u>\$ 33,963,983</u>	<u>\$ 31,962,283</u>	<u>\$ 30,692,509</u>	<u>\$ 30,113,447</u>

Note: In FY2015, net position as of the beginning of the year was restated (reduced) by \$3,551,254 for the cumulative effect of applying GASB Statement No. 68.

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 2
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31,				
	2017	2016	2015	2014	2013
Tuition and Fees (Net of Discounts)	\$ 6,157,350	\$ 5,947,776	\$ 4,993,701	\$ 5,156,839	\$ 4,590,713
Federal Grants and Contracts	1,476,582	1,698,421	1,670,839	1,384,761	1,341,682
State Grants and Contracts	1,044,053	919,265	1,709,566	891,000	684,680
Non-Governmental Grants and Contracts	886,134	718,228	748,048	725,996	867,413
Sales and Services of Educational Activities	-	-	400	1,200	3,500
Investment Income - Program Restricted	251,105	225,867	195,998	177,278	162,838
Auxiliary Enterprises	1,085,964	1,291,358	1,264,501	1,542,215	835,168
Other Operating Revenues	486,394	54,781	108,460	68,168	60,673
Total Operating Revenues	11,387,582	10,855,696	10,691,513	9,947,457	8,546,667
State Appropriations	9,140,236	9,121,348	9,243,039	9,186,314	8,589,835
Ad Valorem Taxes	7,346,110	7,074,492	6,834,975	6,880,934	6,412,418
Federal Revenue, Non-Operating	8,054,554	8,460,303	9,101,905	10,064,276	10,205,465
Gifts	676,775	710,798	520,048	501,553	473,274
Investment Income	274,721	283,080	106,997	420,081	229,787
Other Non-Operating Revenues	307,922	288,166	346,585	324,970	288,339
Total Non-Operating Revenues	25,800,318	25,938,187	26,153,549	27,378,128	26,199,118
Capital Contributions	-	-	-	-	-
Additions to Permanent Endowments	524,099	59,180	67,989	175,031	263,213
Total Other Revenues	524,099	59,180	67,989	175,031	263,213
Total Revenues	\$ 37,711,999	\$ 36,853,063	\$ 36,913,051	\$ 37,500,616	\$ 35,008,998

	For the Year Ended August 31,				
	2017	2016	2015	2014	2013
Tuition and Fees (Net of Discounts)	16.32%	16.15%	13.52%	13.75%	13.09%
Federal Grants and Contracts	3.92%	4.61%	4.53%	3.69%	3.83%
State Grants and Contracts	2.77%	2.49%	4.63%	2.38%	1.96%
Non-Governmental Grants and Contracts	2.35%	1.95%	2.03%	1.94%	2.48%
Sales and Services of Educational Activities	0.00%	0.00%	0.00%	0.00%	0.01%
Investment Income - Program Restricted	0.67%	0.61%	0.53%	0.47%	0.47%
Auxiliary Enterprises	2.88%	3.50%	3.43%	4.11%	2.39%
Other Operating Revenues	1.29%	0.15%	0.29%	0.18%	0.17%
Total Operating Revenues	30.20%	29.46%	28.96%	26.52%	24.40%
State Appropriations	24.23%	24.74%	25.04%	24.49%	24.55%
Ad Valorem Taxes	19.48%	19.20%	18.52%	18.35%	18.32%
Federal Revenue, Non-Operating	21.36%	22.96%	24.66%	26.84%	29.15%
Gifts	1.79%	1.93%	1.41%	1.34%	1.35%
Investment Income	0.73%	0.77%	0.29%	1.12%	0.66%
Other Non-Operating Revenues	0.82%	0.78%	0.94%	0.87%	0.82%
Total Non-Operating Revenues	68.41%	70.38%	70.86%	73.01%	74.85%
Capital Contributions	0.00%	0.00%	0.00%	0.00%	0.00%
Additions to Permanent Endowments	1.39%	0.16%	0.18%	0.47%	0.75%
Total Other Revenues	1.39%	0.16%	0.18%	0.47%	0.75%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 2 (Continued)
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

	For the Year Ended August 31,				
	2012	2011	2010	2009	2008
Tuition and Fees (Net of Discounts)	\$ 4,533,203	\$ 4,343,311	\$ 3,994,219	\$ 4,232,590	\$ 3,872,967
Federal Grants and Contracts	1,146,921	1,356,620	1,310,236	1,259,075	1,355,194
State Grants and Contracts	716,095	1,175,621	901,557	718,226	575,512
Non-Governmental Grants and Contracts	515,531	683,267	344,500	467,499	332,047
Sales and Services of Educational Activities	3,600	4,375	8,750	14,310	17,850
Investment Income - Program Restricted	165,272	222,094	215,003	217,862	212,514
Auxiliary Enterprises	1,434,693	1,614,141	1,877,653	2,388,254	1,381,737
Other Operating Revenues	116,219	224,431	144,107	173,980	172,646
Total Operating Revenues	8,631,534	9,623,860	8,796,025	9,471,796	7,920,467
State Appropriations	9,091,735	9,732,668	9,824,030	10,431,792	10,366,211
Ad Valorem Taxes	6,217,240	5,855,381	5,483,542	4,722,495	3,870,282
Federal Revenue, Non-Operating	11,603,694	11,593,356	10,542,716	5,719,908	4,922,339
Gifts	435,491	549,749	588,142	449,827	463,358
Investment Income	224,543	167,726	163,500	44,875	99,392
Other Non-Operating Revenues	292,396	302,999	281,248	260,610	365,520
Total Non-Operating Revenues	27,865,099	28,201,879	26,883,178	21,629,507	20,087,102
Capital Contributions	8,081	230,000	47,500	-	1,576,902
Additions to Permanent Endowments	574,591	146,012	27,096	64,090	93,634
Total Other Revenues	582,672	376,012	74,596	64,090	1,670,536
Total Revenues	\$ 37,079,305	\$ 38,201,751	\$ 35,753,799	\$ 31,165,393	\$ 29,678,105

	For the Year Ended August 31,				
	2012	2011	2010	2009	2008
Tuition and Fees (Net of Discounts)	12.23%	11.37%	11.18%	13.59%	13.06%
Federal Grants and Contracts	3.09%	3.55%	3.67%	4.04%	4.57%
State Grants and Contracts	1.93%	3.08%	2.53%	2.30%	1.94%
Non-Governmental Grants and Contracts	1.39%	1.79%	0.96%	1.50%	1.12%
Sales and Services of Educational Activities	0.01%	0.01%	0.02%	0.05%	0.06%
Investment Income - Program Restricted	0.45%	0.58%	0.60%	0.70%	0.72%
Auxiliary Enterprises	3.87%	4.23%	5.25%	7.66%	4.66%
Other Operating Revenues	0.31%	0.59%	0.40%	0.56%	0.58%
Total Operating Revenues	23.28%	25.20%	24.61%	30.40%	26.71%
State Appropriations	24.52%	25.47%	27.47%	33.47%	34.92%
Ad Valorem Taxes	16.77%	15.33%	15.34%	15.15%	13.04%
Federal Revenue, Non-Operating	31.29%	30.35%	29.48%	18.35%	16.59%
Gifts	1.17%	1.44%	1.64%	1.44%	1.56%
Investment Income	0.61%	0.44%	0.46%	0.14%	0.33%
Other Non-Operating Revenues	0.79%	0.79%	0.79%	0.84%	1.23%
Total Non-Operating Revenues	75.15%	73.82%	75.18%	69.39%	67.67%
Capital Contributions	0.02%	0.60%	0.13%	0.00%	5.30%
Additions to Permanent Endowments	1.55%	0.38%	0.08%	0.21%	0.32%
Total Other Revenues	1.57%	0.98%	0.21%	0.21%	5.62%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 3
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31,				
	2017	2016	2015	2014	2013
Instruction	\$ 12,901,510	\$ 12,808,913	\$ 12,877,472	\$ 12,384,578	\$ 12,232,520
Public Service	1,306,847	1,363,120	1,151,647	814,632	836,757
Academic Support	3,111,659	2,991,252	3,008,866	2,995,188	2,655,407
Student Services	1,840,758	1,773,556	1,583,332	1,710,417	1,712,312
Institutional Support	3,465,762	3,005,739	2,954,274	2,754,948	2,473,328
Operation and Maintenance of Plant	3,028,321	2,792,393	2,664,350	2,914,569	2,667,988
Scholarships and Fellowships	3,302,629	3,328,425	3,562,585	3,965,488	4,292,090
Auxiliary Enterprises	4,231,109	4,379,873	4,433,118	4,678,071	4,105,847
Depreciation	2,102,392	2,105,071	2,077,154	2,003,171	1,952,293
Total Operating Expenses	<u>35,290,987</u>	<u>34,548,342</u>	<u>34,312,798</u>	<u>34,221,062</u>	<u>32,928,542</u>
Interest on Capital Related Debt	664,948	752,245	797,712	859,256	906,277
Loss on Disposal of Capital Assets	8,216	8,604	1,500	13,250	2,599
Investment Expenses	2,771	4,343	273,537	-	-
Total Non-Operating Expenses	<u>675,935</u>	<u>765,192</u>	<u>1,072,749</u>	<u>872,506</u>	<u>908,876</u>
Total Expenses	<u>\$ 35,966,922</u>	<u>\$ 35,313,534</u>	<u>\$ 35,385,547</u>	<u>\$ 35,093,568</u>	<u>\$ 33,837,418</u>

	For the Year Ended August 31,				
	2017	2016	2015	2014	2013
Instruction	35.86%	36.27%	36.40%	35.30%	36.17%
Public Service	3.63%	3.86%	3.25%	2.32%	2.47%
Academic Support	8.65%	8.47%	8.50%	8.53%	7.85%
Student Services	5.12%	5.02%	4.47%	4.87%	5.06%
Institutional Support	9.64%	8.51%	8.35%	7.85%	7.31%
Operation and Maintenance of Plant	8.42%	7.91%	7.53%	8.31%	7.88%
Scholarships and Fellowships	9.18%	9.43%	10.07%	11.30%	12.68%
Auxiliary Enterprises	11.76%	12.40%	12.53%	13.33%	12.13%
Depreciation	5.85%	5.96%	5.87%	5.71%	5.77%
Total Operating Expenses	<u>98.11%</u>	<u>97.83%</u>	<u>96.97%</u>	<u>97.52%</u>	<u>97.32%</u>
Interest on Capital Related Debt	1.86%	2.14%	2.26%	2.44%	2.67%
Loss on Disposal of Capital Assets	0.02%	0.02%	0.00%	0.04%	0.01%
Investment Expenses	0.01%	0.01%	0.77%	0.00%	0.00%
Total Non-Operating Expenses	<u>1.89%</u>	<u>2.17%</u>	<u>3.03%</u>	<u>2.48%</u>	<u>2.68%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Change in Net Position	<u>\$ 1,745,077</u>	<u>\$ 1,539,529</u>	<u>\$ 1,527,504</u>	<u>\$ 2,407,048</u>	<u>\$ 1,171,580</u>
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ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 3 (Continued)
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	For the Year Ended August 31,				
	2012	2011	2010	2009	2008
Instruction	\$ 11,604,842	\$ 12,452,764	\$ 11,486,873	\$ 10,938,945	\$ 10,209,697
Public Service	893,358	938,407	895,122	952,490	930,064
Academic Support	2,697,103	2,520,179	2,441,377	2,117,408	2,150,222
Student Services	1,654,914	1,645,553	1,558,416	1,460,460	1,425,917
Institutional Support	2,536,414	2,333,905	2,260,856	2,286,355	2,250,869
Operation and Maintenance of Plant	2,396,103	2,387,384	2,359,547	2,222,365	2,118,858
Scholarships and Fellowships	4,933,758	5,684,608	5,321,444	5,318,158	4,100,908
Auxiliary Enterprises	5,112,241	5,569,091	5,393,595	2,953,991	1,930,804
Depreciation	1,886,764	1,648,776	1,543,802	1,277,504	1,260,739
Total Operating Expenses	<u>33,715,497</u>	<u>35,180,667</u>	<u>33,261,032</u>	<u>29,527,676</u>	<u>26,378,078</u>
Interest on Capital Related Debt	955,838	1,013,374	1,091,578	1,056,627	880,690
Loss on Disposal of Capital Assets	6,868	6,010	131,415	2,028	12,594
Investment Expenses	-	-	-	-	-
Total Non-Operating Expenses	<u>962,706</u>	<u>1,019,384</u>	<u>1,222,993</u>	<u>1,058,655</u>	<u>893,284</u>
Total Expenses	<u>\$ 34,678,203</u>	<u>\$ 36,200,051</u>	<u>\$ 34,484,025</u>	<u>\$ 30,586,331</u>	<u>\$ 27,271,362</u>

	For the Year Ended August 31,				
	2012	2011	2010	2009	2008
Instruction	33.45%	34.41%	33.30%	35.77%	37.44%
Public Service	2.58%	2.59%	2.60%	3.11%	3.41%
Academic Support	7.78%	6.96%	7.08%	6.92%	7.88%
Student Services	4.77%	4.55%	4.52%	4.77%	5.23%
Institutional Support	7.31%	6.45%	6.56%	7.48%	8.25%
Operation and Maintenance of Plant	6.91%	6.59%	6.84%	7.27%	7.77%
Scholarships and Fellowships	14.23%	15.70%	15.43%	17.39%	15.04%
Auxiliary Enterprises	14.74%	15.38%	15.64%	9.66%	7.08%
Depreciation	5.44%	4.55%	4.48%	4.18%	4.62%
Total Operating Expenses	<u>97.21%</u>	<u>97.18%</u>	<u>96.45%</u>	<u>96.55%</u>	<u>96.72%</u>
Interest on Capital Related Debt	2.77%	2.80%	3.17%	3.44%	3.23%
Loss on Disposal of Capital Assets	0.02%	0.02%	0.38%	0.01%	0.05%
Investment Expenses	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	<u>2.79%</u>	<u>2.82%</u>	<u>3.55%</u>	<u>3.45%</u>	<u>3.28%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Change in Net Position	<u>\$ 2,401,102</u>	<u>\$ 2,001,700</u>	<u>\$ 1,269,774</u>	<u>\$ 579,062</u>	<u>\$ 2,406,743</u>
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**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 4
TUITION AND FEES
LAST TEN ACADEMIC YEARS
(UNAUDITED)**

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Building Use Fee	General Institutional Service Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2016	\$66	\$109	\$0	\$10	\$912	\$1,428	2.70%	2.59%
2015	62	104	4	8	888	1,392	8.82%	7.41%
2014	56	96	4	8	816	1,296	4.62%	2.86%
2013	56	96	4	5	780	1,260	10.17%	17.98%
2012	50	80	4	5	708	1,068	3.51%	7.23%
2011	48	74	4	5	684	996	16.33%	16.90%
2010	40	62	4	5	588	852	11.36%	7.58%
2009	35	57	4	5	528	792	7.98%	8.64%
2008	33	53	4	5	489	729	7.95%	8.97%
2007	30	48	4	5	453	669	0.00%	0.00%

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees, and certification fees.

**ANGELINA COLLEGE
 STATISTICAL SUPPLEMENT 4 (Continued)
 TUITION AND FEES
 LAST TEN ACADEMIC YEARS
 (UNAUDITED)**

**Non - Resident
 Fees per Semester Credit Hour (SCH)**

Academic Year (Fall)	Non-Resident Tuition Out-of- State	Building Use Fee	General Institutional Service Fee	Cost for 12 SCH Out-of-State	Increase from Prior Year Out- of-State
2016	\$155	\$0	\$10	\$1,980	1.85%
2015	150	4	8	1,944	6.58%
2014	140	4	8	1,824	2.01%
2013	140	4	5	1,788	15.50%
2012	120	4	5	1,548	13.16%
2011	105	4	5	1,368	16.33%
2010	89	4	5	1,176	5.38%
2009	84	4	5	1,116	8.45%
2008	78	4	5	1,029	10.29%
2007	70	4	5	933	0.00%

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees, and certification fees.

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 5
ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Assessed Valuation of Property	Less Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2016-17	\$ 4,668,069,513	\$ 599,627,224	4,068,442,289	87.15%	0.13496	0.04420	0.179162
2015-16	4,708,708,162	631,483,447	4,077,224,715	86.59%	0.12744	0.04446	0.171900
2014-15	4,601,903,748	612,973,001	3,988,930,747	86.68%	0.12610	0.04580	0.171900
2013-14	4,476,114,582	583,621,752	3,892,492,830	86.96%	0.12392	0.04676	0.170680
2012-13	4,319,178,725	560,918,897	3,758,259,828	87.01%	0.12240	0.04828	0.170680
2011-12	4,263,436,076	563,673,416	3,699,762,660	86.78%	0.11880	0.04820	0.167000
2010-11	4,188,567,447	551,873,718	3,636,693,729	86.82%	0.11000	0.04900	0.159000
2009-10	4,058,206,848	492,191,065	3,566,015,783	87.87%	0.10350	0.05170	0.155200
2008-09	3,582,902,535	238,537,528	3,344,365,007	93.34%	0.10180	0.03570	0.137500
2007-08	3,473,591,068	290,798,782	3,182,792,286	91.63%	0.09700	0.02250	0.119500

Source: Angelina County Central Appraisal District

Note: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

**ANGELINA COLLEGE
 STATISTICAL SUPPLEMENT 6
 UNRESTRICTED STATE APPROPRIATION PER FTSE AND CONTACT HOUR
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Fiscal Year	Appropriation per FTSE		Appropriation per Contact Hour				State Appropriation per Contact Hour
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	
2016-17	\$ 7,411,011	3,392	\$ 2,185	1,259,410	667,806	1,927,216	3.85
2015-16	7,399,885	3,437	2,153	1,279,890	647,842	1,927,732	3.84
2014-15	7,618,142	3,493	2,181	1,325,249	634,468	1,959,717	3.89
2013-14	7,629,539	3,712	2,055	1,431,388	668,688	2,100,076	3.63
2012-13	7,095,995	3,720	1,908	1,429,977	661,364	2,091,341	3.39
2011-12	7,651,628	3,981	1,922	1,565,846	679,626	2,245,472	3.41
2010-11	7,776,673	4,152	1,873	1,633,081	737,204	2,370,285	3.28
2009-10	7,864,085	4,035	1,949	1,602,944	651,814	2,254,758	3.49
2008-09	8,407,217	3,476	2,419	1,366,313	581,064	1,947,377	4.32
2007-08	8,407,214	2,225	3,779	1,319,837	617,518	1,937,355	4.34

Note: FTSE (Full-time Student Equivalent) is defined as Semester Credit Hours divided by 30 plus Non-Semester Length Technical Contact Hours divided by 900.

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 7
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(UNAUDITED)**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
		2016-17	2015-16	2014-15	2013-14	2012-13
Abitibi Consolidated Corp.	Manufacturing	\$ -	\$ -	\$ -	\$ -	\$ -
American Color Graphics Inc.	Manufacturing	-	-	-	-	10,695
Aspen Power LLC	Energy	-	-	11,259	12,508	14,545
BBL Real Estate Holding LTD	Retail	-	-	-	-	9,821
Brookshire Brothers Inc.	Groceries	29,388	30,847	31,889	28,664	29,991
BVMC Lufkin LLC	Retail	13,000	13,449	13,550	-	-
Consolidated Comm of Texas	Utility	33,155	43,281	44,702	40,973	46,935
Crown Pine Timber 1 LP	Agricultural	19,215	18,214	14,518	14,108	14,207
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	-	-
Energy Transfer Fuel	Oil & Gas	-	-	-	-	-
Georgia Pacific Corp.	Manufacturing	57,803	54,871	69,060	55,673	21,221
Hexion Inc.	Manufacturing	14,703	14,997	11,793	9,868	-
Hexion Specialty Chemicals	Manufacturing	-	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	-	-	-	12,814	12,827
Loving Honda	Retail	-	11,390	-	-	-
Lowe's Home Centers Inc.	Retail	9,965	-	-	10,584	10,484
Lufkin GKD Partners LP	Retail	14,846	15,188	15,459	15,347	15,465
Lufkin Industries	Manufacturing	49,140	95,744	141,554	136,632	125,511
Nabors Drilling USA LP	Oil & Gas	-	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	-	-
Oncor Electric Delivery Co.	Utility Distribution	67,974	65,035	62,863	62,775	61,837
Pilgrim Industries Inc.	Food	22,691	24,121	26,223	20,205	22,624
Pineywoods Health Care Systems LP	Medical	26,280	25,922	26,847	28,521	28,118
Quad/Graphics Marketing	Printing	11,244	12,495	-	-	-
SND Operating LLC	Oil & Gas	-	-	10,647	9,933	-
Temple-Inland FPC	Manufacturing	-	-	-	-	35,270
Texas Foundries LTD	Manufacturing	-	-	-	-	-
TIN Inc.	Manufacturing	-	-	-	-	-
Trans Canada Keystone Pipeline	Oil & Gas	52,409	45,491	54,238	52,209	19,505
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	17,837	19,694	15,691	14,244	12,736
Wal-Mart Real Estate #140	Retail	11,045	11,120	11,774	11,947	11,950
West Texas LPG LLP	Oil & Gas	10,064	10,799	-	-	-
Totals		\$ 460,759	\$ 512,658	\$ 562,067	\$ 537,005	\$ 503,742
Total Taxable Assessed Value		\$ 4,068,442	\$ 4,077,225	\$ 3,988,931	\$ 3,892,493	\$ 3,758,260

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Abitibi Consolidated Corp.	Manufacturing	-	-	-	-	-
American Color Graphics Inc.	Manufacturing	-	-	-	-	0.28%
Aspen Power LLC	Energy	-	-	0.28%	0.32%	0.39%
BBL Real Estate Holding LTD	Retail	-	-	-	-	0.26%
Brookshire Brothers Inc.	Groceries	0.72%	0.76%	0.80%	0.74%	0.80%
BVMC Lufkin LLC	Retail	0.32%	0.33%	0.34%	-	-
Consolidated Comm of Texas	Utility	0.81%	1.06%	1.12%	1.05%	1.25%
Crown Pine Timber 1 LP	Agricultural	0.47%	0.45%	0.36%	0.36%	0.38%
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	-	-
Energy Transfer Fuel	Oil & Gas	-	-	-	-	-
Georgia Pacific Chemicals LLC	Manufacturing	1.42%	1.35%	1.73%	1.43%	0.56%
Hexion Inc.	Manufacturing	0.36%	0.37%	0.30%	0.25%	-
Hexion Specialty Chemicals	Manufacturing	-	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	-	-	-	0.33%	0.34%
Loving Honda	Retail	-	0.28%	-	-	-
Lowe's Home Centers Inc.	Retail	0.24%	-	-	0.27%	0.28%
Lufkin GKD Partners LP	Retail	0.36%	0.37%	0.39%	0.39%	0.41%
Lufkin Industries	Manufacturing	1.21%	2.35%	3.55%	3.51%	3.34%
Nabors Drilling USA LP	Oil & Gas	-	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	-	-
Oncor Electric Delivery Co.	Utility Distribution	1.67%	1.60%	1.58%	1.61%	1.65%
Pilgrim Industries Inc.	Food	0.56%	0.59%	0.66%	0.52%	0.60%
Pineywoods Health Care Systems LP	Medical	0.65%	0.64%	0.67%	0.73%	0.75%
Quad/Graphics Marketing	Printing	0.28%	0.31%	-	-	-
SND Operating LLC	Oil & Gas	-	-	0.27%	0.26%	-
Temple-Inland FPC	Manufacturing	-	-	-	-	0.94%
Texas Foundries LTD	Manufacturing	-	-	-	-	-
TIN Inc.	Manufacturing	-	-	-	-	-
Trans Canada Keystone Pipeline	Oil & Gas	1.29%	1.12%	1.36%	1.34%	0.52%
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	0.44%	0.48%	0.39%	0.37%	0.34%
Wal-Mart Real Estate #140	Retail	0.27%	0.27%	0.30%	0.31%	0.32%
West Texas LPG LLP	Oil & Gas	0.25%	0.26%	-	-	-
Totals		11.32%	12.59%	14.10%	13.79%	13.41%

Source: Angelina County Central Appraisal District

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 7 (Continued)
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(UNAUDITED)**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
		2011-12	2010-11	2009-10	2008-09	2007-08
Abitibi Consolidated Corp.	Manufacturing	\$ -	\$ -	\$ -	\$ 14,098	\$ 20,860
American Color Graphics Inc.	Manufacturing	-	10,825	8,821	8,631	12,812
Aspen Power LLC	Energy	20,300	35,034	-	-	-
BBL Real Estate Holding LTD	Retail	-	11,589	11,910	11,661	11,873
Brookshire Brothers Inc.	Groceries	30,308	29,467	30,492	32,806	30,645
BVMC Lufkin LLC	Retail	-	-	-	-	-
Consolidated Comm of Texas	Utility	47,534	47,843	50,685	67,933	44,600
Crown Pine Timber 1 LP	Agricultural	12,965	14,950	16,325	19,857	17,755
Encana Oil & Gas (USA)	Oil & Gas	-	-	32,385	29,273	-
Energy Transfer Fuel	Oil & Gas	-	-	9,187	9,494	-
Georgia Pacific Chemicals LLC	Manufacturing	19,446	11,633	11,567	11,507	14,192
Hexion Inc.	Manufacturing	-	-	-	-	-
Hexion Specialty Chemicals	Manufacturing	-	-	-	-	12,337
Keystone Southloop of Lufkin LLC	Retail	13,216	13,382	13,609	13,946	11,573
Loving Honda	Retail	-	-	-	-	-
Lowe's Home Centers Inc.	Retail	11,697	11,606	11,324	11,766	11,402
Lufkin GKD Partners LP	Retail	16,050	18,219	18,203	22,444	15,244
Lufkin Industries	Manufacturing	112,810	97,249	96,042	105,346	101,717
Nabors Drilling USA LP	Oil & Gas	14,019	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	11,411	10,284	-
Oncor Electric Delivery Co.	Utility Distribution	58,132	56,983	57,314	58,029	64,178
Pilgrim Industries Inc.	Food	24,666	17,822	14,410	15,412	20,925
Pineywoods Health Care Systems LP	Medical	31,468	33,059	34,320	38,365	38,985
Quad/Graphics Marketing	Printing	-	-	-	-	-
SND Operating LLC	Oil & Gas	11,564	21,152	-	-	-
Temple-Inland FPC	Manufacturing	33,501	33,680	25,021	28,110	52,634
Texas Foundries LTD	Manufacturing	-	-	-	-	17,350
TIN Inc.	Manufacturing	16,840	18,741	31,174	34,229	34,145
Trans Canada Keystone Pipeline	Oil & Gas	-	-	-	-	-
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	11,423	-	-	-	-
Wal-Mart Real Estate #140	Retail	12,102	12,326	12,279	11,999	12,727
West Texas LPG LLP	Oil & Gas	-	-	-	-	-
Totals		\$ 498,041	\$ 495,560	\$ 496,479	\$ 555,190	\$ 545,954
Total Taxable Assessed Value		\$ 3,699,763	\$ 3,636,694	\$ 3,566,016	\$ 3,344,365	\$ 3,182,792

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2011-12	2010-11	2009-10	2008-09	2007-08
Abitibi Consolidated Corp.	Manufacturing	-	-	-	0.42%	0.66%
American Color Graphics Inc.	Manufacturing	-	0.30%	0.25%	0.26%	0.40%
Aspen Power LLC	Energy	0.55%	0.96%	-	-	-
BBL Real Estate Holding LTD	Retail	-	0.32%	0.33%	0.35%	0.37%
Brookshire Brothers Inc.	Groceries	0.82%	0.81%	0.86%	0.98%	0.96%
BVMC Lufkin LLC	Retail	-	-	-	-	-
Consolidated Comm of Texas	Utility	1.28%	1.32%	1.42%	2.03%	1.40%
Crown Pine Timber 1 LP	Agricultural	0.35%	0.41%	0.46%	0.59%	0.56%
Encana Oil & Gas (USA)	Oil & Gas	-	-	0.91%	0.88%	-
Energy Transfer Fuel	Oil & Gas	-	-	0.26%	0.28%	-
Georgia Pacific Chemicals LLC	Manufacturing	0.53%	0.32%	0.32%	0.34%	0.45%
Hexion Inc.	Manufacturing	-	-	-	-	-
Hexion Specialty Chemicals	Manufacturing	-	-	-	-	0.39%
Keystone Southloop of Lufkin LLC	Retail	0.36%	0.37%	0.38%	0.42%	0.36%
Loving Honda	Retail	-	-	-	-	-
Lowe's Home Centers Inc.	Retail	0.32%	0.32%	0.32%	0.35%	0.36%
Lufkin GKD Partners LP	Retail	0.43%	0.50%	0.51%	0.67%	0.48%
Lufkin Industries	Manufacturing	3.05%	2.67%	2.69%	3.15%	3.20%
Nabors Drilling USA LP	Oil & Gas	0.38%	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	0.32%	0.31%	-
Oncor Electric Delivery Co.	Utility Distribution	1.57%	1.57%	1.61%	1.74%	2.02%
Pilgrim Industries Inc.	Food	0.67%	0.49%	0.40%	0.46%	0.66%
Pineywoods Health Care Systems LP	Medical	0.85%	0.91%	0.96%	1.15%	1.22%
Quad/Graphics Marketing	Printing	-	-	-	-	-
SND Operating LLC	Oil & Gas	0.31%	0.58%	-	-	-
Temple-Inland FPC	Manufacturing	0.91%	0.93%	0.70%	0.84%	1.65%
Texas Foundries LTD	Manufacturing	-	-	-	-	0.55%
TIN Inc.	Manufacturing	0.46%	0.52%	0.87%	1.02%	1.07%
Trans Canada Keystone Pipeline	Oil & Gas	-	-	-	-	-
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	0.31%	-	-	-	-
Wal-Mart Real Estate #140	Retail	0.33%	0.34%	0.34%	0.36%	0.40%
West Texas LPG LLP	Oil & Gas	-	-	-	-	-
Totals		13.48%	13.64%	13.91%	16.60%	17.16%

Source: Angelina County Central Appraisal District

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 8
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS
(UNAUDITED)**

(amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage (c/b)	Prior	Current	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
						Collections of Prior Levies (d)	Collections of Prior Levies (e)		
2017	\$ 7,290	\$ 1	\$ 7,291	\$ 7,099	97.37%	\$ -	\$ -	\$ 7,099	97.37%
2016	7,008	17	7,025	6,837	97.32%	(12)	85	6,910	98.36%
2015	6,857	(32)	6,825	6,655	97.51%	75	21	6,751	98.92%
2014	6,644	(22)	6,622	6,434	97.16%	112	14	6,560	99.05%
2013	6,415	(15)	6,400	6,197	96.82%	153	9	6,359	99.36%
2012	6,179	15	6,194	5,961	96.24%	195	5	6,161	99.47%
2011	5,782	1	5,783	5,620	97.18%	132	3	5,755	99.52%
2010	5,534	(29)	5,505	5,332	96.87%	149	2	5,483	99.60%
2009	4,599	(19)	4,580	4,448	97.11%	116	1	4,565	99.67%
2008	3,803	6	3,809	3,710	97.41%	86	1	3,797	99.68%

Source: Local Tax Assessor/Collector and District records.

Notes:

- (a) Taxable Assessed Value (TAV) multiplied by total tax rate
- (b) As reported in notes to the financial statements for the year of the levy
- (c) Property tax only - does not include penalties and interest
- (d) Represents cumulative collections of prior year not collected in the current year or the year of the tax levy
- (e) Represents current year collections of prior year levies

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 9
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31 (amounts expressed in thousands)				
	2017	2016	2015	2014	2013
General Bonded Debt					
Limited Tax Bonds	\$ 15,110	\$ 16,282	\$ 17,384	\$ 18,459	\$ 19,533
Less: Funds Restricted for Debt Service	(540)	(486)	(769)	(747)	(1,168)
Net General Bonded Debt	<u>\$ 14,570</u>	<u>\$ 15,796</u>	<u>\$ 16,615</u>	<u>\$ 17,712</u>	<u>\$ 18,365</u>
Other Debt					
Revenue Bonds	\$ -	\$ -	\$ 265	\$ 520	\$ 760
Maintenance Tax Notes	-	-	-	-	-
Long-Term Loans	-	-	-	-	-
Total Outstanding Debt	<u>\$ 14,570</u>	<u>\$ 15,796</u>	<u>\$ 16,880</u>	<u>\$ 18,232</u>	<u>\$ 19,125</u>
General Bonded Debt Ratios					
Per Capita	\$ 166	\$ 179	\$ 189	\$ 203	\$ 210
Per FTSE	4,295	4,596	4,757	4,772	4,937
As a Percentage of Taxable Assessed Value	0.36%	0.39%	0.42%	0.46%	0.49%
Total Outstanding Debt Ratios					
Per Capita	\$ 166	\$ 179	\$ 192	\$ 209	\$ 218
Per FTSE	4,295	4,596	4,833	4,912	5,141
As a Percentage of Taxable Assessed Value	0.36%	0.39%	0.42%	0.47%	0.51%

	For the Year Ended August 31 (amounts expressed in thousands)				
	2012	2011	2010	2009	2008
General Bonded Debt					
Limited Tax Bonds	\$ 20,529	\$ 21,458	\$ 22,363	\$ 23,212	\$ 17,057
Less: Funds Restricted for Debt Service	(1,196)	(1,226)	(1,446)	(1,457)	(1,279)
Net General Bonded Debt	<u>\$ 19,333</u>	<u>\$ 20,232</u>	<u>\$ 20,917</u>	<u>\$ 21,755</u>	<u>\$ 15,778</u>
Other Debt					
Revenue Bonds	\$ 985	\$ 1,200	\$ 1,400	\$ 1,590	\$ 1,770
Maintenance Tax Notes	-	-	190	370	545
Long-Term Loans	-	-	-	-	-
Total Outstanding Debt	<u>\$ 20,318</u>	<u>\$ 21,432</u>	<u>\$ 22,507</u>	<u>\$ 23,715</u>	<u>\$ 18,093</u>
General Bonded Debt Ratios					
Per Capita	\$ 221	\$ 233	\$ 250	\$ 262	\$ 191
Per FTSE	4,856	4,873	5,184	6,258	4,955
As a Percentage of Taxable Assessed Value	0.52%	0.56%	0.59%	0.65%	0.53%
Total Outstanding Debt Ratios					
Per Capita	\$ 232	\$ 247	\$ 269	\$ 286	\$ 219
Per FTSE	5,104	5,162	5,578	6,822	5,682
As a Percentage of Taxable Assessed Value	0.55%	0.59%	0.63%	0.71%	0.61%

Notes: Ratios calculated using population and Taxable Assessed Value (TAV) from the current year. Debt per student calculated using Full-Time-Student-Equivalent (FTSE) enrollment.

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 10
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31 (amount expressed in thousands)				
	2017	2016	2015	2014	2013
Taxable Assessed Value	\$ 4,068,442	\$ 4,077,225	\$ 3,988,931	\$ 3,892,493	\$ 3,758,260
General Obligation Bonds					
Statutory Tax Levy Limit for Debt Service	\$ 20,342	\$ 20,386	\$ 19,945	\$ 19,462	\$ 18,791
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-
Total Net General Obligation Debt	20,342	20,386	19,945	19,462	18,791
Less Current Year Debt Service Requirements	1,755	1,832	1,787	1,826	1,803
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 18,587	\$ 18,554	\$ 18,158	\$ 17,636	\$ 16,988
Net Current Requirements as a % of Statutory Limit	8.63%	8.99%	8.96%	9.38%	9.59%

	For the Year Ended August 31 (amount expressed in thousands)				
	2012	2011	2010	2009	2008
Taxable Assessed Value	\$ 3,699,763	\$ 3,636,694	\$ 3,566,016	\$ 3,344,365	\$ 3,182,792
General Obligation Bonds					
Statutory Tax Levy Limit for Debt Service	\$ 18,499	\$ 18,183	\$ 17,830	\$ 16,722	\$ 15,914
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-
Total Net General Obligation Debt	18,499	18,183	17,830	16,722	15,914
Less Current Year Debt Service Requirements	1,782	1,787	1,541	1,392	1,307
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 16,717	\$ 16,396	\$ 16,289	\$ 15,330	\$ 14,607
Net Current Requirements as a % of Statutory Limit	9.63%	9.83%	8.65%	8.33%	8.21%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 11
PLEGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)**

REVENUE BONDS

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)			Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Building			Principal	Interest	Total	
	Use						
Tuition	Fees	Total					
2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
2016	-	176	176	265	14	279	0.63
2015	-	388	388	255	27	282	1.38
2014	-	416	416	240	40	280	1.49
2013	-	415	415	225	51	276	1.50
2012	-	449	449	215	62	277	1.62
2011	-	468	468	200	72	272	1.72
2010	-	447	447	190	81	271	1.65
2009	-	385	385	180	89	269	1.43
2008	54	381	435	175	97	272	1.60

**ANGELINA COLLEGE
 STATISTICAL SUPPLEMENT 12
 DEMOGRAPHIC AND ECONOMIC STATISTICS – TAXING DISTRICT
 LAST TEN CALENDAR YEARS
 (UNAUDITED)**

Calendar Year	District Population	District Personal Income	District Personal Income Per Capita	District Unemployment
2016	87,791	*	*	6.0%
2015	88,255	3,470,912,000	39,328	5.6%
2014	87,750	3,258,337,000	37,132	5.2%
2013	87,441	3,157,642,000	36,112	6.3%
2012	87,597	3,010,988,000	34,373	6.7%
2011	87,669	2,930,199,000	33,423	7.7%
2010	86,986	2,844,111,000	32,696	8.3%
2009	86,029	2,910,790,000	33,835	8.3%
2008	83,038	2,807,182,628	33,806	4.9%
2007	82,570	2,693,996,000	32,627	4.4%

* Data not available as of reporting date.

Source:

Texas Labor Market Information - <http://www.tracer2.com/>

Texas Association of Counties – <http://www.txcip.org/tac/census/profile.php?FIPS=48005>

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 13
PRINCIPAL EMPLOYERS
LAST TEN CALENDAR YEARS
(UNAUDITED)**

Employer	2017		2016		2015		2014		2013	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Lufkin Independent School District	1,537	4.41%	1,537	4.45%	1,537	4.36%	1,548	4.28%	1,500	4.01%
Pilgrim's	1,300	3.73%	1,300	3.77%	1,300	3.69%	1,494	4.13%	1,466	3.92%
Brookshire Brothers, LTC	1,100	3.16%	1,100	3.19%	1,100	3.12%	1,277	3.53%	1,132	3.03%
Lufkin State Supported Living Center	1,100	3.16%	1,100	3.19%	1,100	3.12%	1,166	3.23%	1,132	3.03%
Memorial Health/CHI St Lukes	1,075	3.09%	1,100	3.19%	1,119	3.17%	1,119	3.10%	1,119	2.99%
Angelina College	661	1.90%	676	1.96%	698	1.98%	675	1.87%	689	1.84%
Woodland Heights Medical Center	580	1.66%	580	1.68%	565	1.60%	550	1.52%	526	1.41%
Temple-Inland/Georgia Pacific	545	1.56%	545	1.58%	545	1.55%	480	1.33%	554	1.48%
City of Lufkin	458	1.31%	458	1.33%	-	-	-	-	-	-
Wal-Mart Supercenter	450	1.29%	450	1.30%	450	1.28%	450	1.25%	525	1.40%
Lufkin Industries Inc./GE	-	-	350	1.01%	800	2.27%	1,745	4.83%	1,745	4.67%
Citation Corporation	-	-	-	-	-	-	-	-	-	-
Other Angelina County Employers	26,039	74.73%	25,319	73.34%	26,050	73.86%	25,634	70.93%	27,007	72.22%
Total	34,845	100.00%	34,515	100.00%	35,264	100.00%	36,138	100.00%	37,395	100.00%

Angelina County Summary

Number Employed	34,845	95.45%	34,515	94.01%	35,264	94.36%	36,138	94.79%	37,395	93.35%
Number Unemployed	1,660	4.55%	2,198	5.99%	2,106	5.64%	1,986	5.21%	2,664	6.65%
Total Available Labor Force	36,505	100.00%	36,713	100.00%	37,370	100.00%	38,124	100.00%	40,059	100.00%

Employer	2012		2011		2010		2009		2008	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Lufkin Independent School District	1,340	3.85%	1,500	4.09%	1,381	3.82%	1,491	3.92%	1,490	3.89%
Pilgrim's	1,250	3.59%	1,466	4.00%	1,668	4.62%	1,500	3.95%	1,500	3.92%
Lufkin Industries Inc./GE	1,223	3.51%	1,430	3.90%	1,379	3.82%	581	1.53%	1,785	4.66%
Brookshire Brothers, LTC	1,178	3.38%	1,396	3.81%	1,051	2.91%	1,051	2.77%	1,050	2.74%
Lufkin State Supported Living Center	1,083	3.11%	1,132	3.09%	1,125	3.12%	975	2.57%	890	2.32%
Memorial Health/CHI St Lukes	697	2.00%	1,119	3.05%	1,107	3.07%	1,057	2.78%	1,027	2.68%
Angelina College	526	1.51%	706	1.93%	662	1.83%	605	1.59%	609	1.59%
Temple-Inland/Georgia Pacific	502	1.44%	554	1.51%	539	1.49%	1,007	2.65%	1,004	2.62%
Wal-Mart Supercenter	-	-	525	1.43%	505	1.40%	510	1.34%	515	1.34%
Woodland Heights Medical Center	525	1.51%	500	1.36%	634	1.76%	630	1.66%	630	1.64%
City of Lufkin	1,824	5.23%	-	-	-	-	-	-	-	-
Citation Corporation	-	-	-	-	-	-	-	-	445	1.16%
Other Angelina County Employers	27,034	77.59%	26,324	71.83%	26,056	72.15%	28,603	75.24%	27,365	71.44%
Total	37,182	106.71%	36,652	100.00%	36,107	100.00%	38,010	100.00%	38,310	100.00%

Angelina County Summary

Number Employed	37,182	92.27%	36,652	91.74%	36,107	91.51%	38,010	91.08%	38,310	95.60%
Number Unemployed	3,114	7.73%	3,301	8.26%	3,349	8.49%	3,722	8.92%	1,765	4.40%
Total Available Labor Force	40,296	100.00%	39,953	100.00%	39,456	100.00%	41,732	100.00%	40,075	100.00%

Note: Began tracking the City of Lufkin as a Principal Employer in 2016

Source:

- Labor Force - Texas Labor Market Information - <http://www.tracer2.com/>
- Economic Development , City of Lufkin
- Lufkin Angelina County Economic Development Partnership

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 14
FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year				
	2017	2016	2015	2014	2013
Faculty					
Full-Time	117	121	120	121	119
Part-Time	224	237	249	212	286
Total	341	358	369	333	405
Percent					
Full-Time	34.3%	33.8%	32.5%	36.3%	29.4%
Part-Time	65.7%	66.2%	67.5%	63.7%	70.6%
Staff and Administrators					
Full-Time	145	143	143	140	133
Part-Time	175	175	186	202	151
Total	320	318	329	342	284
Percent					
Full-Time	45.3%	45.0%	43.5%	40.9%	46.8%
Part-Time	54.7%	55.0%	56.5%	59.1%	53.2%
FTSE per Full-time Faculty	45.1	43.9	43.6	42.5	46.2
FTSE per Full-Time Staff Member	36.4	37.1	36.6	36.8	41.3
Average Annual Faculty Salary	\$ 50,872	\$ 51,881	\$ 51,681	\$ 48,866	\$ 48,793

Note: FTSE (Full-time Student Equivalent) is defined as Semester Credit Hours divided by 30 plus Non-Semester Length Technical Contact Hours divided by 900.

Faculty - Full-time = Faculty teaching 12 or more semester hours

Staff And Administrators - Full-time = 30 hours per week or more

**ANGELINA COLLEGE
 STATISTICAL SUPPLEMENT 14 (Continued)
 FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

	Fiscal Year				
	2012	2011	2010	2009	2008
Faculty					
Full-Time	119	129	118	116	115
Part-Time	289	269	278	242	254
Total	408	398	396	358	369
Percent					
Full-Time	29.2%	32.4%	29.8%	32.4%	31.2%
Part-Time	70.8%	67.6%	70.2%	67.6%	68.8%
Staff and Administrators					
Full-Time	135	129	125	124	127
Part-Time	154	179	141	123	119
Total	289	308	266	247	246
Percent					
Full-Time	46.7%	41.9%	47.0%	50.2%	51.6%
Part-Time	53.3%	58.1%	53.0%	49.8%	48.4%
FTSE per Full-time Faculty	45.5	45.2	50.0	46.4	42.7
FTSE per Full-Time Staff Member	40.1	45.2	47.2	43.4	38.7
Average Annual Faculty Salary	\$ 47,045	\$ 48,191	\$ 47,848	\$ 47,441	\$ 47,212

Note: FTSE (Full-time Student Equivalent) is defined as Semester Credit Hours divided by 30 plus Non-Semester Length Technical Contact Hours divided by 900.

Faculty - Full-time = Faculty teaching 12 or more semester hours

Staff And Administrators - Full-time = 30 hours per week or more

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 15
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Student Classification</u>	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	4,182	79.31%	4,059	78.89%	3,968	77.12%	4,287	77.99%	4,306	79.55%
31-60 hours	1,091	20.69%	1,086	21.11%	1,175	22.84%	1,209	21.99%	1,106	20.43%
> 60 hours	0	0.00%	0	0.00%	2	0.04%	1	0.02%	1	0.02%
Total	5,273	100.00%	5,145	100.00%	5,145	100.00%	5,497	100.00%	5,413	100.00%

<u>Semester Hour Load</u>	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3 semester hours	37	0.70%	47	0.91%	72	1.40%	50	0.91%	47	0.87%
3-5 semester hours	1,156	21.92%	1,095	21.30%	929	18.06%	918	16.70%	993	18.34%
6-8 semester hours	1,575	29.88%	1,606	31.21%	1,592	30.94%	1,569	28.53%	1,514	27.96%
9-11 semester hours	804	15.25%	777	15.10%	843	16.38%	875	15.92%	779	14.39%
12-14 semester hours	1,436	27.23%	1,396	27.13%	1,454	28.26%	1,788	32.54%	1,768	32.67%
15-17 semester hours	202	3.83%	154	2.99%	195	3.79%	247	4.49%	257	4.75%
18 & over semester hours	63	1.19%	70	1.36%	60	1.17%	50	0.91%	55	1.02%
Total	5,273	100.00%	5,145	100.00%	5,145	100.00%	5,497	100.00%	5,413	100.00%

Average course load	8.4	8.3	8.6	8.9	8.8
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<u>Tuition Status</u>	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	2,559	48.53%	2,366	45.99%	2,416	46.96%	2,531	46.04%	2,476	45.75%
Texas Resident (Out-of-District)	2,655	50.35%	2,716	52.79%	2,666	51.82%	2,882	52.43%	2,848	52.61%
Non-Resident Tuition	59	1.12%	63	1.22%	63	1.22%	84	1.53%	89	1.64%
Total	5,273	100.00%	5,145	100.00%	5,145	100.00%	5,497	100.00%	5,413	100.00%

Source: CBM001

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 15 (Continued)
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Student Classification	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	4,616	79.09%	4,649	78.74%	4,362	80.98%	3,922	79.81%	3,646	78.85%
31-60 hours	1,219	20.89%	1,248	21.14%	1,007	18.70%	968	19.70%	956	20.67%
> 60 hours	1	0.02%	7	0.12%	17	0.32%	24	0.49%	22	0.48%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Semester Hour Load	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3 semester hours	33	0.57%	37	0.63%	24	0.45%	38	0.78%	16	0.35%
3-5 semester hours	1,057	18.11%	1,035	17.53%	868	16.12%	860	17.50%	816	17.65%
6-8 semester hours	1,505	25.79%	1,480	25.06%	1,377	25.56%	1,409	28.67%	1,129	24.42%
9-11 semester hours	886	15.18%	849	14.38%	774	14.37%	667	13.57%	688	14.88%
12-14 semester hours	2,039	34.94%	2,138	36.21%	2,018	37.47%	1,599	32.54%	1,617	34.96%
15-17 semester hours	265	4.54%	285	4.83%	250	4.64%	276	5.62%	291	6.29%
18 & over semester hours	51	0.87%	80	1.36%	75	1.39%	65	1.32%	67	1.45%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Average course load	9.0	9.3	9.0	9.3	9.4
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Tuition Status	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	2,603	44.60%	2,694	45.63%	2,442	45.34%	2,145	43.65%	1,957	42.32%
Texas Resident (Out-of-District)	3,149	53.96%	3,115	52.76%	2,797	51.93%	2,618	53.28%	2,510	54.28%
Non-Resident Tuition	84	1.44%	95	1.61%	147	2.73%	151	3.07%	157	3.40%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Source: CBM001

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 16
STUDENT PROFILE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Gender	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,230	61.26%	3,208	62.35%	3,269	63.54%	3,497	63.62%	3,460	63.92%
Male	2,043	38.74%	1,937	37.65%	1,876	36.46%	2,000	36.38%	1,953	36.08%
Total	<u>5,273</u>	<u>100.00%</u>	<u>5,145</u>	<u>100.00%</u>	<u>5,145</u>	<u>100.00%</u>	<u>5,497</u>	<u>100.00%</u>	<u>5,413</u>	<u>100.00%</u>

Ethnic Origin	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	3,070	58.22%	3,138	60.99%	3,215	62.47%	3,432	62.42%	3,449	63.71%
Hispanic	1,296	24.58%	1,103	21.44%	1,020	19.83%	974	17.72%	939	17.35%
African American	730	13.84%	653	12.69%	664	12.91%	815	14.83%	756	13.97%
Asian	61	1.16%	51	0.99%	44	0.86%	60	1.09%	40	0.74%
Foreign	5	0.09%	17	0.33%	17	0.33%	24	0.44%	25	0.46%
Native American	-	0.00%	30	0.58%	34	0.66%	35	0.64%	25	0.46%
Native Hawaiian	-	0.00%	3	0.06%	6	0.12%	8	0.15%	3	0.06%
Multiracial	-	0.00%	150	2.92%	144	2.80%	144	2.62%	128	2.36%
Other	111	2.11%	-	0.00%	1	0.02%	5	0.09%	48	0.89%
Total	<u>5,273</u>	<u>100.00%</u>	<u>5,145</u>	<u>100.00%</u>	<u>5,145</u>	<u>100.00%</u>	<u>5,497</u>	<u>100.00%</u>	<u>5,413</u>	<u>100.00%</u>

Age	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,598	30.31%	1,477	28.71%	1,283	24.94%	1,252	22.78%	1,246	23.02%
18 - 21	1,996	37.85%	1,977	38.43%	2,023	39.31%	2,209	40.18%	2,130	39.34%
22 - 24	481	9.12%	514	9.99%	541	10.52%	603	10.97%	572	10.57%
25 - 35	711	13.48%	684	13.29%	776	15.08%	842	15.32%	910	16.81%
36 - 50	379	7.19%	411	7.99%	444	8.63%	491	8.93%	454	8.39%
51 & over	108	2.05%	82	1.59%	78	1.52%	100	1.82%	101	1.87%
Total	<u>5,273</u>	<u>100.00%</u>	<u>5,145</u>	<u>100.00%</u>	<u>5,145</u>	<u>100.00%</u>	<u>5,497</u>	<u>100.00%</u>	<u>5,413</u>	<u>100.00%</u>

Average Age	22	22	23	23	23
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Texas Higher Education Coordinating Board expanded the categories of ethnicity to include Native Hawaiian and Multiracial in Fall 2010.

Source: CBM001 and CBM00A

**ANGELINA COLLEGE
 STATISTICAL SUPPLEMENT 16 (Continued)
 STUDENT PROFILE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Gender	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,727	63.86%	3,663	62.04%	3,348	62.16%	3,170	64.51%	2,919	63.13%
Male	2,109	36.14%	2,241	37.96%	2,038	37.84%	1,744	35.49%	1,705	36.87%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Ethnic Origin	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	3,684	63.12%	3,747	63.46%	4,016	74.56%	3,980	80.99%	3,716	80.36%
Hispanic	884	15.15%	1,005	17.02%	540	10.03%	398	8.10%	396	8.57%
African American	901	15.44%	883	14.96%	707	13.13%	448	9.12%	431	9.32%
Asian	40	0.69%	45	0.76%	32	0.59%	23	0.47%	24	0.52%
Foreign	24	0.41%	28	0.47%	45	0.84%	27	0.55%	16	0.35%
Native American	31	0.53%	31	0.53%	26	0.48%	8	0.16%	8	0.17%
Native Hawaiian	6	0.10%	4	0.07%	-	0.00%	-	0.00%	-	0.00%
Multiracial	136	2.33%	121	2.05%	-	0.00%	-	0.00%	-	0.00%
Other	130	2.23%	40	0.68%	20	0.37%	30	0.61%	33	0.71%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Age	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,323	22.67%	1,255	21.26%	1,021	18.96%	1,031	20.98%	868	18.77%
18 - 21	2,332	39.95%	2,353	39.85%	2,265	42.05%	2,025	41.21%	1,950	42.17%
22 - 24	602	10.32%	577	9.77%	570	10.58%	485	9.87%	528	11.42%
25 - 35	961	16.47%	1,017	17.23%	895	16.62%	823	16.75%	802	17.34%
36 - 50	514	8.81%	584	9.89%	539	10.01%	458	9.32%	391	8.46%
51 & over	104	1.78%	118	2.00%	96	1.78%	92	1.87%	85	1.84%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Average Age 23 24 24 23 23

Texas Higher Education Coordinating Board expanded the categories of ethnicity to include Native Hawaiian and Multiracial in Fall 2010.

Source: CBM001 and CBM00A

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 17
TRANSFERS TO SENIOR INSTITUTIONS
2015 FALL STUDENTS AS OF FALL 2016
(INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)
(UNAUDITED)**

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Angelina Transfer Students	% of all Angelina Transfer Students
1 Stephen F. Austin State University	416	52	17	485	52.09%
2 Texas A&M University	95	2	0	97	10.42%
3 Sam Houston State University	71	7	4	82	8.81%
4 Lamar University	55	4	3	62	6.66%
5 Texas State University	40	0	1	41	4.40%
6 The University of Texas at Tyler	34	2	0	36	3.87%
7 The University of Texas at Austin	25	2	0	27	2.90%
8 University of Houston	15	0	1	16	1.72%
19 Texas Tech University	12	0	0	12	1.29%
20 Tarleton State University	12	0	0	12	1.29%
21 The University of Texas at Arlington	9	2	0	11	1.18%
22 University of North Texas	11	0	0	11	1.18%
23 The University of Texas at San Antonio	7	0	0	7	0.75%
24 Texas A&M University - Corpus Christi	5	0	0	5	0.54%
25 Prairie View A&M University	5	0	0	5	0.54%
26 Texas Southern University	3	0	0	3	0.32%
27 Texas A&M University at Galveston	3	0	0	3	0.32%
28 The University of Texas at Dallas	2	0	0	2	0.21%
29 Texas Woman's University	2	0	0	2	0.21%
30 Texas A&M University - Texarkana	2	0	0	2	0.21%
31 Angelo State University	1	1	0	2	0.21%
32 Texas A&M University at Commerce	0	1	1	2	0.21%
33 The University of Texas of the Permian Basin	1	0	0	1	0.11%
34 Midwestern State University	1	0	0	1	0.11%
35 West Texas A&M University	1	0	0	1	0.11%
36 Texas A&M University - Kingsville	1	0	0	1	0.11%
37 University of Houston - Victoria	1	0	0	1	0.11%
38 University of Houston - Clear Lake	1	0	0	1	0.11%
Totals	<u>831</u>	<u>73</u>	<u>27</u>	<u>931</u>	<u>100.00%</u>

Source:

- Automated Student and Adult Learner Follow-Up System 2-Year College Transfer Students at Texas Public Universities Pursuing Additional Education:
<http://www.txhighereddata.org/reports/performance/ctcasalf/ctcaddl/>
- Data includes Graduates, Completers, and Non-Returners

**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 18
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Academic Buildings	12	12	12	12	12	13	14	13	12	12
Square footage (in thousands)	271	271	271	271	271	278	287	256	245	245
Administrative and Support Buildings	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	19	19	19	19	19	19	19	19	19	19
Athletic Facilities	7	7	7	7	7	7	7	7	4	4
Square footage (in thousands)	53	53	53	53	53	53	53	53	50	50
Baseball Field	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Fitness Center	1	1	1	1	1	1	1	1	1	1
Softball Field	1	1	1	1	1	1	1	1	-	-
Field House	1	1	1	1	1	1	1	1	-	-
Concession/Restrooms	1	1	1	1	1	1	1	1	-	-
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	12	12	12	12	12	12	12	12	12	12
Average daily customers	390	390	390	390	375	425	425	425	425	425
Dormitories	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	20	20	20	20	20	20	20	20	20	20
Number of Beds	112	112	112	112	112	112	112	112	112	112
Library	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	18	18	18	18	18	18	18	18	18	18
Number of Volumes	38,272	39,706	39,635	39,068	38,757	38,115	41,254	42,854	43,886	44,235
Off Campus Facilities	8	8	8	8	8	6	4	3	2	2
Square footage (in thousands)	91	91	91	91	91	70	55	39	29	29
Other Housing - President's House	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	4	4	4	4	4	4	4	4	4	4
Other Housing	-	-	-	-	-	-	-	-	-	2
Square footage (in thousands)	-	-	-	-	-	-	-	-	-	6
Plant facilities	3	3	3	3	3	2	2	2	2	2
Square footage (in thousands)	22	22	22	22	22	15	6	6	6	6
Transportation										
Cars	3	3	3	3	2	2	5	4	3	3
Light Trucks/Vans	9	9	9	9	11	11	11	12	11	11
Buses	-	-	-	-	-	-	-	-	-	-
Fire Truck	1	1	1	1	1	1	1	1	1	1

Source: Angelina College Physical Plant Department



Angelina College

SINGLE AUDIT SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2017 and 2016**

Ted A. Lankford, CPA
Glenda J. Hiers, CPA
Richard A. Rudel, CPA

AL&H ALEXANDER LANKFORD & HIERS, INC.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Angelina College
Lufkin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Angelina College as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise Angelina College's basic financial statements and have issued our report thereon dated December 6, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Angelina College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Angelina College's internal control. Accordingly, we do not express an opinion on the effectiveness of Angelina College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* - CONTINUED**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Angelina College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Public Funds Investment Act

We have performed tests designed to verify Angelina College's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2017, no instances of noncompliance were found.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ALEXANDER, LANKFORD & HIERS, INC.
Certified Public Accountants

Lufkin, Texas
December 6, 2017

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

Board of Trustees
Angelina College
Lufkin, Texas

Report on Compliance for Each Major Federal Program

We have audited Angelina College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of Angelina College's major federal and state programs for the year ended August 31, 2017. Angelina College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Angelina College's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State of Texas Single Audit Circular*. Those standards, the Uniform Guidance and the *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Angelina College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR - CONTINUED**

Report on Compliance for Each Major Federal Program - Continued

Auditor's Responsibility - Continued

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Angelina College's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Angelina College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2017.

Report on Internal Control Over Compliance

Management of Angelina College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Angelina College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Angelina College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR - CONTINUED**

Report on Internal Control Over Compliance - Continued

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Alexander, Lankford & Hiers, Inc.

ALEXANDER, LANKFORD & HIERS, INC.
Certified Public Accountants

Lufkin, Texas
December 6, 2017

**ANGELINA COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AUGUST 31, 2017**

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: **UNMODIFIED**

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Uniform Guidance or TSAC? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal or State Program or Cluster*</u>
	Federal: Student Financial Assistance Cluster
	State: Jet Grant
N/A	

Dollar threshold used to distinguish between Type A and Type B Federal programs: \$750,000

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

Auditee qualified as low-risk auditee? X Yes No

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
AUGUST 31, 2017

B. Financial Statements Findings

Findings related to the financial statements required to be reported under GAS:

None

C. Federal and State Awards Findings and Questioned Costs

Required to be reported in accordance with section 2 CFR 200.516(a) Uniform Guidance or TSAC:

None

**ANGELINA COLLEGE
SCHEDULE OF CORRECTIVE ACTION
AUGUST 31, 2017**

There were no current year findings; therefore, no corrective action is required.

**ANGELINA COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AUGUST 31, 2017**

There were no prior year audit findings.