

AMARILLO COLLEGE
Amarillo, Texas

ANNUAL FINANCIAL REPORT
August 31, 2018

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**AMARILLO COLLEGE
ORGANIZATIONAL DATA
August 31, 2018**

Board of Regents

	<u>Officers</u>	Term Expires <u>May</u>
Dr. Paul Proffer	Chair	2019
Johnny E. Mize	Vice Chair	2019
Anette Carlisle	Secretary	2021

	<u>Members</u>	
Jay Barrett	Amarillo, Texas	2023
Dr. David C. Woodburn	Amarillo, Texas	2019
Dan Henke	Amarillo, Texas	2021
Patrick Miller	Amarillo, Texas	2021
Michele Fortunato	Amarillo, Texas	2023
Sally Jennings	Amarillo, Texas	2023

	<u>Non-Voting Representative</u>	
Michael Running	Moore County, Texas	2019
Sara Pesina	Hereford, Texas	2021

Cabinet Members

Dr. Russell Lowery-Hart	President
Mark White	Executive Vice President and General Counsel
Robert Austin	Vice President of Enrollment Management
Steve Smith	Vice President of Business Affairs
Dr. Tamara Clunis	Vice President of Academic Affairs
Lyndy Forrester	Vice President of Employee & Organizational Development
Kevin Ball	Vice President of Communications and Marketing
Denese Skinner	Vice President of Student Affairs
Cara Crowley	Vice President of Strategic Initiatives

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Independent Auditor's Report

Board of Regents
Amarillo College
Amarillo, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Amarillo College (the College) as of and for the year ended August 31, 2018, 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 opinion on these financial statements based on our audit. We conducted our audits 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 opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2018, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2018, the College adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of the College's Contributions, Schedule of Proportionate Share of the Net OPEB Liability (ERS), Schedule of College's Contributions to the OPEB Plan, and Notes to Required Supplementary Information on pages 8-15 and pages 62-66 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 audit of the basic 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 audit was conducted for the purpose of forming opinions on the basic financial statements of the College. The accompanying supplemental information listed in the table of contents, Schedules A, B, C and D, is likewise presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule E, and Schedule of Expenditures of State of Texas Awards, Schedule F, 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 Uniform Grants Management Standards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, the Schedule of Expenditures of State of Texas Awards, and the Other Supplemental Information 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 Schedule of Expenditures of Federal Awards, the Schedule of Expenditures of State of Texas Awards, and the Other Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The statistical section has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018, on our consideration of the 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 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 the College's internal control over financial reporting and compliance.

Connor, McMillon, Mitchell & Shennum, PLLC

Amarillo, Texas
November 27, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2018, 2017 and 2016**

INTRODUCTION

The 2018 fiscal year was the seventeenth fiscal year that Amarillo College (the College) has presented financial statements in the format required by Governmental Accounting Standards Board (GASB) Statements No. 34 and 35. In the past, audit reports had the financial statements differentiating between the separate funds and fund groups of the College's general ledger. Under the new format, Exhibits 1, 2, and 3 present the financial data from all funds consolidated into a single column.

Exhibit 1, the Statements of Net Position corresponds to the Balance Sheet on prior year statements. This exhibit presents the assets, liabilities, and net position of the College in a single columnar format as of the end of the fiscal year.

Exhibit 2, the Statements of Revenues, Expenses, and Changes in Net Position presents the activity that occurred in the assets, liabilities, and net position for the fiscal year that resulted in the presentation of those items on Exhibit 1. Local ad valorem taxes assessed by the College, investment income, Title IV financial aid program, and state appropriations are reported as non-operating revenues.

Exhibit 3, the Statements of Cash Flows presents the inflow and outflow of cash collected and disbursed by the College for the fiscal year.

Schedule A, the Schedule of Operating Revenues presents a detailed list of the operating revenues, classified as Educational Activities (Unrestricted, Restricted) and Auxiliary Enterprises.

Schedule B, the Schedule of Operating Expenses by Object details the expenditures for the fiscal year classified by function (element of cost) and by natural (object code) classification.

Schedule C, the Schedule of Nonoperating Revenues and Expenses provides detail for the fiscal year classified as Unrestricted, Restricted and Auxiliary Enterprises.

Schedule D, the Schedule of Net Position by Source and Availability provides a reconciliation of fund balances to net position as well as funds available for current operations.

Schedule E, the Schedule of Expenditures of Federal Awards provides detail for the fiscal year for expenditures of federal financial assistance.

Schedule F, the Schedule of Expenditures of State of Texas Awards provides detail for the fiscal year for expenditures of state financial assistance.

CONDENSED COMPARATIVE FINANCIAL INFORMATION

This is the sixteenth year that the College has prepared these financial statements in the GASB 34/35 format. Following are the comparative financial statements for fiscal years 2018, 2017, and 2016:

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2018, 2017 and 2016**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Assets - Capital Net	\$ 126,622,265	\$ 128,373,739	\$ 129,894,233
Total Assets - Noncapital	58,000,180	53,229,494	53,300,661
Total Assets	<u>184,622,445</u>	<u>181,603,233</u>	<u>183,194,894</u>
Deferred Outflows	6,266,212	5,647,350	4,959,716
Total Liabilities - Long Term	141,904,048	76,360,383	80,424,295
Total Liabilities - Other	22,205,600	21,390,237	20,709,757
Total Liabilities	<u>164,109,648</u>	<u>97,750,620</u>	<u>101,134,052</u>
Deferred Inflows	20,126,920	2,821,593	1,137,072
Net Position - Capital	66,289,681	64,725,434	62,423,152
Net Position - Restricted	12,097,855	10,657,174	12,833,830
Net Position - Unrestricted	(71,735,447)	11,295,762	10,626,504
Total Net Position	<u>\$ 6,652,089</u>	<u>\$ 86,678,370</u>	<u>\$ 85,883,486</u>
Operating Revenues			
Tuition and Fees (Net of Discounts)	\$ 14,416,526	\$ 14,318,157	\$ 15,371,596
Grants and Contracts	6,467,853	7,818,442	9,639,424
Other Operating Revenues	6,034,113	699,471	505,826
Auxiliary Enterprises (Net of Discounts)	5,561,365	5,581,766	5,605,806
Total Operating Revenues	<u>32,479,857</u>	<u>28,417,836</u>	<u>31,122,652</u>
Operating Expenses			
Instruction	38,152,241	31,740,215	33,752,218
Public Service	3,891,530	3,595,580	3,670,915
Academic Support	3,607,041	2,616,756	2,825,582
Student Services	5,060,578	4,358,923	4,655,940
Institutional Support	15,376,170	16,143,212	17,227,362
Operation and Maintenance of Plant	7,156,333	6,705,112	6,802,743
Scholarships and Fellowships	8,475,841	9,219,231	8,322,474
Auxiliary Enterprises	6,280,735	6,015,033	5,980,078
Depreciation	5,827,295	5,785,031	5,832,644
Total Operating Expenses	<u>93,827,764</u>	<u>86,179,093</u>	<u>89,069,956</u>
Operating Loss	<u>(61,347,907)</u>	<u>(57,761,257)</u>	<u>(57,947,304)</u>
Nonoperating Revenues (Expenses)			
State Allocations	21,454,694	18,254,726	18,091,989
Ad Valorem Taxes	25,846,242	24,509,246	23,466,261
Federal Revenue, Nonoperating	16,805,032	16,288,132	15,205,083
Investment Income (Net)	931,259	642,405	395,807
Interest on Capital-Related Debt	(2,191,051)	(2,432,294)	(2,660,893)
Other Nonoperating Revenue (Expenses)	355,335	1,293,926	2,143,677
Net Nonoperating Revenues	<u>63,201,511</u>	<u>58,556,141</u>	<u>56,641,924</u>
Nonoperating Revenues (Expenses)			
Insurance proceeds	<u>1,502,788</u>	<u>-</u>	<u>-</u>

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2018, 2017 and 2016**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Increase (Decrease) in Net Position	3,356,392	794,884	(1,305,380)
Beginning Net Position	86,678,370	85,883,486	87,188,866
Prior Period Adjustment	<u>(83,382,673)</u>	<u>-</u>	<u>-</u>
Ending Net Position	<u>\$ 6,652,089</u>	<u>\$ 86,678,370</u>	<u>\$ 85,883,486</u>

ANALYSIS OF COLLEGE'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

REVENUES

State Appropriations – State appropriations for educational and general state support have continually decreased over the past 5 years by 11.92%. State appropriations for educational and general state support for 2017-18 is \$13.48 million which is in the first year of the current biennium is 2.41% less than the previous year.

<u>Year</u>	<u>State Appropriations</u>	<u>Change from Prior Year</u>	<u>% Change</u>
2014	15,307,049	209,361	+1.4%
2015	15,289,482	(17,567)	-0.1%
2016	13,792,946	(1,496,536)	-9.8%
2017	13,815,609	22,663	+0.2%
2018	13,483,127	(332,482)	-2.41%

Auxiliary Enterprises – Profits from the College's auxiliary enterprises remain steady, which includes the operation of family housing at the East Campus and the operation of the campus bookstores. For several years' profit from auxiliary enterprises has been used to supplement the operation of the College's physical plant.

Investment Income – From 2003 to 2007 interest rates rose, increasing investment revenue; during 2008 interest rates started declining and continued to do so through 2016. In 2017 there was an increase in investment income due to improvement in the national economy that has continued through 2018.

Ad Valorem Tax Base – The Amarillo Junior College District (the District) property appraisal increased \$368 million or 2.85% from the 2017 tax year to the 2018 tax year, \$839 million or 5.9% from the 2016 tax year to the 2017 tax year, \$531 million or 4.56% from the 2015 tax year to the 2016 tax year. The increase is made up of new properties, improvements to existing properties, and increased valuations.

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2018, 2017 and 2016**

ANALYSIS OF COLLEGE'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS (CONTINUED)

With the passage of the bond initiative in November of 2007 and the subsequent sale of \$68.3 million of construction bonds, the total tax rate for the 2017 tax year remained the same at \$.20750 per \$100 valuation; however, the maintenance and operations portion of the tax rate decreased \$0.0105 from the previous year and the interest and sinking portion was increased by the same amount. The last bond sale associated with the November 2007 bond initiative was on May 15, 2012, in the amount of \$14,305,000.

In November of 2006, the voters of the District passed the local option to freeze ad valorem taxes for seniors and disabled.

The Amarillo City Council adopted Ordinance No. 7012 on December 19, 2006, providing for the creation of a contiguous geographic area within the City to be a zone known as the Tax Increment Zone Number One, City of Amarillo, Texas (TIRZ #1) and the establishment of a tax increment fund for the Zone. The District's boundaries encompass the TIRZ #1. At a special meeting in November of 2007, the Board of Regents approved participation in the TIRZ #1. The contribution by the College to the TIRZ #1 district for 2017-18, 2016-17, and 2015-16, was \$119,988, \$107,872, and \$110,401 respectively.

The Amarillo City Council adopted Ordinance No. 7627 on November 08, 2016, providing for the creation of a second contiguous geographic area within the City to be a zone known as the East Gateway Tax Increment Zone Number 2, City of Amarillo, Texas (TIRZ #2) and the establishment of a tax increment fund for the Zone. The District's boundaries encompass the TIRZ #2. At a regular meeting on November 28, 2017, the Board of Regents approved participation in the TIRZ #2. The contribution by the College to the TIRZ #2 district for 2017-18 was \$3,623.

Economic Outlook – The Amarillo and regional economy continues to grow at a steady pace. The August, 2018 local unemployment rate of 3.7% is below the state and national averages of 3.9% and 3.9%, respectively. State appropriations for the upcoming biennium will be \$27.0 million which is slightly lower than the \$27.5 million from the 2016/2017 biennium or the \$30.5 million from the 2014/2015 biennium.

EXPENSES

Employee Health Insurance – The College offers health insurance to its employees through the Employees Retirement System of Texas (ERS). The amount funded by the state was \$3.9 million, \$3.47 million, and \$3.24 million for fiscal years 2018, 2017, and 2016, respectively.

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2018, 2017 and 2016**

ANALYSIS OF COLLEGE'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS (CONTINUED)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets are defined as those items costing over \$5,000 and which have a normal useful life of more than two years. Below is a summary of the capital assets, as of August 31:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>Percent Change</u>
Land	\$ 5,335,103	\$ 5,397,795	\$ 5,397,795	-1.2%
Construction in progress	440,970	97,317	727,008	353.1%
Buildings and building improvements	160,991,802	158,963,312	155,515,212	1.3%
Other real estate improvements	9,288,982	7,444,788	6,936,846	24.8%
Library books	1,119,060	1,120,601	1,187,925	-0.1%
Furniture, machinery, vehicles, and other equipment	34,894,742	35,421,578	34,487,952	-1.5%
Assets held pending sale	62,692	-	-	100.0%
Total capital assets	<u>\$ 212,133,351</u>	<u>\$ 208,445,391</u>	<u>\$ 204,252,738</u>	1.8%

Certain buildings on the College's East Campus were determined to be obsolete. Impairment loss recognized for 2018, 2017, and 2016 are \$-0-, \$-0-, and \$-0-, respectively. The College has entered into various construction contracts of which one contract was not fully completed at year end. Total current commitment is \$509,371 of which \$309,434 was expended at August 31, 2018.

At August 31, 2018, the College had six bond issues outstanding, consisting of a revenue bond and five general obligation bond issues. The outstanding balance as of August 31, 2018, on each of the issues is \$920,000, \$15,110,000, \$3,365,000, \$13,670,000, \$8,520,000 and \$17,515,000 for Series 2009, 2010, 2011, 2012, 2015, and 2016, respectively.

In July of 2015, \$8,705,000 of the Series 2008 issue was re-funded in order to lower the overall debt service requirements of the College. The Series 2015 issue resulted in an overall savings of approximately \$1,190,831.

In September of 2016, \$6,080,000 of the Series 2008 and \$11,745,000 of the Series 2009 issue were refunded in order to lower the overall debt service requirements of the College. The Series 2016 issue resulted in an overall savings of approximately \$1,997,289.

The 2011 revenue bond has an outstanding balance of \$3,365,000.

Total long-term debt, excluding current portion, at August 31, 2018, is \$59,100,000.

Additional information on the College's capital assets and noncurrent liabilities can be found in Notes 6, 7, 8, and 9, respectively, to the basic financial statements.

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2018, 2017 and 2016**

OTHER MATTERS AT THE COLLEGE

Prior Period Adjustment – In June of 2015, the GASB issued Statement No. 75 which established new accounting and financial reporting requirements for governments that provide their employees with postemployment benefits other than pensions (OPEB). The guidance contained in the Statement changes how governments recognize and measure liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB 75 provides specific guidance dependent on whether the OPEB pension plan the government participates in is considered a single-employer plan, multiple-employer plan or cost-sharing multiple-employer plan.

Amarillo College provides OPEB benefits to its employees and retirees through its participation in the Employers Retirement System of Texas (ERS) health insurance plan. ERS is considered to be a multiple-employer, cost-sharing pension plan. A cost-sharing employer that has a special funding situation is required to recognize a liability for its proportionate share of the net OPEB liability. The prior period adjustment to record the net OPEB liability was (\$83,482,673) in 2018.

Amarillo Technical Center – Beginning with the 1996 fiscal year, the College assumed the operation of the Texas State Technical College Amarillo campus by act of the Texas State Legislature. The land and buildings were leased to the College through fiscal year 2002. On September 1, 2002, the land and facilities were transferred to the College by act of the Texas State Legislature. The Amarillo Technical Center has been renamed the Amarillo College East Campus. HB 521, which was passed in the Texas State Legislature, now gives the College the ability to dispose of excess acreage encompassed within the East Campus.

Moore County Branch Campus – In 1999 the voters of Moore County passed a Branch Campus Maintenance Tax to fund a branch campus of Amarillo College in Dumas, Texas.

The College agreed to underwrite the cost above revenues of the branch campus until the revenues generated by the operation of the campus were sufficient to cover the expenditures. The long-term financial plan for the Moore County Branch Campus projected that the campus would begin paying back the reserves used by the College in fiscal year 2004 and would have all of the reserves reimbursed during fiscal year 2006. During fiscal year 2003, the Moore County Branch Campus had paid back all underwriting funds.

The Amarillo College Moore County Campus Tactical Plan development for 2011-2015 has resulted in the construction of an approximately 30,000 square foot Career and Technical Center in Dumas, Texas. The Career and Technical Center is located in the Dumas Economic Development Corporation (DEDC) Business Park, which is located at Hwy 287 and Success Boulevard. DEDC donated approximately 11 acres in the Business Park with the understanding that construction was to commence within two years of the property being annexed to the City of Dumas and the utilities being located on the property. The Amarillo College Board of Regents approved the sale of \$4.5 million in Revenue Bonds to be used to finance the new Career and Technical Center. Construction on the Career and Technical Center was essentially completed by August 31, 2013.

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2018, 2017 and 2016**

OTHER MATTERS AT THE COLLEGE (CONTINUED)

Hereford Branch Campus – In 2003, citizens of Hereford, Texas, organized a steering committee to investigate the possibility of establishing a community college branch campus to be located in their city. The steering committee approached the College and discussions began concerning the establishment of a branch campus. In 2004, voters of the Hereford Independent School District passed a Branch Campus Maintenance Tax to fund a branch campus of Amarillo College in Hereford. The Hereford Branch Campus began operation for the 2005 Fall Semester.

During September of 2011, the College was approached by an individual wanting to make a monetary donation for construction of a new campus for Amarillo College in Hereford. In January of 2012, the Everett & Mabel McDougal Hinkson Foundation, Inc. was established with a gift of \$3,000,000 for construction of a new campus. Various covenants were specified, one of which was the requirement of the College to spend \$2,000,000 for the construction. The College contribution would be the first money used during construction, which began in Fall of 2012 and was completed for Spring 2014 classes. The total cost to the College was approximately \$2.5 million, which was funded by use of AC reserves and Hereford Branch Campus reserves. The Hereford Economic Development Corporation donated approximately 10 acres and the College purchased an additional 10 acres of land for the site of the new campus.

BOND ELECTION

At the regularly scheduled meeting in August 2007, the Board of Regents passed an election order calling for a \$68.3 million bond election in November of 2007. On November 6, 2007, the District bond election was passed by the voters of the District. Bonds in the amount of \$22,000,000, \$16,000,000, \$16,000,000, and \$14,305,000 were sold June 15, 2008, June 15, 2009, June 15, 2010, and May 15, 2012, respectively. The proceeds from bond sales have been used for new construction, renovation of existing buildings, equipping classrooms, and technology infrastructure. Standard & Poor's continues to provide the College's bond rating of AA+ based upon the College's strong and likely sustainable financial performance trend, evidenced by very strong reserves and substantial taxing flexibility. A parking lot expansion was completed in 2009. The Science Laboratory Building, expansion of the Chilled Water Loop on Washington Street Campus, Jones Hall on West Campus, and Warren Hall renovations were completed in 2010. The East Campus HVAC and Parcels project were completed in 2011. Byrd Business Building and Allied Health renovations, along with the Downtown Campus Parking Lot, were completed in 2012. The Music Building and the ground floor of the Byrd Business Building and Parcels Hall were completed in 2013 as well as renovations to Building V & S on the East Campus. The Math Center project and the 2nd floor of the Lynn Library were funded partially by bond funds and partially by grant funds. In 2014, renovations to Dutton Hall and the Student Union building were completed. Several additional projects were completed in 2015. All bond funds have been fully expended as of August 31, 2016.

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2018, 2017 and 2016**

AMARILLO FOUNDATION FOR EDUCATION AND BUSINESS

On November 14, 2012, the Board of Regents entered into an agreement with an independent foundation entitled Amarillo Foundation for Education and Business (AFEB) for the sole purpose of selling land on East Campus. The Board of Directors consists of five members, two members who shall be appointed by PRANA Development Group, LLC, and three members who will be appointed by the College. AFEB is considered a blended component unit of the College. As of August 31, 2014, five land sales had taken place for a total of 77.46 acres being sold for \$863,752. There were no land sales in 2018, 2017 or 2016.

SUBSEQUENT EVENTS

On January 23, 2018 the Amarillo College Board of Regents at its regular board meeting approved the sale of a 6.2588-acre tract of land to the City of Hereford at fair market value (\$218 thousand). The citizens of Hereford voted on November 6, 2018 to approve the joint use of funds from the Hereford Economic Development Corporation (\$2.5 million) and reserve funds from the City of Hereford (\$4 million) to be used toward acquiring land and constructing a new civic center that would be adjacent to the Amarillo College Campus.

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FINANCIAL STATEMENTS

**AMARILLO COLLEGE
STATEMENT OF NET POSITION
AUGUST 31, 2018
Exhibit 1**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 9,166,930
Short-term investments	20,215,267
Accounts receivable, net	9,625,795
Inventories	1,156,326
Other assets	<u>739,660</u>
Total current assets	<u>40,903,978</u>

NONCURRENT ASSETS

Restricted cash and cash equivalents	3,192,633
Restricted investments	10,340,877
Endowment investments	2,500,000
Long-term grant receivable	1,000,000
Capital assets, net	126,622,265
Capital assets held for sale, net	<u>62,692</u>
Total noncurrent assets	<u>143,718,467</u>

TOTAL ASSETS

\$ 184,622,445

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows on net pension liability	\$ 2,340,372
Deferred outflows related to OPEB	2,015,167
Deferred charge on refunding	<u>1,910,673</u>

TOTAL DEFERRED OUTFLOWS

\$ 6,266,212

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 1,202,758
Accrued compensable absences - current portion	418,222
Retainage payable	15,472
Funds held for others	5,576,658
Unearned revenues	10,883,782
Bonds payable - current portion	3,585,000
Capital lease payable - current portion	23,708
Loans payable - current	<u>500,000</u>
Total current liabilities	<u>22,205,600</u>

NONCURRENT LIABILITIES

Accrued compensable absences	769,212
Deposits payable	152,281
Bonds payable	55,515,000
Loans payable - noncurrent	1,000,000
Unamortized debt premium	2,710,032
Net pension liability	10,237,600
Net OPEB liability	<u>71,519,923</u>
Total noncurrent liabilities	<u>141,904,048</u>

TOTAL LIABILITIES

\$ 164,109,648

**AMARILLO COLLEGE
STATEMENT OF NET POSITION, CONTINUED
AUGUST 31, 2018
Exhibit 1, Continued**

LIABILITIES AND NET POSITION, CONTINUED

DEFERRED INFLOWS OF RESOURCES	
Deferred inflows on net pension liability	\$ 4,313,522
Deferred inflows related to OPEB	15,813,398
	<hr/>
TOTAL DEFERRED INFLOWS	\$ 20,126,920
	<hr/> <hr/>
NET POSITION	
Net investment in capital assets	\$ 66,289,681
Restricted for:	
Nonexpendable:	
Endowment - True	2,500,000
Expendable:	
Capital projects	386,800
Debt service	2,858,088
Other, primarily donor restrictions	6,352,967
Unrestricted	(71,735,447)
	<hr/>
TOTAL NET POSITION (Schedule D)	\$ 6,652,089
	<hr/> <hr/>

The accompanying notes are an integral part to the financial statements.

AMARILLO COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED AUGUST 31, 2018
Exhibit 2

OPERATING REVENUES	
Tuition and fees (net of discounts of \$10,377,004)	\$ 14,416,526
Federal grants and contracts	6,467,853
State grants and contracts	1,548,297
Local grants and contracts	1,981,312
Nongovernmental grants and contracts	1,503,071
Sales and services of educational activities	505,553
Auxiliary enterprises (net of discounts)	5,561,365
Other operating revenues	495,880
	<hr/>
Total operating revenues (Schedule A)	32,479,857
OPERATING EXPENSES	
Instruction	38,152,241
Public service	3,891,530
Academic support	3,607,041
Student services	5,060,578
Institutional support	15,376,170
Operation and maintenance of plant	7,156,333
Scholarships and fellowships	8,475,841
Auxiliary enterprises	6,280,735
Depreciation	5,827,295
	<hr/>
Total operating expenses (Schedule B)	93,827,764
Operating loss	<u>(61,347,907)</u>
NONOPERATING REVENUES (EXPENSES)	
State appropriations	21,454,694
Maintenance ad valorem taxes	
Taxes for maintenance and operations	19,433,980
Taxes for general obligation bonds	6,412,262
Federal revenue, non-operating	16,805,032
Gifts	235,209
Investment income, net of investment expenses	931,259
Interest on capital-related debt	(2,191,051)
Gain on disposal of fixed assets	120,126
	<hr/>
Net nonoperating revenues (Schedule C)	63,201,511
Increase (Decrease) before special and extraordinary items	1,853,604
EXTRAORDINARY ITEM	
Insurance proceeds	1,502,788
	<hr/>
Increase (Decrease) in net position	3,356,392
NET POSITION - BEGINNING OF YEAR	86,678,370
PRIOR PERIOD ADJUSTMENT	<u>(83,382,673)</u>
NET POSITION - BEGINNING OF YEAR, RESTATED	3,295,697
NET POSITION - END OF YEAR	<u><u>\$ 6,652,089</u></u>

The accompanying notes are an integral part to the financial statements.

**AMARILLO COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2018
Exhibit 3**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from students and other customers	\$ 20,590,872
Receipts from grants and contracts	10,246,576
Payments to suppliers for goods or services	(18,137,210)
Payments to or on behalf of employees	(58,543,122)
Payments of scholarships	(8,779,165)
Other cash receipts (payments)	<u>389,026</u>
Net cash used by operating activities	<u>(54,233,023)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipts from state appropriations	21,492,354
Receipts from ad valorem taxes	25,804,585
Receipts from nonoperating federal revenue	16,797,369
Receipts from gift or grants	139,985
Student organization and other agency transactions	22,059
Extraordinary item - insurance proceeds	<u>1,502,788</u>
Net cash provided by noncapital financing activities	<u>65,759,140</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of capital assets	260,928
Proceeds on notes payable	1,500,000
Purchases of capital assets	(4,157,724)
Payments on capital debt principal	(3,365,000)
Payments on capital debt interest	<u>(2,238,349)</u>
Net cash used by capital and related financing activities	<u>(8,000,145)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale and maturity of investments	24,096,018
Purchases of investments	(23,632,645)
Investment earnings	<u>678,715</u>
Net cash provided by investing activities	<u>1,142,088</u>
INCREASE IN CASH AND CASH EQUIVALENTS	4,668,060
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>7,691,503</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u>\$ 12,359,563</u>

**AMARILLO COLLEGE
STATEMENT OF CASH FLOWS, CONTINUED
YEAR ENDED AUGUST 31, 2018
Exhibit 3, Continued**

**Reconciliation of net operating loss to net cash
used by operating activities:**

Operating loss	\$ (61,347,907)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation expense	5,827,295
Bad debt	479,927
Changes of deferred inflows of financial resources	17,305,327
Changes of deferred outflows of financial resources	(831,159)
Changes in assets and liabilities:	
Accounts receivable, net	(673,907)
Inventories	166,085
Other assets	(8,109)
Accounts payable	(373,218)
Accrued compensable absences	112,073
Unearned revenue	256,016
Net pension liability	(3,192,702)
Net OPEB liability	(11,962,750)
Deposits payable	10,006
Net cash used by operating activities	\$ (54,233,023)

Non-Cash Transactions

Donation of capital assets	\$ 36,500
Net change in fair value investments	326,872
Amortization of bond premiums and discounts	259,595

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

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 1 - REPORTING ENTITY

Amarillo College (the College) was established in 1929, in accordance with the laws of the state of Texas, to serve the educational needs of Amarillo and the surrounding communities. The College is considered to be 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 recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

The financial reporting entity includes both the primary institution and all of its component units. The Amarillo Foundation for Education and Business is considered to be a blended component unit. The blended component unit, although legally separate, is in substance part of the College's operations and, therefore, is reported as if it were part of the College. See Note 26 for additional information.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed by the 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.

Tuition Discounting

Texas Public Education Grants

Certain tuition amounts are required to 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 §56.033). When the award for tuition is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act 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 tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tuition Discounting (Continued)

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 amount is recorded as a tuition discount.

If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis of accounting 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.

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 Regents adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Deferred Inflows

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, deferred inflows of resources, 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. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB. The College has deferred inflows related to the recording of the net pension liability and the OPEB liability.

Deferred Outflows

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, deferred outflows of resources, 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 then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB. The College has deferred outflows relating to deferred charges on refunding debt and the net pension liability and the OPEB liability.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash held in endowments is not considered to be cash and cash equivalents for cash flow purposes as it is permanently restricted.

Restricted Cash

Restricted cash consists of restricted funds from donors, unspent bond proceeds, sinking funds, and cash belonging to the Amarillo Foundation for Education and Business (AFEB).

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase or are funds which have donor-imposed restrictions (endowments).

Inventories

Inventories consist of consumable office supplies, physical plant supplies (including fuel), computers, and bookstore stock. Inventories are valued at the lower of cost (under the first-in, first-out method) or market and are charged to expense as consumed.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation. The capitalization policy includes items valued at \$5,000 or more and a useful life of greater than two years. Renovations of \$100,000 or more to buildings, infrastructures, 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 the assets' lives are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

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

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, in November 2003. This Statement was effective for the College's fiscal year ending August 31, 2006. This Statement establishes accounting and financial reporting standards for impairment of capital assets and also clarifies and establishes accounting requirements for insurance recoveries. The College analyzed its capital assets for impairment in accordance with GASB Statement No. 42. As a result, there were no impairment losses recognized during 2018.

The College capitalizes interest costs incurred on funds used to construct property, plant and equipment. The capitalized interest is recorded as part of the assets to which it relates and is amortized over the asset's estimated useful life. Interest cost capitalized was \$-0- in 2018.

Unearned Revenues

Tuition, fees, and other revenues received and related to the periods after August 31, 2018, have been deferred. Tuition and fees of \$9,373,349 have been reported as unearned revenue at August 31, 2018.

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using 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' 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.

Other Postemployment Benefits

The fiduciary net position of the Employee Retirement System of Texas (ERS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of information about assets, liabilities and additions to / deductions from ERS's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Estimates

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

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Nonoperating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from nonoperating items. The College reports as a business-type activity and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major nonoperating revenues are state allocations, Title IV financial aid programs, and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

When both restricted and unrestricted resources are available for use, it is the College's practice to use restricted resources first, and then unrestricted resources as they are needed.

Change in Accounting Principles

During fiscal year 2018, the College adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was effective for financial statements for periods beginning after June 15, 2017. This Statement improves financial reporting by enhancing the reporting of the other postemployment benefits (OPEB) and a more comprehensive measure of OPEB expense. With GASB 75, the College must assume their proportionate share of the Net OPEB of the Employee Retirement System of Texas (ERS). Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively. There is added information available through new note disclosure and required supplementary information.

Restatement of Beginning Net Position

The College restated its Beginning Net Position by \$83,382,673. The decrease in net position was due to the following items:

Decrease in net position due to the implementation of GASB 75	\$ (83,482,673)
Increase in net position due to the addition of fixed assets not recorded properly	<u>100,000</u>
Beginning Net Position, restated	<u>\$ (83,382,673)</u>

Beginning net position was \$86,678,370 and has been restated to \$3,295,697.

NOTE 3 - AUTHORIZED INVESTMENTS

The College is authorized to invest in obligations and instruments as defined in the Public Funds Investment 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

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 3 - AUTHORIZED INVESTMENTS (CONTINUED)

rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents included on Exhibit 1, Statement of Net Position, as of August 31, 2018, are reported below:

Cash and cash equivalents	
Demand deposits	\$ (34,927)
TexPool	9,154,969
Petty cash on hand	46,888
Restricted TexPool	3,173,704
Restricted cash and cash equivalents	<u>18,929</u>
Total cash and cash equivalents (restricted, and unrestricted)	<u>\$ 12,359,563</u>

The following represents a reconciliation of deposits and investments as of August 31, 2018, to Exhibit 1:

<u>Type of Security</u>	<u>Market Value</u>
Savings/mutual funds	\$ 10,442,056
Certificates of deposit/CDARs	<u>22,614,088</u>
Total investments (Exhibit 1)	<u>\$ 33,056,144</u>
Cash and cash equivalents (Exhibit 1)	\$ 12,359,563
Investments (Exhibit 1)	<u>33,056,144</u>
Total deposits and investments	<u>\$ 45,415,707</u>

Investments as of August 31, 2018, are classified as follows:

Short-term investments	\$ 20,215,267
Restricted investments	10,340,877
Endowment investments	<u>2,500,000</u>
Total investments	<u>\$ 33,056,144</u>

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

As of August 31, 2018, the College had the following investments and maturities:

<u>Investment Type</u>	<u>Market Value</u>	<u>Percent</u>	<u>Investment Maturities (Years)</u>	<u>Security Rating</u>
Endowed savings/mutual funds	10,442,056	32%	Less than 1 year	Unrated - BBB
Certificates of deposit	<u>22,614,088</u>	<u>68%</u>	Less than 1 year	Unrated
Total investments	<u>\$ 33,056,144</u>	<u>100%</u>		

Interest Rate Risk - Interest rate risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. In accordance with state law and Board policy, the College does not purchase any investments with maturities greater than one year except for endowed funds which can be invested to a maximum of five years. The College uses the specific identification method to disclose interest rate risk.

Concentration of Credit Risk - Concentration risk is defined as positions of 5% or more in the securities of a single issuer. The College's investment policy states that the balance in external investment pools shall not exceed 35% of the total College investment portfolio unless approved by the Investment Committee of the Board of Regents. The College had no concentration of more than 5% as of August 31, 2018.

Credit Risk - In accordance with state law and the College's investment policy, with the exception of endowed investments, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A.

Custodial Credit Risk - For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of August 31, 2018, \$0- of the College's bank balances of \$5,213,951 were exposed to custodial risk.

Participation in External Investment Pools

As of August 31, 2018, the carrying amount of amounts invested in investment pools was \$12,328,673. Investment pools are recorded at cost, which approximated market value at August 31, 2018. All investment pools are uninsured and are not registered with the Securities and Exchange Commission. Investment pools are not subject to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form.

The College's investment in investment pools is TexPool Participant Services. TexPool Participant Services' regulatory oversight agent is the Texas Treasury Safekeeping Trust Company and their credit risk rating is AAAM. Their financial reports may be obtained by writing Federated Investment Management Company, 1001 Texas Avenue, Suite 1400, Houston, TX 77002.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 5 - FAIR VALUE MEASUREMENTS

The College follows Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, as guidance on fair value measurements. The standard establishes a three-level valuation hierarchy for disclosure based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). An asset's fair value measurement level within the hierarchy is based on the lowest level of input that is significant to the valuation.

The three levels are defined as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The College uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the College measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Assets Measured at Fair Value on a Recurring Basis

	<u>Fair Value</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
August 31, 2018:				
Money market mutual funds	\$ 317,433	\$ 317,433	\$ -	\$ -
CDARS and certificates of deposit	22,614,088	-	22,614,088	-
Mutual funds	<u>10,124,623</u>	<u>10,124,623</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 33,056,144</u>	<u>\$ 10,442,056</u>	<u>\$ 22,614,088</u>	<u>\$ -</u>

For the valuation of money market funds, TexPool Investments and mutual funds, at August 31, 2018, the College used quoted prices in principal active markets for identical assets as of the valuation date (Level 1).

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)

Assets Measured at Fair Value on a Recurring Basis (Continued)

For the valuation of CDARS and certificates of deposit at August 31, 2018, the College used significant other observable inputs as of the valuation date, particularly dealer market price for comparable investments as of the valuation date (Level 2).

A summary of investments classified according to any restrictions at August 31, 2018 is as follows:

Unrestricted investments	<u>\$ 20,215,267</u>
Restricted investments:	
Temporarily restricted	10,340,877
Permanently restricted	<u>2,500,000</u>
Total restricted investments	<u>12,840,877</u>
Total investments	<u>\$ 33,056,144</u>

There were no fair values of assets and liabilities measured on a nonrecurring basis at August 31, 2018.

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2018, was as follows:

	<u>Balance</u> <u>September 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>August 31, 2018</u>
Not depreciated:				
Land	\$ 5,397,795	\$ -	\$ 62,692	\$ 5,335,103
Construction in progress	97,317	440,970	97,317	440,970
Assets held pending sale	<u>-</u>	<u>62,692</u>	<u>-</u>	<u>62,692</u>
Total not depreciated	<u>5,495,112</u>	<u>503,662</u>	<u>160,009</u>	<u>5,838,765</u>
Other capital assets:				
Buildings and building improvements	158,963,312	2,210,693	182,203	160,991,802
Other real estate improvements	<u>7,444,788</u>	<u>1,844,194</u>	<u>-</u>	<u>9,288,982</u>
Total buildings and other real estate improvements	<u>166,408,100</u>	<u>4,054,887</u>	<u>182,203</u>	<u>170,280,784</u>
Library books	1,120,601	44,639	46,180	1,119,060
Furniture, machinery, vehicles and other equipment	<u>35,421,578</u>	<u>1,672,528</u>	<u>2,199,364</u>	<u>34,894,742</u>
Total other capital assets	<u>202,950,279</u>	<u>5,772,054</u>	<u>2,427,747</u>	<u>206,294,586</u>
Accumulated depreciation:				
Buildings and building improvements	48,674,999	3,218,179	87,489	51,805,689
Other real estate improvements	<u>3,289,423</u>	<u>468,723</u>	<u>-</u>	<u>3,758,146</u>
Total buildings and other real estate improvements	<u>51,964,422</u>	<u>3,686,902</u>	<u>87,489</u>	<u>55,563,835</u>

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>September 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>August 31, 2018</u>
Library books	1,041,486	18,147	46,180	1,013,453
Furniture, machinery, vehicles and other equipment	<u>27,065,744</u>	<u>2,143,957</u>	<u>338,595</u>	<u>28,871,106</u>
Total accumulated depreciation	<u>80,071,652</u>	<u>5,849,006</u>	<u>472,264</u>	<u>85,448,394</u>
Net other capital assets	<u>122,878,627</u>			<u>120,846,192</u>
Net capital assets	<u>\$ 128,373,739</u>			<u>\$ 126,684,957</u>

The College entered into construction contracts during the year. The total current commitments are \$199,937 at August 31, 2018. Capital assets include gross assets acquired under capital leases of \$93,222 as of August 31, 2018. Related amortization included in accumulated depreciation was \$46,611. Capital leases are included as a component of furniture, machinery, vehicles, and other equipment. Amortization of assets under capital leases is included in depreciation expense.

NOTE 7 - NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2018, was as follows:

	<u>Balance</u> <u>September 1, 2017</u> <u>(restated)</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>August 31, 2018</u>	<u>Due Within</u> <u>One Year</u>
Bonds					
General obligation bonds	\$ 58,905,000	\$ -	\$ 3,170,000	\$ 55,735,000	\$ 3,380,000
Revenue bonds	<u>3,560,000</u>	<u>-</u>	<u>195,000</u>	<u>3,365,000</u>	<u>205,000</u>
Subtotal	62,465,000		3,365,000	59,100,000	3,585,000
Accrued compensable absences	1,075,361	112,073	-	1,187,434	418,222
Deposits	142,275	49,328	39,322	152,281	-
Capital lease payable	46,581	-	22,873	23,708	23,708
Loans payable	-	1,500,000	-	1,500,000	500,000
Unamortized debt premium	2,969,627	-	259,595	2,710,032	-
Net pension liability	13,430,302	2,025	3,194,727	10,237,600	-
Net OPEB liability	<u>85,451,100</u>	<u>3,828,332</u>	<u>17,759,509</u>	<u>71,519,923</u>	<u>-</u>
	<u>\$ 165,580,246</u>	<u>\$ 5,491,758</u>	<u>\$ 24,641,026</u>	146,430,978	<u>\$ 4,526,930</u>
Current portion				<u>(4,526,930)</u>	
Noncurrent liabilities				<u>\$ 141,904,048</u>	

NOTE 8 - DEBT OBLIGATIONS

Debt service requirements at August 31, 2018, were as follows (amounts in 000's):

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 8 - DEBT OBLIGATIONS (CONTINUED)

For the Year Ended <u>August 31,</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Total Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 3,380	\$ 1,960	\$ 205	\$ 135	\$ 3,585	\$ 2,095
2020	3,775	1,816	210	126	3,985	1,942
2021	4,110	1,669	220	118	4,330	1,787
2022	4,410	1,513	230	109	4,640	1,622
2023	4,575	1,339	235	100	4,810	1,439
2024-2028	26,165	3,936	1,330	351	27,495	4,287
2029-2032	<u>9,320</u>	<u>470</u>	<u>935</u>	<u>76</u>	<u>10,255</u>	<u>546</u>
Total	<u>\$ 55,735</u>	<u>\$ 12,703</u>	<u>\$ 3,365</u>	<u>\$ 1,015</u>	<u>\$ 59,100</u>	<u>\$ 13,718</u>

Capital Leases

Obligations under capital leases at August 31, 2018, were as follows:

<u>For the Year Ended August 31,</u>	<u>Total</u>
2019	<u>\$ 24,573</u>
Total minimum lease payments	24,573
Less: Amount representing interests costs	<u>(865)</u>
Present Value of minimum lease payment	<u>\$ 23,708</u>

Operating Lease

The College leases a building from a not-for-profit organization for \$1 a year for 36 months. The College is required to use this building to provide child care services. The lease was effective March 1, 2017 and expires February 29, 2020.

NOTE 9 - NOTES PAYABLE

The College received a U.S. Department of Education Grant to fund a new building. The Title III Hispanic-Serving Institution (HSI) STEM Grant is funding the construction of a Greenhouse. Due to federal regulations and requirements, the College is not allowed to fund these projects up front and seek reimbursement for future years from the federal funding source. Therefore, a bank loan was required to complete the building project. The bank loan (including principal and interest) is being paid from federal grant sources and not by the College institutional funds.

Note payable for Title III HSI STEM Grant Contract

- Note will be used to pay for construction.

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 9 - NOTES PAYABLE (CONTINUED)

- Note is due in annual installments of \$500,000, plus interest with a rate of 3.65% , due May 11, 2021.

Debt service requirements at August 31, 2018, are as follows:

For the Year Ended August 31,	Title III HSI STEM Note	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 500,000	\$ 18,503
2020	500,000	18,503
2021	<u>500,000</u>	<u>18,503</u>
Total	<u>\$1,500,000</u>	<u>\$ 55,509</u>

NOTE 10 - BONDS PAYABLE

General information related to bonds payable is summarized below:

Combined Fee Revenue Bonds, Series 2011

- To renovate and expand the Moore County Campus.
- Issued October 25, 2011.
- \$4,470,000 originally issued; all authorized bonds have been issued.
- Source of revenue for debt service - Certain pledged revenues consisting primarily of a portion of tuition charges and other fees. Outstanding balance at August 31, 2018 and 2017, \$3,365,000 and \$3,560,000, respectively.
- The bonds are due in annual installments varying from \$335,000 to \$339,600, including interest at 4.0%, with the final installment due in 2031.

General Obligation Bonds, Series 2009

- General Obligation Bonds, Series 2009 will be used to construct and equip new buildings and renovate existing facilities. Refunding of bonds in September 2016 moved \$11,745,000 to Series 2016 General Obligation Bonds.
- Issued June 15, 2009 – 2nd Issue.
- \$16,000,000 second issue of the \$68,305,000 authorized in fiscal year 2008.
- Source of revenue for debt service - Ad valorem tax levied by the District on taxable property. Outstanding balance at August 31, 2018 and 2017: \$920,000 and \$1,805,000, respectively.
- The bonds have a final installment of \$938,400, including interest with an interest rate of 4.00%, due in 2019.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 10 - BONDS PAYABLE (CONTINUED)

General Obligation Improvement and Refunding Bonds, Series 2010

- General Obligation Improvement and Refunding Bonds, Series 2010, will be used to construct and equip new buildings and renovate existing facilities and refund the outstanding balance of the General Obligation Refunding Bonds, Series 2005.
- Issued June 15, 2010 – 3rd issue.
- \$21,135,000 originally issued, of which \$5,135,000 was the Refunding of the General Obligation Refunding Bonds, Series 2005 and \$16,000,000 was the third issue of the \$68,305,000 authorized in fiscal year 2008.
- Average interest rate of bonds refunded: 3.96%.
- Net proceeds from series: \$21,423,938, net of cost of issuance of \$99,250, of which \$5,340,062 was used in the refunding of the General Obligation Refunding Bonds, Series 2005.
- Source of revenue for debt service – Ad valorem tax levied by the District on taxable property. Outstanding balance at August 31, 2018 and 2017: \$15,110,000 and \$15,600,000, respectively.
- The bonds are due in annual installments varying from \$1,107,500 to \$1,693,300, including interest with interest rates from 4.0% to 4.25%, with the final installment due in 2030.

General Obligation Bonds, Series 2012

- General Obligation Improvement and Refunding Bonds, Series 2012, will be used to construct and equip new buildings and renovate existing facilities.
- Issued May 15, 2012 – 4th issue
- \$14,305,000 fourth and final issue of the \$68,305,000 authorized in fiscal year 2008.
- Source of revenue for debt service – Ad valorem tax levied by the District on taxable property. Outstanding balance at August 31, 2018 and 2017: \$13,670,000 and \$14,200,000, respectively.
- The bonds are due in annual installments varying from \$989,163 to \$1,276,178, including interest with interest rates from 3.0% to 4.0%, with the final installment due in 2032.

General Obligation Bonds, Series 2015

- Limited Tax Refunding Bonds, Series 2015, used to refund part of General Obligations Bonds Series 2008.
- Issued July 2, 2015
- Average Interest rate of bonds: 4.022%

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 10 - BONDS PAYABLE (CONTINUED)

- Proceeds from Series: \$9,946,064 received, less cost of issuance of \$171,193, of which the remainder, \$9,774,871, was used in refunding part the General Obligations Bonds Series 2008.
- Source of revenue for the debt service – Ad valorem tax levied by the District on taxable property. Outstanding balance at August 31, 2018 and 2017: \$8,520,000, respectively.
- The bonds are due in annual installments varying from \$343,450 to \$1,779,800, including interest with the interest rates from 4.00% to 4.50%, with the final installment due in 2028.

On July 2, 2015, Amarillo Junior College District issued general obligation bonds in the amount of \$8,665,000 with an interest rate from 2.00% to 4.50% to advance refund term bonds with an interest rate from 4.00% to 5.00% and a par value of \$8,665,000. The term bonds mature on February 15, 2028, and are callable on February 15, 2025. The general obligation bonds were issued at par and, after paying issuance costs of \$171,193 and including the reoffering premium of \$1,281,064, the net proceeds were \$9,774,871. The net proceeds from the issuance of the general obligations bonds were used to purchase U.S. government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called on February 15, 2018. The advance refunding met the requirements of an in-substance debt defeasance, and the term bonds were removed from the District's financial statements. The defeased bonds were paid off during 2018.

As a result of the advance refunding, the District reduced its total debt service requirements by \$1,190,831, which resulted in an economic gain of \$1,008,316 and an accounting gain of \$1,011,941.

General Obligation Bonds, Series 2016

- Limited Tax Refunding Bonds, Series 2016, used to refund a portion of the General Obligations Bond Series 2008 and the General Obligation Bonds Series 2009.
- Issued September 1, 2016
- Average Interest rate of bonds: 3.1211%
- Proceeds from Series: \$19,321,621 received, less cost of insurance of \$148,080, of which the remainder, \$19,173,541, was used in refunding part of the General Obligations Bonds Series 2008 and 2009.
- Source of revenue for the debt service – Ad Valorem tax levied by the District. Outstanding balance at August 31, 2018 and 2017 was \$17,515,000 and \$17,615,000, respectively.
- The bonds are due in annual installments varying from \$690,613 to \$2,720,713 including interest with the interest rates from 2.00% to 4.00%, with the final installment due in 2029.

On September 1, 2016, Amarillo Junior College District issued general obligation bonds in the amount of \$17,720,000 with an interest rate from 2.00% to 4.00% to advance refund term bonds

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 10 - BONDS PAYABLE (CONTINUED)

with an interest rate from 4.05% to 5.00% and a par value of \$17,720,000. The term bonds mature on February 15, 2029 and are callable on February 15, 2026. The general obligation bonds were issued at par and, after paying issuance costs of \$148,080 and including the reoffering premium of \$1,601,621, the net proceeds were \$19,173,541. The net proceeds from the issuance of the general obligations bonds were used to purchase U.S. government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called on February 15, 2018 for 2008 series and February 15, 2019 for 2009 series. The advance refunding met the requirements of an in-substance debt defeasance, and the term bonds were removed from the District's financial statements. The amount of the defeased bonds still outstanding at August 31, 2018 is \$11,745,000.

As a result of the advance refunding, the District reduced its total debt service requirements by \$1,997,289, which resulted in an economic gain of \$1,936,084 and an accounting gain of \$1,777,734.

NOTE 11 - EMPLOYEES' RETIREMENT PLANS

Plan Description

The College participates in a cost-sharing, multiple-employer defined benefit pension plan (the Plan) that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan 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 (IRC). 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 benefits.

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.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System'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.state.tx.us/about/documents/cafr.pdf#CAFR>; 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 employees (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

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 11 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Benefits Provided (Continued)

salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, whose formulas use the three highest annual salaries. The normal service retirement is at age 65 with 5 years of service credit 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 postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment 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 XVI, 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' 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. The Texas Legislature, General Appropriations Act (GAA) establishes the employer contribution rates for fiscal years 2017 and 2018. Contribution amounts are as follows:

	<u>Contributions Required and Made</u>
2018 Member (Employee) Contributions	\$ 2,114,870
2018 College (Employer) Contributions	1,154,173
2017 Non-employer contributing agency (State)	642,044

Contribution rates for Plan fiscal years (September to August) 2017 and 2018 follow:

	<u>Contribution Rates Plan Fiscal Year</u>	
	<u>2017</u>	<u>2018</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity	6.8%	6.8%
Employer	6.8%	6.8%

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 11 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Contributions (Continued)

Contributors to the plan include members, employers, and the State of Texas as the only non-employer contributing entity.

As the non-employer contributing entity for public education and junior 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. Employers, including junior colleges, are 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.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.

Actuarial Assumptions

The actuarial methods and assumptions are based primarily on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

The total pension liability in the August 31, 2017 actuarial valuation, was determined using the following actuarial assumptions:

Valuation date	August 31, 2017
Actuarial cost method	Individual Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions:	
Single discount rate	8.00%
Long-term expected investment rate of return	8.00%
Inflation	2.50%
Salary increases including inflation	3.50% to 9.50%
Payroll growth rate	2.50%
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 11 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Changes Since the Prior Actuarial Valuation

There were no changes to the actuarial assumptions or other inputs that affected 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-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are 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, 2017, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Geometric Basis</u>	<u>Long-Term Expected Portfolio Real Rate of Return*</u>
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%

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 11 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Discount Rate (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Geometric Basis</u>	<u>Long-Term Expected Portfolio Real Rate of Return*</u>
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	<u>5.0%</u>	<u>6.7%</u>	<u>0.3%</u>
Inflation Expectations			2.2%
Alpha			1.0%
Total	<u>100.0%</u>		<u>8.7%</u>

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

Sensitivity of the College's Share of the Net Pension Liability

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2017 Net Pension Liability:

	<u>1% Decrease in Discount Rate</u> 7%	<u>Current Discount Rate</u> 8%	<u>1% Increase in Discount Rate</u> 9%
College's proportionate share of the net pension liability	\$ 17,258,571	\$ 10,237,600	\$ 4,391,502

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2018, the College reported a liability of \$10,237,600 for its proportionate share of the 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 net pension liability	\$ 10,237,600
State's proportionate share of the net pension liability associated with the College	<u>6,276,976</u>
Total	<u>\$ 16,514,576</u>

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 11 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The net pension liability was measured as of August 31, 2017, 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 participating entities to the Plan for the period September 1, 2016, through August 31, 2017.

At August 31, 2017, the College's proportion of the collective net pension liability was 0.0320179026%, which is a decrease of 0.0035227968% from its proportion measured as of August 31, 2016.

For the year ended August 31, 2018, the College recognized pension expense of \$478,783 and revenue of \$478,783 for support provided by the State.

At August 31, 2018, the College reported its proportionate share of the TRS's deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 149,781	\$ 552,100
Changes of assumptions	466,339	266,968
Net difference between projected and actual earnings on pension plan investments	-	746,094
Changes in proportion and differences between College contributions and proportionate share of contributions	570,079	2,748,360
College contributions subsequent to the measurement date	<u>1,154,173</u>	<u>-</u>
Total	<u>\$ 2,340,372</u>	<u>\$ 4,313,522</u>

The \$1,154,173 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31,

2019	\$ (726,926)
2020	(73,433)
2021	(777,121)
2022	(946,288)

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 11 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Year ended August 31,

2023	(456,446)
Thereafter	<u>(147,109)</u>
Total	<u>\$ (3,127,323)</u>

Optional Retirement Plan – Defined Contribution Plan

Plan Description. Participation in the Optional Retirement Program (ORP) is in lieu of participation in the TRS. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined, but are established and amended by the Texas State Legislature. The percentage of participant salaries currently contributed by the state is 6.6% for fiscal years 2018 and 2017. The participant contribution rate is 6.65% for both 2018 and 2017. The College contributes 1.31% 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 annuity contracts, the state has no additional or unfunded liability for this program. S.B. 1812, effective September 1, 2013, limits the amounts of the state's contribution to 50% of eligible employees in the reporting district.

The ORP expense to the state for the College was \$244,507, \$205,009, and \$225,761 for the fiscal years ended August 31, 2018, 2017, and 2016, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll of employees covered by the ORP was \$7,598,734, \$7,051,864, and \$7,867,546 for fiscal years 2018, 2017, and 2016, respectively.

College-Sponsored Benefit Plans

The College has a voluntary employee defined contribution 403(b) plan administered by the Plan's trustee. The Plan is funded by matching employee and employer contributions of 6.65% of employee compensation. Plan funds are held in trust and are administered by the College's Vice-President of Business Affairs with oversight by the Board of Regents. The Plan was amended during the year ended August 31, 2016 to allow for loans against the participants' investments and to allow for participant directed investing. Full-time employees and certain part-time employees are eligible to participate and are fully vested at all times. At August 31, 2018, 2017,

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 11 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

College-Sponsored Benefit Plans

and 2016, there were 953, 916, and 923, respectively, plan participants. The related expense was \$2,037,912, \$1,565,122, and \$1,575,633 for the years ended August 31, 2018, 2017, and 2016, respectively.

The College sponsors the Amarillo College Benefit Plan (the Plan) which provides disability and survivorship benefits. The Plan is a non-trusted benefit program and currently has \$5,267,982 in assets with a liability of \$5,267,982 recorded in Funds Held for Others. The Colleges contributions to the Plan for August 31, 2018, 2017, and 2016 were \$217,592, \$198,875, and \$200,348.

Part-time employees that are not covered by the defined contribution employee benefit plan are covered by a plan established pursuant to IRC Section 457. As a result of the passage of the Small Business Job Protection Act of 1996, beginning January 1, 1999, part-time plan funds are held by a third party custodian in individual trust accounts for the exclusive benefit of the participants. Investments are directed by the investment manager of the plan. The College is responsible for selecting the investment manager. The related expense was \$138,012, \$138,796, and \$222,310, for the years ended August 31, 2018, 2017, and 2016, respectively.

NOTE 12 - DEFERRED COMPENSATION PROGRAM

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001.

NOTE 13 - COMPENSABLE ABSENCES

Full-time employees earn annual leave from eight to twelve hours per month depending on the number of years employed with the College. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 160 for those employees with five or less years of service, up to 200 hours for those employees with more than five years but under ten years of service, and up to 240 hours for those employees with more than ten years of service. 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 amount of \$1,187,434 as of August 31, 2018. Sick leave, which can be accumulated up to 120 days, is earned at the rate of eight hours per month; however, sick leave is not paid at termination. The College's policy is to recognize the cost of sick leave when utilized by employees.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 14 - ENDOWMENTS

KACV-TV (the Station) is part of and is operated by the College. In 1999, the Station received \$1,000,000 from the Sybil B. Harrington Living Trust (Harrington Trust) which was specified as an endowment. In 2005, the Station received an additional \$500,000 gift from an anonymous donor that was to be held as an endowment. The College also received a \$1,000,000 endowment from the Harrington Trust for the Harrington Library Consortium.

NOTE 15 - COMMITMENTS, CONTINGENCIES AND LAWSUITS

The College participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. In the opinion of the College's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Additionally, the College's students participate in the Federal Direct Loan Program for which the proceeds are used for tuition and education-related costs. Regulations require that default rates pertaining to loans to persons attending the College not exceed certain levels at the College. In the event that specific levels were exceeded, the program could be discontinued at the College; however, the College does not anticipate this occurring. The total amount of Direct Loans made during 2018 was \$12,246,820.

In August 2017, the College committed to participate in the expansion of the ACE mission by establishing and participating in the ACE Amarillo Scholarship Fund to be maintained at the Amarillo Area Foundation for the benefit of Amarillo Independent School District high school graduates. The College will participate in the funding of this project with three other partners. Contributions from the College should not exceed \$3,500,000 and will be made over a six-year period.

On August 31, 2018, various claims involving the College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, if any, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

NOTE 16 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Accounts Receivable

Accounts receivable at August 31, 2018 were as follows:

Student receivables	\$ 6,972,716
Taxes receivable	802,006
Government grants and contracts	1,634,493

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 16 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Accounts Receivable (Continued)

Other receivables	755,276
Total accounts receivable	10,164,491
Allowance for doubtful accounts	(538,696)
Total accounts receivable, net	<u>\$ 9,625,795</u>

Accounts Payable

Accounts payable at August 31, 2018, were as follows:

Vendors payable	\$ 470,228
Salaries and benefits payable	702,866
Interest payable	29,664
Total accounts payable	<u>\$ 1,202,758</u>

NOTE 17 - 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) Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2, Schedule A, and Schedule C.

For federal and nonfederal contract and grant awards, funds expended, but not collected, are reported as accounts receivable on Exhibit 1. For federal and nonfederal contract and grant awards, funds received, but not yet expended, are reported as deferred revenue 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. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal year 2018 for which monies have not been received nor funds expended, totaled \$7,871,834. Of these amounts, \$2,590,514 were from federal contracts and grant awards, \$4,079,568 were from state contract and grant awards, and \$1,201,752 were from private contract and grant awards for the fiscal year ended 2018.

NOTE 18 - SELF-INSURED PLANS

The College does not participate in public entity risk pools. Claims and judgments are accounted for in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. Property and casualty risks are insured through insurance contracts. Workers' compensation risks are substantially covered by insurance. Health claims are fully covered by the state of Texas.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 19 - HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain healthcare and life insurance 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 by expending the annual insurance premiums. The state's contribution per full-time employee was approximately \$622 per month for the year ended August 31, 2018, (\$617 per month for the year ended August 31, 2017) and totaled \$3,906,122 for the year ended August 31, 2018, (\$3,475,404 for the year ended August 31, 2017). The cost of providing those benefits for retirees in the year ended 2018 was \$1,745,845 (retiree benefits for retirees cost \$1,702,008 in 2017). For active employees, the cost of providing benefits was \$2,160,277 for the year ended 2018 (active employee benefits for employees cost \$1,773,396 for the year ended 2017).

Beginning September 1, 2013, S.B. 1812 limited the state's contribution to 50% of eligible employees for community colleges.

NOTE 20 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

The College participates in a cost-sharing, multiple employer, other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position

Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877)275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 20 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Benefits Provided

Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions

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. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

**Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2017**

Employer Contribution Rates

Retiree only	\$ 617.30
Retiree and spouse	\$ 970.98
Retiree and children	\$ 854.10
Retiree and family	\$ 1,207.78

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 20 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Contributions (Continued)

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

**Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31,**

	<u>2018</u>
Current fiscal year employer contributions	\$ 1,993,992
Current fiscal year member contributions	-
2017 measurement year NECE on-behalf contributions	1,702,008

Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Additional Actuarial Methods and Assumptions:

Valuation date	August 31, 2017
Actuarial cost method	Entry Age
Amortization	Level percent of pay, open
Discount rate	3.51%
Remaining Amortization	30 Years
Asset Valuation Method	Not Applicable
Projected salary increases (includes inflation)	2.5% to 9.5%
Healthcare trend rates	8.5% for FY 2019, decreasing 0.5% per year to 4.5% for FY 2027 and later years
Inflation assumption rate	2.5%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014
Disability retirees	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014 using a 3-year set forward

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 20 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Active members	and minimum mortality rates of four per male members and two per 100 female members Sex District RP-2014 Employee Mortality multiplied by 90% with full generational projection using Scale BB
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Many actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2010 to August 31, 2014 for higher education members.

Changes Since the Prior Actuarial Valuation

Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- New demographic assumptions, assumed aggregate payroll increases and rate of general inflation were updated to reflect an experience study;
- The percentage of current and future retirees and retiree's spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan who will elect to participate at the earliest date at which coverage can commence has been updated to reflect recent plan experience and expected trends.
- The proportions of future retirees covering dependent children and future retirees assumed to be earned and electing coverage
- Assumptions for administrative expenses, assumed per Capita Health Benefit Costs, Health Benefit Cost and Retiree Contribution trends to reflect recent health plan experience; and it's effects in short-term expectations and revised assumed rate of general inflation.
- The discount rate was lowered from 5.5% to 3.51% as a result of requirements of GASB 74 to utilize the yield or index rate for 20-year, tax exempt general obligation bonds rated AA/Aa (or equivalent or higher).

The following benefit revisions have been adopted since the prior measurement date.

- An increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- An elimination of the copayment for virtual visits;

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 20 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes Since the Prior Actuarial Valuation (Continued)

- A copay reduction for Airrosti and for out-of-state participants;
- Elimination of the deductible for in-network services and application of a copayment rather than coinsurance to certain services like primary care and specialist visits.

These minor benefit changes have been reflected in the fiscal year 2018 Assumed Per Capita Health Benefit Costs.

Investment Policy

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate in the prior fiscal year was 5.5%. The discount rate assumption was lowered as a result of requirements by GASB No. 74. At the beginning of the measurement year the discount rate was 2.84%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.51%, which amounted to an increase of 0.67% from the beginning of the year. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable to zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the College's proportionate share of the collective Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.51%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate <u>2.51%</u>	Current Single Discount Rate <u>3.51%</u>	1% Increase in Discount Rate <u>4.51%</u>
Proportionate share of the Net OPEB Liability	\$ 85,373,890	\$ 71,519,923	\$ 60,788,786

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 20 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Healthcare Cost Trend Rates Sensitivity Analysis

The initial healthcare trend rate is 8.5% and the ultimate rate is 4.5%. The following presents the College's proportionate share of the collective net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB Liability would be if it were calculated using a healthcare cost trend rate that is one-percentage point lower or one-percentage point higher than healthcare cost trend rate that was used (8.5% decreasing to 4.5%) in measuring the Net OPEB Liability.

	1% Decrease in Healthcare Trend Cost (7.5% decreasing to 3.5%)	Current Healthcare Cost Trend Rate (8.5% decreasing to 4.5%)	1% Increase in Healthcare Cost Trend (9.5% decreasing to 5.5%)
Proportionate share of the Net OPEB Liability	\$ 60,124,656	\$ 71,519,923	\$ 86,305,939

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2018, the College reported a liability of \$71,519,923 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the College. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows:

College's proportionate share of the collective Net OPEB Liability	\$ 71,519,923
State's proportionate share that is associated with the College	<u>60,737,347</u>
Total	<u>\$132,257,270</u>

The net OPEB liability was measured as of August 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's portion of the net OPEB liability was based on the College's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

At the measurement date August 31, 2017, the College's proportion of the collective net OPEB liability was 0.20990197%. Since this is the first year of implementation, the College does not have the proportion measured as of August 31, 2016. The Notes to the Financial Statements for August 31, 2016 for ERS stated that the change in proportion was immaterial and, therefore, disregarded this year.

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 20 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

For the year ended August 31, 2018, the College recognized total OPEB expense of \$5,146,833 and revenue for support provided by state and federal sources of \$3,311,352.

At August 31, 2018, the College reported its proportionate share of the ERS's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ 859,440
Changes in actuarial assumptions	-	14,953,958
Differences between projected and actual investment earnings	21,175	-
Changes in proportion and differences between the employer's contributions and proportionate share of contributions	-	-
Total as of August 31, 2017 measurement date	\$ 21,175	\$ 15,813,398
Contributions paid to ERS subsequent to the measurement date	1,993,992	-
Total as of fiscal year end	\$ 2,015,167	\$ 15,813,398

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

Year ended August 31,

2019	\$ (3,556,282)
2020	(3,556,282)
2021	(3,556,282)
2022	(3,556,282)
2023	(1,567,095)
Thereafter	-
Total	\$ (15,792,223)

NOTE 21 - 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 personal property located in the taxing jurisdiction.

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 21 - AD VALOREM TAX (CONTINUED)

At August 31, 2018:

Assessed valuation of the District	\$ 15,082,945,038
Less: exemptions	<u>2,168,266,027</u>
Net assessed valuation of the District	<u>\$ 12,914,679,011</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized (maximum per enabling legislation)	\$.20000	\$.50000	\$.70000
Tax rate per \$100 valuation for assessed	.15619	.05131	.20750

Taxes levied for the year ended August 31, 2018, were \$25,813,763 (which includes penalty and interest assessed and adjustments, if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 19,218,948	\$ 6,312,063	\$ 25,531,011
Delinquent taxes collected	142,142	36,737	178,879
Penalties and interest collected	<u>170,087</u>	<u>44,415</u>	<u>214,502</u>
Total collections	<u>\$ 19,531,177</u>	<u>\$ 6,393,215</u>	<u>\$ 25,924,392</u>

Tax collections for the year ended August 31, 2018, were 98.90% 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 to either maintenance and operations or interest and sinking fund expenditures.

NOTE 22 - TAX ABATEMENTS

The College receives reduced property tax revenues as a result of exemptions granted by the City of Amarillo. The exemptions are intended to promote economic development in the Amarillo area. For the fiscal year ended August 31, 2018, the College's property tax revenues were reduced by \$388,838 under these exemptions. There are no significant abatements made by the College.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 23 - BRANCH CAMPUS MAINTENANCE TAX

A branch campus maintenance tax that is established by election is levied by Moore County and Hereford Independent School District. It 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 the District. Collections are transferred to the College to be used for operation of a branch campus in Dumas, Texas, and Hereford, Texas. This revenue is reported under local grant contracts. Collections in fiscal year 2018 (including penalties and interest) from Moore County totaled approximately \$1,073,000, and from Hereford Independent School District totaled approximately \$743,000.

NOTE 24 - INCOME TAXES

The College is exempt from income taxes under IRC Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under IRC Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The College had no significant unrelated business income for the year ended August 31, 2018.

NOTE 25 - RELATED PARTIES

The Amarillo College Foundation, Incorporated (the Foundation) is a nonprofit organization with the primary purpose of supporting the educational and other activities of various entities, including the College. The Foundation solicits donations and awards scholarships, including substantial scholarships to students not attending the College. The College does not appoint a voting majority to the board of directors nor does it fund or is it obligated to pay debt related to the Foundation. Accordingly, the Foundation has not been presented as a discrete component unit of the College.

The Foundation remitted restricted gifts of approximately \$66,000 to the College during the year ended August 31, 2018. During the fiscal year, the College furnished certain services, such as office space, utilities and some staff assistance, to the Foundation. The amount of such services provided by the College has not been determined.

NOTE 26 - BLENDED COMPONENT UNIT

Amarillo Foundation for Education and Business

On November 14, 2012, the Board of Regents entered into an agreement with an independent foundation entitled Amarillo Foundation for Education and Business (AFEB) for the sole purpose of selling land on East Campus. The land is held by the College which, in turn, sells the land to AFEB when AFEB has found a buyer. The board of directors consists of five members, two of whom are appointed by PRANA Development Group, LLC, and three members who are appointed by the College. AFEB is considered a blended component unit of the College. There were no sales during the fiscal year ended August 31, 2018.

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018**

NOTE 26 - BLENDED COMPONENT UNIT (CONTINUED)

Amarillo Foundation for Education and Business (Continued)

**Condensed Statements of Net Position
August 31, 2018**

Assets	
Current assets	\$ 8,230
Total assets	<u>8,230</u>
Liabilities	<u>-</u>
Net position	
Restricted	<u>8,230</u>
Total net position	<u>\$ 8,230</u>

**Condensed Statements of Revenues, Expenses and Changes in Net Position
August 31, 2018**

Operating revenues	\$ -
Total revenues	<u>-</u>
Operating expenses	<u>175</u>
Total expenses	<u>175</u>
Decrease in net position	<u>(175)</u>
Net position	
Net position, beginning of year	<u>8,405</u>
Net position, end of year	<u>\$ 8,230</u>

**Condensed Statements of Cash Flows
August 31, 2018**

Net cash used by operating activities	\$ (175)
Net decrease in cash and cash equivalents	(175)
Cash and cash equivalents, beginning of year	<u>8,405</u>
Cash and cash equivalents, end of year	<u>\$ 8,230</u>

NOTE 27 - NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued several new pronouncements that the College has reviewed for application to their accounting and reporting.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 27 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Recently Issued Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Among other things, Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2017. The College implemented this statement in 2018.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). It requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred and requires that a deferred outflow of resources associated with an ARO to be measured at the amount of the corresponding liability upon initial measurement. In addition, this statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation, at least annually, and requires a government to evaluate all relevant factors, at least annually, and requires a government to evaluate all relevant factors, at least annually, to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. In cases where governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities, this statement requires disclosure of how those funding and assurance requirements are being met, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. GASB 83 is effective for financial statements for reporting periods beginning after June 15, 2018. The College implemented this statement in 2018.

GASB Statement No. 84, *Fiduciary Activities*, the objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. GASB No. 84 is effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 85, *Omnibus 2017*, the objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 27 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB 85 is effective for reporting periods beginning after June 15, 2017. The College implemented this statement in 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, the primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance debt that is extinguished and notes to financial statements for debt that is defeased in substance. GASB 86 is effective for reporting periods beginning after June 15, 2017. The College implemented this statement in 2018.

GASB Statement No. 87, *Leases*, the objective of this statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Borrowing and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The College is currently evaluating the effect of this statement on their financial statements.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 27 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

GASB Statement No. 89, *Accounting For Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of *Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2018

NOTE 27 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The College is currently evaluating the effect of this statement on their financial statements.

NOTE 28 - SUBSEQUENT EVENTS

The College evaluated for inclusion as a subsequent event disclosure those events that occurred prior to November 27, 2018, the date the financial statements were issued.

On January 23, 2018 the Amarillo College Board of Regents at its regular board meeting approved the sale of a 6.2588-acre tract of land to the City of Hereford at fair market value (\$218 thousand). The citizens of Hereford voted on November 6, 2018 to approve the joint use of funds from the Hereford Economic Development Corporation (\$2.5 million) and reserve funds from the City of Hereford (\$4 million) to be used toward acquiring land and constructing a new civic center that would be adjacent to the Amarillo College Campus in Hereford.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**AMARILLO COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF TEXAS
For the Years Ended August 31**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
College's proportionate share (percentage) of the net pension liability	.0320179%	.0355407%	.0432006%	.0394211%
College's proportionate share (amount) of the net pension liability	\$ 10,237,600	\$ 13,430,302	\$ 15,270,837	\$ 10,529,921
State's proportionate share (amount) of the net pension liability associated with the College	<u>6,276,976</u>	<u>6,960,228</u>	<u>5,604,542</u>	<u>6,837,829</u>
Total	<u>\$ 16,514,576</u>	<u>\$ 20,390,530</u>	<u>\$ 20,875,379</u>	<u>\$ 17,367,750</u>
College's covered-employee payroll (for measurement year)	\$ 24,718,018	\$ 24,505,834	\$ 25,103,781	\$ 24,102,504
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	41.42%	54.80%	60.83%	43.69%
Plan's fiduciary net pension as a percentage of the total pension liability	82.17%	78.00%	78.43%	83.25%

Note 1: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement date.

Note 2: In accordance with GASB 68, Paragraph 138, only four years of data are presented this reporting period. "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."

**AMARILLO COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF TEXAS
For the Years Ended August 31**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,154,173	\$ 1,051,068	\$ 1,137,359	\$ 1,240,322
Contributions in relation to the contractually required contributions	<u>(1,154,173)</u>	<u>(1,051,068)</u>	<u>(1,137,359)</u>	<u>(1,240,322)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll	<u>\$ 27,413,051</u>	<u>\$ 24,718,018</u>	<u>\$ 24,505,834</u>	<u>\$ 25,103,781</u>
Contributions as a percentage of covered-employee payroll	4.21%	4.25%	4.64%	4.94%

Note 1: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of College's respective fiscal years as opposed to the time periods covered by the measurement date.

Note 2: In accordance with GASB 68, Paragraph 138, only four years of data are presented this reporting period. "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."

**AMARILLO COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ERS)
Year Ended August 31,****

College's Proportion of collective Net OPEB Liability	0.209902%
College's Proportionate Share of collective Net OPEB Liability	\$ 71,519,923
State's Proportionate Share of the Net OPEB Liability associated with the College	<u>60,737,347</u>
Total	<u>\$ 132,257,270</u>
College's Covered -Employee Payroll	\$ 22,247,788
College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	321.47%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.04%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2018 are based on the August 31, 2017 measurement date.

**This schedule shows only the year for which this information is available. Additional information will be added until 10 years of data are available and reported.

AMARILLO COLLEGE
SCHEDULE OF COLLEGE'S CONTRIBUTIONS TO THE OPEB PLAN
Year Ended August 31,**

	<u>2018</u>
Contractually required contribution	\$ 1,993,992
Contribution in relation to the contractually required contribution	<u>(1,993,992)</u>
Contribution deficiency (excess)	<u> -</u>
College's covered-employee payroll	\$ 24,922,800
Contributions as a percentage of covered payroll	8.00%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the College's respective fiscal year as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

**This schedule shows only the year for which this information is available. Additional information will be added until 10 years of data are available and reported.

AMARILLO COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended August 31, 2018

NOTE 1 - CHANGES OF BENEFIT TERMS FOR PENSION LIABILITY

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

NOTE 2 - CHANGES OF ASSUMPTIONS FOR PENSION LIABILITY

There were no changes of assumptions that affected measurement of the total liability during the measurement period.

NOTE 3 - CHANGES OF BENEFIT TERMS FOR OPEB

The following benefit revisions have been adopted since the prior measurement date.

- An increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- An elimination of the copayment for virtual visits;
- A copay reduction for Airrosti and for out-of-state participants;
- Elimination of the deductible for in-network services and application of a copayment rather than coinsurance to certain services like primary care and specialist visits.

These minor benefit changes have been reflected in the fiscal year 2018 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

NOTE 4 - CHANGES IN ASSUMPTIONS FOR OPEB

Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- New demographic assumptions, assumed aggregate payroll increases and rate of general inflation were updated to reflect an experience study;
- The percentage of current and future retirees and retiree's spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan who will elect to participate at the earliest date at which coverage can commence has been updated to reflect recent plan experience and expected trends.
- The proportions of future retirees covering dependent children and future retirees assumed to be earned and electing coverage
- Assumptions for administrative expenses, assumed per Capita Health Benefit Costs, Health Benefit Cost and Retiree Contribution trends to reflect recent health plan experience; and it's effects in short-term expectations and revised assumed rate of general inflation.
- The discount rate was lowered from 5.5% to 3.51% as a result of requirements of GASB 74 to utilize the yield or index rate for 20-year, tax exempt general obligation bonds rated AA/Aa (or equivalent or higher).

OTHER SUPPLEMENTAL INFORMATION

**AMARILLO COLLEGE
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2018
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2018</u>	<u>2017</u>
TUITION						
State-funded courses						
In-district resident tuition	\$ 9,357,443	\$ -	\$ 9,357,443	\$ -	\$ 9,357,443	\$ 8,986,995
Out-of-district resident tuition	2,239,237	-	2,239,237	-	2,239,237	1,982,048
Non-resident tuition	731,394	-	731,394	-	731,394	520,635
TPEG - Credit (set aside)*	488,736	-	488,736	-	488,736	460,049
State-funded continuing education	1,245,421	20,683	1,266,104	-	1,266,104	1,198,130
TPEG - Non-credit (set aside)*	74,725	1,241	75,966	-	75,966	71,888
Non-state funded continuing education	530,913	5,198	536,111	-	536,111	548,660
Total tuition	<u>14,667,869</u>	<u>27,122</u>	<u>14,694,991</u>	<u>-</u>	<u>14,694,991</u>	<u>13,768,405</u>
FEES						
Distance learning fee	1,567,185	-	1,567,185	-	1,567,185	1,548,063
General fee	4,428,048	-	4,428,048	-	4,428,048	4,324,099
Technology fee	1,719,668	-	1,719,668	-	1,719,668	1,575,626
Student service fee	301,142	-	301,142	-	301,142	265,380
Laboratory fee	377,161	-	377,161	-	377,161	325,292
Other fees	1,692,581	12,754	1,705,335	-	1,705,335	1,642,660
Total fees	<u>10,085,785</u>	<u>12,754</u>	<u>10,098,539</u>	<u>-</u>	<u>10,098,539</u>	<u>9,681,120</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Scholarship allowances	(1,011,274)	-	(1,011,274)	-	(1,011,274)	(873,559)
Remissions and exemptions - State	(2,223,643)	-	(2,223,643)	-	(2,223,643)	(1,942,459)
TPEG allowances	(633,610)	-	(633,610)	-	(633,610)	(823,981)
State grants to students	(471,127)	-	(471,127)	-	(471,127)	(463,669)
Title IV federal grants	(5,693,742)	-	(5,693,742)	-	(5,693,742)	(4,945,586)
Other local grants	(343,608)	-	(343,608)	-	(343,608)	(82,114)
Total scholarship allowances and discounts	<u>(10,377,004)</u>	<u>-</u>	<u>(10,377,004)</u>	<u>-</u>	<u>(10,377,004)</u>	<u>(9,131,368)</u>
Total net tuition and fees	<u>14,376,650</u>	<u>39,876</u>	<u>14,416,526</u>	<u>-</u>	<u>14,416,526</u>	<u>14,318,157</u>

**AMARILLO COLLEGE
SCHEDULE A, CONTINUED
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2018
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2018</u>	<u>2017</u>
ADDITIONAL OPERATING REVENUES						
Federal grants and contracts	174,055	6,293,798	6,467,853	-	6,467,853	2,848,267
State grants and contracts	17,073	1,531,224	1,548,297	-	1,548,297	1,299,610
Local grants and contracts	1,967,854	13,458	1,981,312	-	1,981,312	1,943,695
Nongovernmental grants and contracts	252,587	1,250,484	1,503,071	-	1,503,071	1,726,870
Sales and services of educational activities	505,553	-	505,553	-	505,553	455,287
General operating revenues	(235,177)	731,057	495,880	-	495,880	244,184
Total additional operating revenues	<u>2,681,945</u>	<u>9,820,021</u>	<u>12,501,966</u>	<u>-</u>	<u>12,501,966</u>	<u>8,517,913</u>
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	3,886,497	3,886,497	4,226,261
Less: discounts	-	-	-	(1,718,927)	(1,718,927)	(1,677,899)
Residential	-	-	-	2,790,936	2,790,936	2,816,427
Student programs	-	-	-	1,287	1,287	741
Child care	-	-	-	330,802	330,802	5,103
Other auxiliary enterprises	-	-	-	270,770	270,770	211,133
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,561,365</u>	<u>5,561,365</u>	<u>5,581,766</u>
TOTAL OPERATING REVENUES	<u>\$ 17,058,595</u>	<u>\$ 9,859,897</u>	<u>\$ 26,918,492</u>	<u>\$5,561,365</u>	<u>\$ 32,479,857</u>	<u>\$ 28,417,836</u>

(Exhibit 2)

*In accordance with Education Code 56.033, \$564,702 and \$531,937 for years August 31, 2018 and 2017, respectively, of tuition was set aside for Texas Public Education grants (TPEG).

**AMARILLO COLLEGE
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES BY OBJECT
YEAR ENDED AUGUST 31, 2018
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)**

	Operating Expenses				2018	2017
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	\$ 21,861,427	\$ -	\$ 7,513,819	\$ 1,885,770	\$ 31,261,016	\$ 26,532,143
Public service	1,848,670	-	622,859	232,747	2,704,276	2,440,932
Academic support	2,186,218	-	802,001	340,240	3,328,459	2,430,080
Student services	3,114,357	-	1,169,730	322,474	4,606,561	3,968,962
Institutional support	5,405,325	-	2,420,503	6,337,662	14,163,490	15,005,439
Operation and maintenance of plant	2,455,676	-	1,538,389	3,162,268	7,156,333	6,705,112
Total unrestricted educational activities	<u>36,871,673</u>	<u>-</u>	<u>14,067,301</u>	<u>12,281,161</u>	<u>63,220,135</u>	<u>57,082,668</u>
RESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	1,745,686	2,415,039	322,866	2,407,634	6,891,225	5,208,072
Public service	185,504	185,362	42,744	773,644	1,187,254	1,154,648
Academic support	-	278,582	-	-	278,582	186,676
Student services	-	454,017	-	-	454,017	389,961
Institutional support	270,266	820,562	97,531	24,321	1,212,680	1,137,773
Scholarships and fellowships	-	-	-	8,475,841	8,475,841	9,219,231
Total restricted educational activities	<u>2,201,456</u>	<u>4,153,562</u>	<u>463,141</u>	<u>11,681,440</u>	<u>18,499,599</u>	<u>17,296,361</u>
Total educational activities	<u>39,073,129</u>	<u>4,153,562</u>	<u>14,530,442</u>	<u>23,962,601</u>	<u>81,719,734</u>	<u>74,379,029</u>
AUXILIARY ENTERPRISES	1,383,620	-	465,818	4,431,297	6,280,735	6,015,033
DEPRECIATION EXPENSE - buildings and other real estate improvements	-	-	-	3,686,635	3,686,635	3,595,100
DEPRECIATION EXPENSE - equipment and furniture	-	-	-	2,140,660	2,140,660	2,189,931
TOTAL OPERATING EXPENSES	<u>\$ 40,456,749</u>	<u>\$ 4,153,562</u>	<u>\$14,996,260</u>	<u>\$ 34,221,193</u>	<u>\$ 93,827,764</u>	<u>\$ 86,179,093</u>

(Exhibit 2)

**AMARILLO COLLEGE
SCHEDULE C
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2018
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2018</u>	<u>2017</u>
NONOPERATING REVENUES					
State appropriations:					
Education and general state support	\$ 13,510,994	\$ -	\$ -	\$ 13,510,994	\$ 13,852,027
State group insurance	-	7,217,474	-	7,217,474	3,475,404
State retirement matching	-	726,226	-	726,226	927,295
Total state appropriations	13,510,994	7,943,700	-	21,454,694	18,254,726
Maintenance ad valorem taxes	19,433,980	-	-	19,433,980	19,674,646
General obligation bonds taxes	-	6,412,262	-	6,412,262	4,834,600
Federal revenue, nonoperating	50,053	16,754,979	-	16,805,032	16,288,132
Gifts	235,209	-	-	235,209	1,286,097
Investment income	409,578	521,681	-	931,259	642,402
Gain (loss) on disposal of fixed assets	-	120,126	-	120,126	7,829
Total nonoperating revenues	<u>33,639,814</u>	<u>31,752,748</u>	<u>-</u>	<u>65,392,562</u>	<u>60,988,432</u>
NONOPERATING EXPENSES					
Interest on capital related debt	<u>-</u>	<u>(2,191,051)</u>	<u>-</u>	<u>(2,191,051)</u>	<u>(2,432,294)</u>
Total nonoperating expenses	<u>-</u>	<u>(2,191,051)</u>	<u>-</u>	<u>(2,191,051)</u>	<u>(2,432,294)</u>
NET NONOPERATING REVENUES	<u>\$ 33,639,814</u>	<u>\$ 29,561,697</u>	<u>\$ -</u>	<u>\$ 63,201,511</u>	<u>\$ 58,556,138</u>

(Exhibit 2)

**AMARILLO COLLEGE
SCHEDULE D
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
YEAR ENDED AUGUST 31, 2018
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)**

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
CURRENT							
Unrestricted	\$ (76,118,543)	\$ -	\$ -	\$ -	\$ (76,118,543)	\$ (76,118,543)	\$ -
Board designated	-	-	-	-	-	-	-
Restricted	-	4,689,588	-	-	4,689,588	4,689,588	-
Auxiliary enterprises	4,383,096	-	-	-	4,383,096	4,383,096	-
LOAN	-	-	-	-	-	-	-
ENDOWMENT							
Quasi:							
Unrestricted	-	1,663,379	-	-	1,663,379	-	1,663,379
Restricted	-	-	2,500,000	-	2,500,000	-	2,500,000
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
PLANT							
Unexpended	-	-	-	-	-	-	-
Renewals	-	386,800	-	-	386,800	-	386,800
Debt service	-	2,858,088	-	-	2,858,088	-	2,858,088
Investment in plant	-	-	-	66,289,681	66,289,681	-	66,289,681
Total net position, August 31, 2018	(71,735,447)	9,597,855	2,500,000	66,289,681	6,652,089 (Exhibit 1)	(67,045,859)	73,697,948
Total net position, August 31, 2017 (restated)	(72,186,911)	8,157,174	2,500,000	64,825,434	3,295,697 (Exhibit 2)	(67,487,285)	70,782,982
NET INCREASE (DECREASE) IN NET POSITION	<u>\$ 451,464</u>	<u>\$ 1,440,681</u>	<u>\$ -</u>	<u>\$ 1,464,247</u>	<u>\$ 3,356,392</u> (Exhibit 2)	<u>\$ 441,426</u>	<u>\$ 2,914,966</u>

**AMARILLO COLLEGE
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2018**

Federal Grantor/Cluster/Program Title/Pass Through Grantor/ Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipients Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. Department of Education					
Direct Programs:					
Student Financial Aid Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 282,448	\$ -	\$ 282,448	\$ -
Federal College Work Study Program	84.033	259,001	-	259,001	-
Federal Pell Grant Program	84.063	16,263,583	-	16,263,583	-
Federal Direct Student Loans	84.268	12,246,820	-	12,246,820	-
Total Student Financial Aid		29,051,852	-	29,051,852	-
Title III Hispanic Serving Institutions Science, Technology, Engineering, and Math	84.031C	3,045,986	-	3,045,986	-
Title V Grant Developing Hispanic Serving Institutions	84.031S	587,978	-	587,978	-
Total CFDA No. 84.031		3,633,964	-	3,633,964	-
Trio - Student Support Services	84.042A	423,298	-	423,298	-
Pass-Through From:					
Texas Higher Education Coordinating Board		-			
Carl Perkins Vocational Education Basic / 174218	84.048	-	598,472	598,472	-
Perkins State Leadership - San Jacinto Community College	84.048	-	9,269	9,269	-
Perkins State Leadership Subrecipient - Austin Community College / 17578	84.048	-	11,543	11,543	-
Total CFDA No. 84.048A		-	619,284	619,284	-
Texas Workforce Commission					
Adult Education and Literacy / 0116AEL001	84.002A	-	116,551	116,551	2,934
Adult Education and Literacy / 0116AELB01	84.002A	-	653,304	653,304	-
Adult Education and Literacy / 0116ALA000	84.002A	-	118,227	118,227	-
Local Performance Quality Improvement / 0117PQI000	84.002A	-	16,317	16,317	-
Local Performance Quality Improvement / 0118PQI000	84.002A	-	26,754	26,754	-
Adult Education and Literacy College Integration Pathways II / 2917AEL001	84.002A	-	482,632	482,632	-
Total CFDA No. 84.002A		-	1,413,785	1,413,785	2,934
Total U.S. Department of Education		33,109,114	2,033,069	35,142,183	2,934
National Science Foundation					
Pass-Through From:					
Texas Engineering Experiment Station					
National Science Foundation - Science Technology Engineering Mathematics / 1644179	47.076	-	112,803	112,803	-
Total National Science Foundation		-	112,803	112,803	-
U.S. Department of Health and Human Services					
Pass-Through From:					
Partnership for Environmental Technology Education (PETE)					
National Institute for Environmental Health Sciences	93.142	-	150,000	150,000	-
Total CFDA No. 93.142		-	150,000	150,000	-
Pass-Through From:					
Texas Workforce Commission					
Temporary Assistance for Needy Families / 0116AELA00	93.558	-	4,553	4,553	-
Temporary Assistance for Needy Families / 0116AELB01	93.558	-	107,068	107,068	-
Temporary Assistance for Needy Families / 0118ALA000	93.558	-	3,098	3,098	-
Total CFDA No. 93.558		-	114,719	114,719	-
Total U.S. Department of Health and Human Services		-	264,719	264,719	-
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 33,109,114	\$ 2,410,591	\$ 35,519,705	\$ 2,934

See accompanying notes to the Schedule of Expenditures of Federal Awards.

AMARILLO COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2018

NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION

A reconciliation of federal financial assistance per the schedule of operating revenues and nonoperating revenues to the Schedule of Expenditures of Federal Awards is as follows:

Federal Grants and Contracts Revenue per Schedule A	\$ 6,467,853
Federal Grants and Contracts Revenue per Schedule C	16,805,032
Federal Direct Student Loans	<u>12,246,820</u>
Total federal revenues per Schedule of Expenditures of Federal Awards	<u>\$ 35,519,705</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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 guide-lines issued by various entities in the preparation of the schedule. The College did not use the 10% de minimus rule allowed by Uniformed Guidance section 200.414.

**AMARILLO COLLEGE
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
FOR THE YEAR ENDED AUGUST 31, 2018**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Workforce Commission		
Adult Education and Literacy	0116AEL001	\$ 6,165
Adult Education and Literacy	0116AELB01	132,501
Adult Education and Literacy	0118ALA000	18,382
FY 16 Skills for Small Business	0116SSD000	1,494
FY 18 Skills for Small Business	0116SSD001	6,071
Amarillo College in Partnership with Bell Helicopter Textron, Inc.	0118SDF000	44,549
Amarillo College in Partnership with Bell Helicopter Textron, Inc.	0118SDF001	21,197
Total Texas Workforce Commission		<u>230,359</u>
Office of the Governor		
Rifle Resistant Body Armor	3490101	8,745
Total Office of the Governor		<u>8,745</u>
Texas Department of Criminal Justice		
Pass-Through From:		
Panhandle Regional Planning Commission		
Law Enforcement Training	1426916	72,763
Total Texas Department of Criminal Justice		<u>72,763</u>
Texas Higher Education Coordinating Board		
Texas Educational Opportunity Grant	-	742,777
Nursing Shortage Reduction Regular	-	1,248
Nursing Shortage Reduction <70	-	19,567
Panhandle Accelerate Texas	14162/17050	179,582
Mentor College Accelerate Texas	15128/18144	60,500
Work-Study State Mentorship Program	15543/18549	52,371
Work-Study State Mentorship Program	18864	22,455
Comprehensive College Readiness and Success Models	17446	157,930
Total Texas Higher Education Coordinating Board		<u>1,236,430</u>
TOTAL EXPENDITURES OF STATE OF TEXAS AWARDS		<u>\$ 1,548,297</u>

See accompanying notes to the Schedule of Expenditures of State of Texas Awards.

AMARILLO COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
August 31, 2018

NOTE 1 - STATE ASSISTANCE RECONCILIATION

A reconciliation of state financial assistance per the schedule of operating revenues to the Schedule of Expenditures of State of Texas Awards is as follows:

State Grants and Contracts Revenue per Schedule A	<u>\$ 1,548,297</u>
Total Grants and Contracts Revenue per Schedule F	<u>\$ 1,548,297</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

NOTE 3 - SUBRECIPIENTS

None

SINGLE AUDIT SECTION

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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 Regents
Amarillo College
Amarillo, 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 Amarillo College (the College) which comprise the statements of net position as of August 31, 2018 and the related statements of revenues, expenses, and changes in net position and cash flows as of and for the year ended August 31, 2018, and the related notes to the financial statements and have issued our report thereon dated November 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a 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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from 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*.

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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 on 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.

Connor, McMillon, Mitchell & Skennum, PLLC

Amarillo, Texas
November 27, 2018

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**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance
and the State of Texas Uniform Grants Management Standards**

Board of Regents
Amarillo College
Amarillo, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Amarillo College's (the College) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the State of Texas Uniform Grants Management Standards that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2018. The 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 the federal statutes, regulations, contracts, 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 the 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 Uniform Grants Management Standards (State UGMS). Those standards, the Uniform Guidance and the State UGMS 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 the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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 the College's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the 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, 2018.

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Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and the State UGMS which are described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The College's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the 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 of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 UGMS, 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 the 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the 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, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

The College's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 UGMS. Accordingly, this report is not suitable for any other purpose.

Connor, McMillon, Mitchell & Shennum, PLLC

Amarillo, Texas
November 27, 2018

**AMARILLO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2018**

SECTION I – Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:

The Auditor's report expresses an unmodified opinion on the financial statements of Amarillo College.

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? 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 deficiency(ies) identified? X yes 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 section 200.516(a)? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal/State Program or Cluster</u>
<i>Federal programs</i>	U.S. Department of Education
	<i>Student Financial Aid Cluster</i>
84.007	Federal Supplemental Educational Opportunity Grant Program (FSEOG)
84.033	Federal College Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.031C	Title III Hispanic Serving Institutions
	<i>Adult Education and Literacy</i>
84.002A	Adult Education and Literacy
84.002A	Local Performance Quality Improvement
84.002A	Adult Education and Literacy College Integration Pathways II
	Texas Higher Education Coordinating Board
N/A	Texas Education Opportunity Grant
	Texas Workforce Commission
N/A	Adult Education and Literacy

Dollar threshold used to distinguish between Type A and Type B programs was: \$ 750,000 - Federal
\$ 300,000 - State

- Auditee qualified as a low-risk auditee? Federal X yes no
- Auditee qualified as a low-risk auditee? State X yes no

**AMARILLO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Year Ended August 31, 2018**

SECTION II – Financial Statement Findings

None noted.

SECTION III – Federal and State Award Findings and Questioned Costs

Finding 2018-001

Program: Texas Educational Opportunity Grant (TEOG) – State Grant

Compliance Requirement: Cash Management

Condition: The Spring funds were not distributed to eligible students accounts within the 3-day requirements. Funds received on February 23, 2018, were not completely allocated until March 1, 2018.

Criteria: Student’s accounts are to be credited within 3-days of receiving funds.

Cause: Rule 19 TAC. Section 22.2 rule changed from a previous 5 days to 3 days in 2017-2018. The College continued to work under the standard of 5 days.

Effect: Students did not receive grant funds in the timeframe they are eligible to receive. This has the potential to affect the College’s qualifications to receive funds in the future.

Context: This error was discovered during cash management testwork. The College received the funds on February 23, 2018 and began allocating on the following Monday of February 26, 2018. The process was completed by Thursday March 01, 2018.

Recommendation: We recommend that the College implement procedures to allocate the TEOG funds within Program Guidelines.

Views of Responsible Officials: The one instance cited was a result of overlooking a procedural change. The institution believes this to be an isolated incident.

**AMARILLO COLLEGE
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2018**

Finding 2018-001

Condition: Funds were not distributed within the 3-day requirement.

*Corrective Action
Plan:* See the College's response on page 92.

**AMARILLO COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended August 31, 2018**

Finding 2017-001

Program: 84.031S – Title V On Time Completion Creating a Pathway for Student Success

Condition: Small parts were erroneously classified as equipment and capitalized.

Recommendation: We recommend that the College review vouchers over \$5,000 to ensure they are for capital asset purchases.

Current Status: See the College's response on page 93.

Finding 2017-002

Program: Texas Educational Opportunity Grant (TEOG) – State Grant


Condition: The March funds requested of \$157,710 were greater than the disbursements of \$157,002, due to a student's funding being removed in error.

Recommendation: We recommend that the College implement procedures to ensure TEOG funds are not improperly removed from students' accounts.

Current Status: See the College's response on page 94.



November 1, 2018

MEMORANDUM FOR: Amarillo Junior College
CONTACT: Steve G. Smith 
Vice President of Business Affairs
SUBJECT: Corrective Action for Audit Finding 2018-001
Texas Educational Opportunity Grant (TEOG) – State Grant

Cause and Corrective Action:

The one instance cited was a result of the funds not being distributed within the three day window. This was an oversight by the Financial Aid Office to timely post funds that were received by the business office on a Friday afternoon.

In order to resolve this finding, the Financial Aid Office will ensure that funds that are received by the Business Office are posted to student accounts within the allowable three day window. The Director of Financial Aid will track the timing of all disbursements once notification of deposits are received.

The Institution believes this is an isolated incident.



Amarillo College

November 14, 2018

MEMORANDUM FOR: Amarillo Junior College

CONTACT: Steven G. Smith
Vice President of Business Affairs

SUBJECT: Summary Schedule of Prior Audit Findings – 2017-001 CFDA# - 84.031S
Title V on Time Completion Creating a Pathway for Student Success

CONDITION:
Small parts were erroneously classified as equipment and capitalized.

CURRENT STATUS:
All items requiring capitalization per policy were physically inspected and tagged prior to being booked in accounting. All assets capitalized met the minimum threshold.



Amarillo College

November 14, 2018

MEMORANDUM FOR: Amarillo Junior College

CONTACT: Steven G. Smith
Vice President of Business Affairs

SUBJECT: Summary Schedule of Prior Audit Findings – 2017-002 State Grant
Texas Educational Opportunity Grant (TEOG)

CONDITION:

The March, 2017 funds requested of \$157,710 were greater than the disbursements of \$157,002 due to a student's funding being removed in error.

CURRENT STATUS:

IT programming was able to implement a system correction that stopped state funding from being removed from a student's account for non-attendance. All student aid was applied properly to student accounts with no error.

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STATISTICAL SUPPLEMENT
(Unaudited)

Amarillo College
 Statistical Supplement 1
 Net Position by Component
 Fiscal Years 2009 to 2018
 (unaudited)

For the Fiscal Year Ended August 31,
 (amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net investment in capital assets	\$ 66,290	\$ 64,825	\$ 62,423	\$ 61,401	\$ 58,952	\$ 60,530	\$ 61,057	\$ 65,464	\$ 66,184	\$ 71,483
Restricted - expendable	9,597	8,157	10,334	8,766	9,024	9,233	11,621	8,499	8,428	8,250
Restricted - nonexpendable	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,620	2,590	2,590
Unrestricted	(71,735)	(72,187)	10,626	14,522	27,441	26,064	26,903	24,155	21,996	21,079
Total primary government net position	\$ 6,652	\$ 3,295	\$ 85,883	\$ 87,189	\$ 97,917	\$ 98,327	\$ 102,081	\$ 100,738	\$ 99,198	\$ 103,402

Amarillo College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2009 to 2018
(unaudited)

For the Year Ended August 31,
(amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and fees (net of discounts)	\$ 14,417	\$ 14,318	\$ 15,372	\$ 14,349	\$ 14,944	\$ 15,382	\$ 15,428	\$ 13,170	\$ 12,778	\$ 11,741
Governmental grants and contracts										
Federal grants and contracts	6,468	2,848	4,399	5,130	5,228	4,944	3,903	4,452	6,172	4,924
State grants and contracts	1,548	1,300	1,642	2,093	2,364	1,885	1,691	1,876	1,788	1,191
Local grants and contracts	1,981	1,944	2,187	2,003	2,004	1,946	1,891	1,953	1,813	2,009
Nongovernmental grants and contracts	1,503	1,727	1,412	2,337	1,535	1,377	1,749	1,557	1,164	1,438
Sales and services of educational activities	506	455	457	455	506	529	532	524	580	540
Auxiliary enterprises	5,561	5,582	5,605	6,181	6,204	6,461	6,631	6,907	7,182	6,931
Other operating revenues	509	244	49	84	76	116	82	215	186	285
Total operating revenues	32,493	28,418	31,123	32,632	32,861	32,640	31,907	30,654	31,663	29,059
State appropriations	21,455	18,255	18,092	19,409	19,045	18,261	18,322	21,177	21,458	22,597
Ad valorem taxes	25,846	24,509	23,466	22,557	21,087	20,481	19,209	18,881	18,160	17,668
Federal revenue, nonoperating	16,805	16,288	15,205	15,416	15,921	16,356	17,424	20,067	17,153	11,569
Gifts	235	1,286	2,141	1,566	310	800	3,091	186	39	38
Investment income	947	642	396	(10)	586	466	444	571	334	545
Other nonoperating revenues	120	8	3	-	-	-	44	30	76	18
Total nonoperating revenues	65,408	60,988	59,303	58,938	56,949	56,364	58,534	60,912	57,220	52,435
TOTAL REVENUES	\$ 97,901	\$ 89,406	\$ 90,426	\$ 91,570	\$ 89,810	\$ 89,004	\$ 90,441	\$ 91,566	\$ 88,883	\$ 81,494

For the Year Ended August 31,

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and fees (net of discounts)	14.73%	16.01%	17.00%	15.66%	16.64%	17.28%	17.06%	14.38%	14.38%	14.41%
Governmental grants and contracts										
Federal grants and contracts	6.61%	3.19%	4.86%	5.60%	5.82%	5.55%	4.32%	4.86%	6.94%	6.04%
State grants and contracts	1.58%	1.45%	1.82%	2.29%	2.63%	2.12%	1.87%	2.05%	2.01%	1.46%
Local grants and contracts	2.02%	2.17%	2.42%	2.19%	2.23%	2.19%	2.09%	2.13%	2.04%	2.47%
Nongovernmental grants and contracts	1.54%	1.93%	1.56%	2.55%	1.71%	1.55%	1.93%	1.70%	1.31%	1.77%
Sales and services of educational activities	0.52%	0.51%	0.51%	0.50%	0.56%	0.59%	0.59%	0.57%	0.65%	0.66%
Auxiliary enterprises	5.68%	6.25%	6.20%	6.75%	6.91%	7.26%	7.33%	7.55%	8.08%	8.50%
Other operating revenues	0.52%	0.27%	0.05%	0.09%	0.08%	0.13%	0.09%	0.24%	0.21%	0.35%
Total operating revenues	33.20%	31.78%	34.42%	35.63%	36.58%	36.67%	35.28%	33.48%	35.62%	35.66%
State appropriations	21.91%	20.42%	20.01%	21.20%	21.21%	20.52%	20.26%	23.13%	24.14%	27.73%
Ad valorem taxes	26.40%	27.41%	25.95%	24.63%	23.48%	23.01%	21.24%	20.62%	20.43%	21.68%
Federal revenue, nonoperating	17.17%	18.21%	16.80%	16.84%	17.73%	18.38%	19.26%	21.92%	19.30%	14.20%
Gifts	0.24%	1.44%	2.37%	1.71%	0.35%	0.90%	3.42%	0.20%	0.04%	0.05%
Investment income	0.97%	0.72%	0.44%	-0.01%	0.65%	0.52%	0.49%	0.62%	0.38%	0.66%
Other nonoperating revenues	0.11%	0.02%	0.01%	0.00%	0.00%	0.00%	0.05%	0.03%	0.09%	0.02%
Total nonoperating revenues	66.80%	68.22%	65.58%	64.37%	63.42%	63.33%	64.72%	66.52%	64.38%	64.34%
TOTAL REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Amarillo College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2009 to 2018
(unaudited)**

**For the Year Ended August 31,
(amounts expressed in thousands)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	\$ 38,152	\$ 31,740	\$ 33,752	\$ 32,858	\$ 32,878	\$ 31,882	\$ 30,256	\$ 30,565	\$ 31,266	\$ 29,108
Public service	3,892	3,596	3,671	3,715	3,696	3,694	3,402	3,617	3,536	3,456
Academic support	3,607	2,617	2,826	3,108	2,833	3,109	2,675	3,316	3,291	3,223
Student services	5,060	4,359	4,656	4,522	4,458	4,154	3,985	4,084	3,912	3,793
Institutional support	15,376	16,143	17,227	16,186	13,665	13,591	12,586	12,322	12,176	11,584
Operation and maintenance of plant	7,156	6,705	6,803	7,454	7,406	7,669	7,411	7,168	8,104	6,165
Scholarships and fellowships	8,476	9,219	8,322	9,380	9,902	10,316	11,833	15,329	13,418	8,793
Auxiliary enterprises	6,281	6,015	5,980	6,411	6,239	6,564	6,577	6,596	6,742	6,171
Depreciation	5,827	5,785	5,833	6,036	5,747	5,274	4,994	4,568	4,145	3,585
Total operating expenses	93,827	86,179	89,070	89,670	86,824	86,253	83,719	87,565	86,590	75,878
Interest on capital related debt	2,191	2,432	2,661	2,844	2,856	2,866	2,401	2,430	1,959	1,515
Loss on disposal of fixed assets	-	-	-	52	3,703	3,115	24	31	66	141
Total nonoperating expenses	2,191	2,432	2,661	2,896	6,559	5,981	2,425	2,461	2,025	1,656
TOTAL EXPENSES	\$ 96,018	\$ 88,611	\$ 91,731	\$ 92,566	\$ 93,383	\$ 92,234	\$ 86,144	\$ 90,026	\$ 88,615	\$ 77,534

For the Year Ended August 31,

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	39.73%	35.99%	35.99%	35.50%	35.21%	34.57%	35.12%	33.95%	35.28%	37.54%
Public service	4.05%	3.91%	3.91%	4.01%	3.96%	4.01%	3.95%	4.02%	3.99%	4.46%
Academic support	3.76%	3.02%	3.02%	3.36%	3.04%	3.36%	3.10%	3.68%	3.71%	4.16%
Student services	5.27%	4.96%	4.96%	4.89%	4.77%	4.50%	4.63%	4.54%	4.41%	4.89%
Institutional support	16.02%	18.33%	18.33%	17.48%	14.63%	14.74%	14.61%	13.69%	13.74%	14.94%
Operation and maintenance of plant	7.45%	7.25%	7.25%	8.05%	7.93%	8.31%	8.60%	7.96%	9.15%	7.95%
Scholarships and fellowships	8.82%	11.10%	11.10%	10.13%	10.60%	11.18%	13.74%	17.03%	15.14%	11.34%
Auxiliary enterprises	6.54%	6.38%	6.38%	6.93%	6.68%	7.12%	7.63%	7.33%	7.61%	7.96%
Depreciation	6.08%	6.22%	6.22%	6.52%	6.15%	5.72%	5.80%	5.07%	4.68%	4.62%
Total operating expenses	97.72%	97.16%	97.16%	96.87%	92.97%	93.51%	97.18%	97.27%	97.71%	97.86%
Interest on capital related debt	2.28%	2.84%	2.84%	3.07%	3.06%	3.11%	2.79%	2.70%	2.22%	1.96%
Loss on disposal of fixed assets	0.00%	0.00%	0.00%	0.06%	3.97%	3.38%	0.03%	0.03%	0.07%	0.18%
Total nonoperating expenses	2.28%	2.84%	2.84%	3.13%	7.03%	6.49%	2.82%	2.73%	2.29%	2.14%
TOTAL EXPENSES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Amarillo College
 Statistical Supplement 4
 Tuition and Fees
 Last Ten Academic Years
 (unaudited)

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

Academic Year (Fall)	Learning Resource Fee (per student)	In-District Tuition	Out-of-District Tuition	Matriculation & General Fee	Technology Fees	Student Activity Fees	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
2017	\$ -	\$ 44.00	\$ 43.00	\$ 28.00	\$ 10.00	\$ 1.75	\$ 1,005.00	\$ 1,521.00	0.00%	0.00%
2016	-	44.00	43.00	28.00	10.00	1.75	1,005.00	1,521.00	0.00%	0.00%
2015	-	44.00	43.00	28.00	10.00	1.75	1,005.00	1,521.00	5.02%	4.97%
2014	-	42.00	41.00	26.00	10.00	1.75	957.00	1,449.00	0.00%	0.00%
2013	-	42.00	41.00	26.00	10.00	1.75	957.00	1,449.00	3.91%	4.32%
2012	-	42.00	39.00	23.00	10.00	1.75	921.00	1,389.00	10.04%	9.46%
2011	-	40.00	36.00	19.00	9.00	1.75	837.00	1,269.00	11.16%	24.78%
2010	-	36.00	22.00	16.00	9.00	1.75	753.00	1,017.00	6.81%	11.88%
2009	-	34.00	17.00	15.00	8.00	1.75	705.00	909.00	0.00%	0.00%
2008	-	34.00	17.00	15.00	8.00	1.75	705.00	909.00	9.30%	8.60%

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

Academic Year (Fall)	Learning Resource Fee (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Matriculation & General Fee	Technology Fees	Student Activity Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2017	\$ -	\$ 101.00	-	\$ 28.00	\$ 10.00	\$ 1.75	\$ 2,289.00	\$ -	0.00%	-
2016	-	151.00	-	28.00	10.00	1.75	2,289.00	-	0.00%	-
2015	-	151.00	-	28.00	10.00	1.75	2,289.00	-	4.95%	-
2014	-	144.00	-	26.00	10.00	1.75	2,181.00	-	0.00%	-
2013	-	144.00	-	26.00	10.00	1.75	2,181.00	-	2.83%	-
2012	-	142.00	-	23.00	10.00	1.75	2,121.00	-	6.64%	-
2011	-	136.00	-	19.00	9.00	1.75	1,989.00	-	32.87%	-
2010	-	98.00	-	16.00	9.00	1.75	1,497.00	-	11.63%	-
2009	-	87.00	-	15.00	8.00	1.75	1,341.00	-	0.00%	-
2008	-	87.00	-	15.00	8.00	1.75	1,341.00	-	7.71%	-

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

Amarillo College
 Statistical Supplement 5
 Assessed Value and Taxable Assessed Value of Property
 Last Ten Fiscal Years
 (unaudited)

Fiscal Year	(Amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2017-18	\$ 15,082,945	\$ 2,168,266	\$ 12,914,679	85.62%	0.15619	0.05131	0.20750
2016-17	14,257,793	2,074,263	12,183,530	85.45%	0.16669	0.04081	0.20750
2015-16	13,660,035	2,007,616	11,652,419	85.30%	0.16669	0.04081	0.20750
2014-15	13,178,836	1,970,945	11,207,891	85.04%	0.16221	0.04529	0.20750
2013-14	12,666,735	1,818,863	10,847,872	85.64%	0.15521	0.04429	0.19950
2012-13	12,442,882	1,905,974	10,536,908	84.68%	0.15089	0.04861	0.19950
2011-12	12,206,296	1,864,211	10,342,085	84.73%	0.14241	0.04697	0.18938
2010-11	11,735,501	1,598,430	10,137,071	86.38%	0.14149	0.04847	0.18996
2009-10	11,643,501	1,574,152	10,069,349	86.48%	0.14064	0.04349	0.18413
2008-09	11,336,432	1,553,559	9,782,873	86.30%	0.14064	0.04331	0.18395

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Amarillo College
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years

(unaudited)

(dollar amounts expressed in thousands)

Fiscal Year	Appropriation per FTSE				Appropriation per Contact Hour			
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour	
2017-18	\$ 13,523	6,810	\$ 1,986	1,720	1,270	2,990	4.52	
2016-17	13,815	6,746	2,048	2,049	1,273	3,322	4.16	
2015-16	13,824	6,678	2,070	2,361	1,426	3,787	3.65	
2014-15	15,289	6,951	2,200	2,554	2,053	4,607	3.32	
2013-14	15,278	7,340	2,081	2,690	1,825	4,515	3.38	
2012-13	15,098	7,637	1,977	2,856	1,920	4,776	3.16	
2011-12	15,321	7,967	1,923	3,018	2,006	5,024	3.05	
2010-11	15,893	8,091	1,964	3,093	2,097	5,190	3.06	
2009-10	16,049	7,516	2,135	3,012	1,974	4,986	3.22	
2008-09	17,153	6,725	2,551	2,696	1,881	4,577	3.75	

Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

(a) Source CBM001

(b) Source CBM00A

Amarillo College
 Statistical Supplement 7
 Principal Taxpayers
 Last Ten Tax Years
 (unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Southwestern Public Service	Utility	\$ 163,882	\$ 127,188	\$ 132,952	\$ 113,495	\$ 99,601	\$ 93,024	\$ 86,005	\$ 72,317	\$ 71,458	\$ 78,390
BSA Hospital LLC	Hospital	136,693	127,643	105,867	103,240	102,539	-	-	-	-	-
Bell Helicopter Textron I	Manufacturing Plant	105,618	62,349	-	-	-	-	-	-	-	-
Wal Mart Stores Inc.	Retail	100,848	101,808	88,569	81,821	84,187	85,933	85,542	84,559	84,745	84,578
Northwest Texas Healthcare Systems Inc	Hospital	85,745	89,048	93,917	91,014	88,859	84,729	84,352	86,142	84,248	82,687
BNSF Railway Co	Railroad	83,968	80,238	75,728	74,309	73,579	67,338	60,513	52,160	47,574	46,339
Case Newport LP	Housing	80,620	80,147	-	38,113	-	36,883	34,858	33,337	33,345	35,915
Almos Corp/Energas Co	Utility	72,962	62,578	55,503	53,249	48,110	41,336	33,281	-	27,376	28,763
Amarillo Mall LCC	Retail Store	63,968	63,856	63,835	63,961	63,896	63,926	63,940	63,954	63,971	64,087
Amarillo Economic Development Corp.	Com/Econ Dev	51,559	48,957	43,635	-	-	41,926	39,667	37,797	-	-
Toot N Totum INC	Retail	50,666	44,299	41,550	42,774	38,419	-	-	-	-	-
Amarillo National Bank	Banking	42,755	40,193	39,349	39,715	39,528	37,584	36,937	37,357	36,860	35,520
Ben E. Keith Company	Warehouse	30,281	31,381	-	-	39,709	48,877	49,022	47,962	47,954	34,512
Southwestern Bell Telephone	Utility	-	-	-	-	-	-	-	33,121	38,423	42,236
Totals		\$ 1,069,565	\$ 959,685	\$ 740,905	\$ 701,691	\$ 678,427	\$ 601,556	\$ 574,117	\$ 548,706	\$ 535,954	\$ 533,027
Total Taxable Assessed Value		\$ 12,914,679	\$ 12,183,530	\$ 11,652,419	\$ 11,207,891	\$ 10,847,872	\$ 10,536,908	\$ 10,342,085	\$ 10,137,071	\$ 10,069,349	\$ 9,782,873

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Southwestern Public Service	Utility	1.27%	1.04%	1.14%	1.01%	0.92%	0.88%	0.83%	0.71%	0.71%	0.80%
BSA Hospital LLC	Hospital	1.06%	1.05%	0.91%	0.92%	0.95%	-	-	-	-	-
Bell Helicopter Textron I	Manufacturing Plant	0.82%	0.51%	-	-	-	-	-	-	-	-
Wal Mart Stores Inc.	Retail	0.78%	0.84%	0.76%	0.73%	0.78%	0.82%	0.83%	0.83%	0.84%	0.86%
Northwest Texas Healthcare Systems Inc	Hospital	0.66%	0.73%	0.81%	0.81%	0.82%	0.80%	0.82%	0.85%	0.84%	0.85%
BNSF Railway Co	Railroad	0.65%	0.66%	0.65%	0.66%	0.68%	0.59%	0.51%	0.47%	0.47%	0.47%
Case Newport LP	Housing	0.62%	0.66%	-	0.34%	-	0.35%	0.34%	0.33%	0.33%	0.37%
Almos Corp/Energas Co	Utility	0.56%	0.51%	0.48%	0.48%	0.44%	0.39%	0.32%	-	0.27%	0.29%
Amarillo Mall LCC	Retail Store	0.50%	0.52%	0.55%	0.57%	0.59%	0.61%	0.62%	0.63%	0.64%	0.66%
Amarillo Economic Development Corp.	Com/Econ Dev	0.40%	0.40%	0.37%	-	-	0.40%	0.38%	0.37%	-	-
Toot N Totum INC	Retail	0.39%	0.36%	0.36%	0.38%	0.35%	-	-	-	-	-
Amarillo National Bank	Banking	0.33%	0.33%	0.34%	0.35%	0.36%	0.36%	0.36%	0.37%	0.37%	0.36%
Ben E. Keith Company	Warehouse	0.23%	0.26%	-	-	0.37%	0.46%	0.47%	0.47%	0.48%	0.35%
Southwestern Bell Telephone	Utility	-	-	-	-	-	-	-	0.33%	0.38%	0.43%
Totals		8.27%	7.87%	6.37%	6.25%	6.26%	5.71%	5.56%	5.40%	5.33%	5.44%

Source: Local County Appraisal District

Amarillo College
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)
(dollar amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Cumulative Collections of Adjusted Levy
2018	\$ 25,813	\$ (62)	\$ 25,751	\$ 25,531	99.15%	\$ -	\$ 179	\$ 25,710	99.84%
2017	24,440	(31)	24,409	24,166	99.00%	-	203	24,369	99.84%
2016	23,391	(5)	23,386	23,151	98.99%	-	215	23,366	99.91%
2015	22,530	(39)	22,491	22,202	98.72%	-	270	22,472	99.92%
2014	21,056	(38)	21,018	20,736	98.66%	-	-	20,736	98.66%
2013	20,415	(64)	20,351	20,038	98.46%	55	158	20,251	99.51%
2012	19,104	32	19,136	18,792	98.20%	236	41	19,069	99.65%
2011	18,750	18	18,768	18,406	98.07%	282	20	18,708	99.68%
2010	18,097	(32)	18,065	17,690	97.92%	310	13	18,013	99.71%
2009	17,559	(24)	17,535	17,150	97.80%	336	8	17,494	99.77%

Source: Local Tax Assessor/Collector and District records.

(a) As reported in notes to the financial statements for the year of the levy.

(b) As of August 31st of the current reporting year.

(c) Property tax only - does not include penalties and interest

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.

(e) Represents current year collections of prior years levies.

Total Collections = C + D + E

Amarillo College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31
(dollar amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Bonded Debt										
General obligation bonds	\$ 55,735	\$ 58,905	\$ 61,905	\$ 64,470	\$ 66,965	\$ 69,040	\$ 70,915	\$ 58,205	\$ 60,320	\$ 46,650
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	55,735	58,905	61,905	64,470	66,965	69,040	70,915	58,205	60,320	46,650
Other Debt										
Revenue bonds	3,365	3,560	3,750	3,935	4,115	4,295	4,470	505	740	965
Notes	-	-	-	-	112	409	-	-	-	-
Capital lease obligations	-	-	69	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 59,100	\$ 62,465	\$ 65,724	\$ 68,405	\$ 71,192	\$ 73,744	\$ 75,385	\$ 58,710	\$ 61,060	\$ 47,615

General Bonded Debt Ratios

Per Capita	*	*	*	*	\$ 0.34	\$ 0.35	\$ 0.36	\$ 0.30	\$ 0.32	\$ 0.25
Per FTSE	9.09	8.73	9.27	9.27	9.12	9.04	8.90	7.19	8.03	6.94
As a percentage of Taxable Assessed Value	0.43%	0.48%	0.53%	0.58%	0.62%	0.66%	0.69%	0.57%	0.59%	0.48%

Total Outstanding Debt Ratios

Per Capita	*	*	*	*	\$ 0.36	\$ 0.38	\$ 0.39	\$ 0.30	\$ 0.32	\$ 0.25
Per FTSE	8.68	9.26	9.84	9.84	9.70	9.66	9.46	7.37	8.12	7.08
As a percentage of Taxable Assessed Value	0.46%	0.51%	0.56%	0.61%	0.66%	0.70%	0.73%	0.58%	0.60%	0.49%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment.

* Per the Bureau of Economic Analysis: Estimates of per capital personal income for 2014 will be released with the rest of the Local Area Estimates on November 26th.

Amarillo College
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31
(dollar amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Taxable Assessed Value	\$ 12,914,679	\$ 12,183,530	\$ 11,652,419	\$ 11,207,891	\$ 10,847,872	\$ 10,536,908	\$ 10,342,085	\$ 10,137,071	\$ 10,069,349	\$ 9,782,873
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 64,573	\$ 60,918	\$ 58,262	\$ 56,039	\$ 54,239	\$ 52,685	\$ 51,710	\$ 50,685	\$ 50,347	\$ 48,914
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	64,573	60,918	58,262	56,039	54,239	52,685	51,710	50,685	50,347	48,914
Current Year Debt Service Requirements	5,340	5,264	5,247	5,029	4,902	4,885	4,076	4,784	4,307	4,250
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 59,233	\$ 55,654	\$ 53,015	\$ 51,010	\$ 49,337	\$ 47,800	\$ 47,634	\$ 45,901	\$ 46,040	\$ 44,664
Net Current Requirements as a % of Statutory Limit	8.27%	8.64%	9.01%	8.97%	9.04%	9.27%	7.88%	9.44%	8.55%	8.69%

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.

Amarillo College
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)											Debt Service Requirements (\$000 omitted)			
	Tuition	General Fee	Matriculation Fees	Distance Learning Fee	Out of District Fees	Misc Income Fees	Interest Income	Indirect Cost Recovery	Unrestricted Private Grants	Sales of Educational Activities	Total	Principal	Interest	Total	Coverage Ratio
2018	\$ 3,082	\$ 4,428	\$ -	\$ 1,567	\$ -	\$ 2,138	\$ 411	\$ 174	\$ 402	\$ 262	\$ 12,464	195	140	335	37.21
2017	2,387	4,324	-	1,548	-	1,878	175	128	249	169	10,858	195	140	335	32.41
2016	2,354	4,297	-	1,553	-	1,839	84	151	142	175	10,595	185	152	337	31.44
2015	2,268	4,093	-	1,024	-	1,611	54	288	377	381	10,096	180	155	335	30.14
2014	2,401	4,315	-	480	-	1,341	49	214	2,219	512	11,531	180	159	339	34.01
2013	2,531	3,904	-	493	-	1,381	58	242	2,152	529	11,290	175	162	337	33.50
2012	2,568	3,456	-	505	-	1,538	80	229	2,063	531	10,970	235	36	271	40.48
2011	398	3,082	-	-	1,233	1,338	161	216	2,161	524	9,113	225	47	272	33.50
2010	390	2,826	-	-	969	1,211	70	176	1,997	609	8,248	215	57	272	30.32
2009	337	2,475	-	-	999	996	464	245	2,188	556	8,260	205	67	272	30.37

Amarillo College
 Statistical Supplement 12
 Demographic and Economic Statistics - Taxing District
 Last Ten Fiscal Years
 (unaudited)

Calendar Year	District Population	District Personal Income (a) (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2017	199,826	*	*	3.0%
2016	199,582	8,714,548	43,664	3.1%
2015	198,645	8,670,457	43,648	3.1%
2014	197,254	8,188,014	41,510	3.6%
2013	196,429	7,856,767	39,998	4.6%
2012	195,250	7,485,885	38,340	4.8%
2011	193,678	7,159,888	36,968	5.4%
2010	191,331	6,817,124	35,630	5.5%
2009	189,392	6,467,737	34,150	5.2%
2008	187,236	6,502,519	34,729	3.5%

Sources:

Population from U.S. Bureau of the Census.
 Personal income from U.S. Bureau of Economic Analysis
 Unemployment rate from Texas Workforce Commission

Notes:

* Per the Bureau of Economic Analysis: Estimates of per capita personal income for 2017 will be released with the rest of the local area estimates on November 15th.

Amarillo College
Statistical Supplement 13
Principal Employers
Current Fiscal Year
(unaudited)

Employer	Number of Employees	Percentage of Total Employment
Amarillo Independent School District	4,391	4.49%
CNS Pantex	3,203	3.28%
BSA Health System/Don & Sybil Harrington Cancer Center	3,200	3.28%
Tyson Foods, Inc.	2,280	2.33%
Northwest Texas Healthcare System	1,860	1.90%
City of Amarillo	1,748	1.79%
Affiliated Foods/TriState Baking/Plains Dairy	1,400	1.43%
Walmart Supercenters (4 locations)	1,359	1.39%
Texas Department of Criminal Justice (Clements Unit)	1,303	1.33%
Bell Helicopter Textron, Inc.	1,000	1.00%
Total	21,744	22.24%

Source:

Amarillo Chamber of Commerce
U.S. Department of Labor - Bureau of Labor Statistics

Amarillo College
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Faculty										
Full-Time	194	171	225	219	225	225	218	221	234	235
Part-Time	326	400	646	537	601	586	581	556	548	519
Total	520	571	871	756	826	811	799	777	782	754
Percent										
Full-Time	37.3%	29.9%	25.8%	29.0%	27.2%	27.7%	27.3%	28.4%	29.9%	31.2%
Part-Time	62.7%	70.1%	74.2%	71.0%	72.8%	72.3%	72.7%	71.6%	70.1%	68.8%
Staff and Administrators										
Full-Time	425	422	397	433	472	466	456	482	473	473
Part-Time	172	253	212	206	270	287	266	269	283	263
Total	597	675	609	639	742	753	722	751	756	736
Percent										
Full-Time	71.2%	62.5%	65.2%	67.8%	63.6%	61.9%	63.2%	64.2%	62.6%	64.3%
Part-Time	28.8%	37.5%	34.8%	32.2%	36.4%	38.1%	36.8%	35.8%	37.4%	35.7%
FTSE per Full-Time Faculty	35.10	39.45	29.68	31.74	32.62	33.94	36.55	36.61	32.12	28.62
FTSE per Full-Time Staff Member	16.02	15.99	16.82	16.05	15.55	16.39	17.47	16.79	15.89	14.22
Average Annual Faculty Salary	\$ 56,495	\$ 59,330	\$ 60,206	\$ 61,928	\$ 66,795	\$ 65,862	\$ 64,569	\$ 64,087	\$ 61,787	\$ 57,744

Amarillo College
 Statistical Supplement 16
 Student Profile
 Last Five Fiscal Years
 (unaudited)

	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	4,870	64.72%	5,914	62.22%	5,925	61.87%	6,148	61.80%	6,520	61.18%
Male	2,655	35.28%	3,591	37.78%	3,651	38.13%	3,800	38.20%	4,137	38.82%
Total	7,525	100.00%	9,505	100.00%	9,576	100.00%	9,948	100.00%	10,657	100.00%

	Fall 2017		Fall 2016		Fall 2014		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	3,423	48.49%	4,609	48.49%	4,793	50.05%	5,155	51.83%	5,747	53.93%
Hispanic	3,149	39.69%	3,773	39.69%	3,632	37.93%	3,721	37.41%	3,766	35.34%
African American	431	4.65%	442	4.65%	467	4.88%	425	4.27%	462	4.34%
Asian	224	2.87%	273	2.87%	274	2.86%	262	2.63%	279	2.62%
Foreign	48	0.77%	73	0.77%	71	0.74%	60	0.60%	36	0.34%
Native American	30	0.54%	51	0.54%	52	0.54%	55	0.55%	56	0.53%
Other	220	2.99%	284	2.99%	287	3.00%	270	2.71%	311	2.90%
Total	7,525	100.00%	9,505	100.00%	9,576	100.00%	9,948	100.00%	10,657	100.00%

	Fall 2017		Fall 2016		Fall 2014		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	322	4.28%	2,128	22.39%	1,964	20.51%	2,070	20.81%	2,178	20.44%
18 - 21	3,318	44.09%	3,536	37.20%	3,579	37.37%	3,559	35.78%	3,675	34.48%
22 - 24	1,097	14.58%	1,090	11.47%	1,140	11.90%	1,175	11.81%	1,307	12.26%
25 - 35	1,860	24.72%	1,900	19.99%	1,965	20.52%	2,104	21.15%	2,296	21.54%
36 - 50	769	10.22%	696	7.32%	763	7.97%	842	8.46%	971	9.11%
51 & over	159	2.11%	155	1.63%	165	1.73%	198	1.99%	230	2.17%
Total	7,525	100.00%	9,505	100.00%	9,576	100.00%	9,948	100.00%	10,657	100.00%

Average Age	25	23	24	24	24
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Amarillo College
Statistical Supplement 17
Transfers to Senior Institutions
2017-2018 Graduates, Completers, and Non-Returners as of Fall 2018
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students	
1	ACCD - Northwest Vista College	1	0	0	1	0.05%
2	ACCD - San Antonio College	2	1	1	4	0.18%
3	Amarillo College	218	192	86	496	22.43%
4	Angelo State University	12	0	0	12	0.54%
5	Austin Community College	3	0	2	5	0.23%
6	Blinn College District	12	0	0	12	0.54%
7	Clarendon College	18	2	5	25	1.13%
8	Collin County Community College District	1	0	1	2	0.09%
9	DCCCD - El Centro College	0	1	0	1	0.05%
10	DCCCD - Mountain View College	0	1	0	1	0.05%
11	DCCCD - North Lake College	0	0	1	1	0.05%
12	DCCCD - Brookhaven College	1	0	0	1	0.05%
13	DCCCD - Cedar Valley College	1	0	0	1	0.05%
14	Del Mar College	1	0	0	1	0.05%
15	El Paso Community College District	1	0	0	1	0.05%
16	Frank Phillips College	30	5	3	38	1.72%
17	HCJCD - Howard College	2	0	0	2	0.09%
18	Houston Community College System	2	0	0	2	0.09%
19	Kilgore College	2	0	0	2	0.09%
20	Lamar University	2	0	0	2	0.09%
21	Lone Star College - Tomball	0	0	1	1	0.05%
22	McLennan Community College	1	0	0	1	0.05%
23	Midland College	1	1	0	2	0.09%
24	Midwestern State University	4	0	3	7	0.32%
25	North Central Texas College	1	0	0	1	0.05%
26	Odessa College	2	1	1	4	0.18%
27	Paris Junior College	0	0	2	2	0.09%
28	Ranger College	1	0	1	2	0.09%
29	Sam Houston State University	5	0	0	5	0.23%
30	South Plains College	18	2	7	27	1.22%
31	South Texas College	0	0	1	1	0.05%
32	Stephen F. Austin State University	5	0	0	5	0.23%
33	Sul Ross State University	2	0	0	2	0.09%
34	Tarleton State University	15	0	2	17	0.77%
35	Tarrant County College - Connect Campus	1	0	1	2	0.09%
36	Tarrant County College - Northeast Campus	0	0	2	2	0.09%
37	Tarrant County College - Northwest Campus	2	0	0	2	0.09%
38	Tarrant County College - South Campus	1	1	0	2	0.09%
39	Tarrant County College - Southeast Campus	2	0	1	3	0.14%
40	Temple College	1	0	1	2	0.09%
41	Texas A&M University	49	0	1	50	2.26%

Amarillo College
Statistical Supplement 17, Continued
Transfers to Senior Institutions
2017-2018 Graduates, Completers, and Non-Returners as of Fall 2018
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
42 Texas A&M University - Commerce	4	0	0	4	0.18%
43 Texas A&M University - Corpus Christi	4	0	0	4	0.18%
44 Texas A&M University - San Antonio	0	1	0	1	0.05%
45 Texas A&M University - Texarkana	1	0	0	1	0.05%
46 Texas A&M University at Galveston	1	0	0	1	0.05%
47 Texas A&M University System Health Science Center	1	0	0	1	0.05%
48 Texas State Technical College - Waco	1	0	0	1	0.05%
49 Texas State University	27	0	0	27	1.22%
50 Texas Tech University	261	4	9	274	12.39%
51 Texas Tech University Health Sciences Center	14	1	5	20	0.90%
52 Texas Woman's University	3	0	1	4	0.18%
53 The University of Texas at Arlington	21	0	5	26	1.18%
54 The University of Texas at Austin	38	0	0	38	1.72%
55 The University of Texas at Dallas	8	1	0	9	0.41%
56 The University of Texas at El Paso	1	0	0	1	0.05%
57 The University of Texas at San Antonio	8	0	0	8	0.36%
58 The University of Texas at Tyler	3	0	0	3	0.14%
59 The University of Texas Health Science Center at Houston	1	0	0	1	0.05%
60 The University of Texas of the Permian Basin	3	1	0	4	0.18%
61 Trinity Valley Community College	1	0	0	1	0.05%
62 Tyler Junior College	2	0	0	2	0.09%
63 University of Houston	0	0	1	1	0.05%
64 University of Houston - Clear Lake	1	0	0	1	0.05%
65 University of Houston - Downtown	1	0	0	1	0.05%
66 University of Houston - Victoria	1	0	0	1	0.05%
67 University of North Texas	17	0	0	17	0.77%
68 University of North Texas Health Science Center	1	0	0	1	0.05%
69 Weatherford College	4	0	0	4	0.18%
70 West Texas A&M University	928	29	45	1,002	45.32%
71 Western Texas College	2	0	0	2	0.09%
Totals	1,778	244	189	2,211	100.00%

NOTE: Totals may not equal those from the Automated Student and Adult Learner Follow-up System Results since non-disclosure students are not included in this report.
Information taken from Automated Student & Adult Learner Follow-up Report from the Coordinating Board.

Amarillo College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2014 to 2018
(unaudited)

	Fiscal Year				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Academic buildings	32	31	31	31	31
Square footage (in thousands)	998	987	997	962	951
Libraries*	1	1	1	1	1
Square footage (in thousands)	16	16	16	16	16
Number of Volumes (in thousands)	50	50	51	51	52
Administrative and support buildings	8	8	7	8	7
Square footage (in thousands)	188	188	158	159	145
Rentals					
Apartment Bldgs (formerly Dorms)		-	-	-	-
Square footage (in thousands)		-	-	-	-
Number of Beds		-	-	-	-
Rental Housing Units	335	335	335	335	335
Square footage (in thousands)	493	493	493	493	493
Commercial Rentals	3	3	3	3	3
Square footage (in thousands)	16	16	17	17	17
Dining Facilities*		-	-	-	-
Square footage (in thousands)		-	-	-	-
Athletic Facilities (sum of below)	5	5	5	5	5
Square footage(in thousands)	79	78	78	85	85
Stadiums		-	-	-	-
Gymnasiums*	5	5	5	5	5
Fitness Centers*	2	2	2	2	2
Tennis Court		-	-	-	-
Plant facilities	4	5	5	5	5
Square footage (in thousands)	81	96	96	96	96
Transportation (Total)	148	140	139	140	133
Cars	30	29	29	29	34
Semi Trucks / Heavy Trucks (Instructional)	68	28	27	25	22
Light Trucks/Vans (includes Instructional)	28	62	62	64	62
Buses (Instructional)	8	8	8	9	9
Motorcycles (Instructional)	14	13	13	13	6

* May be within other buildings