

PARIS JUNIOR COLLEGE
Paris, Texas

REPORT OF AUDIT

August 31, 2018

PARIS JUNIOR COLLEGE
Paris, Texas

REPORT OF AUDIT

AUGUST 31, 2018

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August 31, 2018**

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**Paris Junior College
Organizational Data
August 31, 2018**

Board of Regents

		<u>Term Expires October 31,</u>
	<u>Officers</u>	
Mr. Curtis Fendley	President	2024
Dr. Clifton Wilkerson	Vice President	2020
Ms. Berdie Gibson	Secretary	2022
	<u>Members</u>	
Mr. Jim Bell		2020
Ms. Ginna Bowman		2024
Mrs. Carolyn Lockett		2022
Mr. Charles Lynch		2020
Ms. Louise Taylor		2022
Mr. Mark Buster		2024

Principal Administrative Officers

Dr. Pamela Anglin	President
Mr. John Spradling	Vice President, Workforce Education
Mr. Stanton Gartin	Vice President, Academic Studies
Ms. Keitha Carlton	Controller

McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Regents
Paris Junior College
Paris, Texas

We have audited the accompanying financial statements of Paris Junior College (the College) and Paris Junior College Memorial Foundation (the Foundation), a discretely presented component unit, as of and for the years ended August 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Paris Junior College and Paris Junior College Memorial Foundation, a discretely presented component unit,

as of August 31, 2018 and 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in fiscal year 2018, the College adopted new accounting guidance prescribed by GASB Statement No. 75 for post-employment benefits other than pensions. Because GASB Statement No. 75 implements a new measurement criteria and reporting provisions, significant information has been added to the financial statements. The Schedule of Proportionate Share of Net OPEB Liability discloses the College's Net OPEB Liability. The Schedule of Contributions for OPEB – Employee Retirement System of Texas discloses the College's contributions to the Employee Retirement System of Texas. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of Net Pension Liability, Schedule of Pension Contributions, Schedule of Proportionate Share of Net OPEB Liability, Schedule of Contributions for OPEB – Employee Retirement System of Texas 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 financial statements that collectively comprise the College's basic financial statements. The statistical section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The schedule of expenditures of State of Texas awards, required by the State of Texas Single Audit Circular and the supplemental schedules, is also 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 supplemental schedules 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 supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements 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.

Board of Regents
Paris Junior College

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 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 the effectiveness of Paris Junior College's 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.

McClanahan and Holmes, LLP
Certified Public Accountants

Paris, Texas
December 14, 2018

Paris Junior College
Management's Discussion and Analysis
August 31, 2018

Management of Paris Junior College provides this Management's Discussion and Analysis of Paris Junior College for readers of the College's financial statements. This narrative overview and analysis of the financial activities of the College is for the fiscal year ended August 31, 2018. We encourage readers to consider this information in conjunction with the College's financial statements and the notes to the financial statements which follow.

Financial Highlights

Net position increased by \$3,505,750 in 17/18 before the cumulative effect of change in accounting principle of (\$24,349,927) related to GASB 75 for an overall decrease of (\$20,844,177). Net position increased by \$2,931,146 in 16/17.

New categories were added to the College's Statement of Net Position related to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The new categories are Deferred Outflows of Resources and Deferred Inflows of Resources related to the accounting for other postemployment benefit expenditures (OPEB). In addition, the implementation of GASB 75 resulted in a cumulative effect of change in accounting principle that is also reflected on the College's Statement of Net Position.

Net position at the end of the year was \$24,702,605 in 17/18 and \$45,546,782 in 16/17.

Paris Junior College adopted a simplified tuition and fee structure for 17/18 with the goal of balancing costs and maintaining affordability. In-district tuition remained at \$55 per semester credit hour while out-of-district tuition increased to \$105 per semester credit hour (\$55 tuition plus an out-of-district fee of \$50), and the non-resident tuition was \$155 per semester credit hour. All students paid a \$25 per semester credit hour general fee and the registration fee was removed.

Tuition and fee revenue remained relatively unchanged with a slight decrease of 0.02% or (\$1,665) from \$6,854,000 in 16/17 to \$6,852,335 in 17/18. While there was not a significant overall change in tuition and fee revenue, note that tuition revenue decreased (\$2,340,939) or 23.42% from \$9,993,373 in 16/17 to \$7,652,434 in 17/18 while fee revenue increased \$2,953,163 or 142% from \$2,074,252 in 16/17 to \$5,027,415 in 17/18. This is due to the change in tuition and fee structure described above.

Federal Non-Operating grants and contracts revenue increased 8.58% or \$627,281 from \$7,314,114 in 16/17 to \$7,941,395 in 17/18. Most of the increase in federal grant revenue was from the Department of Education for Pell grants which increased \$719,027.

During 2018, Paris Junior College had several departmental equipment additions such as an ambulance simulator, baseball field fencing and lights, and began renovations to the student center. The cost of these projects were funded through current operations and totalled \$335,436.

State appropriations decreased 11.73% or (\$1,188,428) from \$10,128,799 in 16/17 to \$8,940,371 in 17/18. The decrease is primarily due to the decrease from funding received for support related to education and general funding of (\$670,665). Funding is based on core operations, contact hours, and success points. Paris Junior College had a decrease in contact hours of 4.7% or 4,506 hours from 95,715 in 16/17 to 91,209 in 17/18. This is a result of changes that include a 60 semester credit hour cap on associate degrees and the implementation of student pathways which leads to better student success in the long term. There are also decreases for funding in state group insurance of (\$430,931) and state retirement matching of (\$100,897) as calculated per GASB 68 and GASB 75. The actual decrease in funding received for state group insurance was (\$57,810) and funding was flat for state retirement matching.

A taxing district annexation election was held in November, 2016 and all of Lamar County voted to be annexed into the Paris Junior College District. This change increased the tax base in 2017-2018 and resulted in the changes to tuition and fees as described above.

While there continue to be funding and enrollment challenges, Paris Junior College's goal is to make sure there are accessible and affordable educational opportunities available to the residents of our area. This goal includes academic preparation for those who seek to transfer to a university as well as providing certificates and associate degrees in workforce programs to better meet the needs of local business and industry.

Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2018

Overview of the Financial Statements

The Annual Financial Report consists of a series of financial statements. The core statements are known as the *Statement of Net Position*, the *Statement of Revenues, Expenses, and Changes in Net Position*, and the *Statement of Cash Flows*. These statements comply with all the Statements issued by the Governmental Accounting Standards Board (GASB) that are currently in effect.

Statement of Net Position

The Statement of Net Position presents all of the College's assets and liabilities with the difference between the two reported as "net position". Over time, increases or decreases in the College's net position may serve as a useful indicator of whether the financial position of the College is improving or deteriorating. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets.

The Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of the college activities which are supported mainly by state appropriations, Federal revenue, ad valorem taxes and tuition and fee revenues. This approach is intended to summarize and simplify the user's analysis of costs of various college services to students and the public. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The two statements above report the College's net position and changes in net position. The change in net position provides the reader a tool to assist in determining whether the College's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the College.

Statement of Cash Flows

The Statement of Cash Flows is presented on the direct method to illustrate the sources and uses of cash for operating activities of the College. The primary purpose of cash flow analysis is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also may help users assess the College's ability to generate future net cash flows, to meet its obligations as they come due, and to determine its need for external financing.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to financial statements can be found immediately following the basic financial statements.

Affiliated Organization

The Paris Junior College Memorial Foundation is a component unit of Paris Junior College. The financial statements of the Foundation are presented with those of the College. The prescribed presentation is for the Foundation's statement to be presented separately in a format known as a discrete presentation. For fiscal year 2017-2018 the net assets of the Foundation increased \$3,135,073 from \$21,285,821 in 16/17 to \$24,420,894 in 17/18.

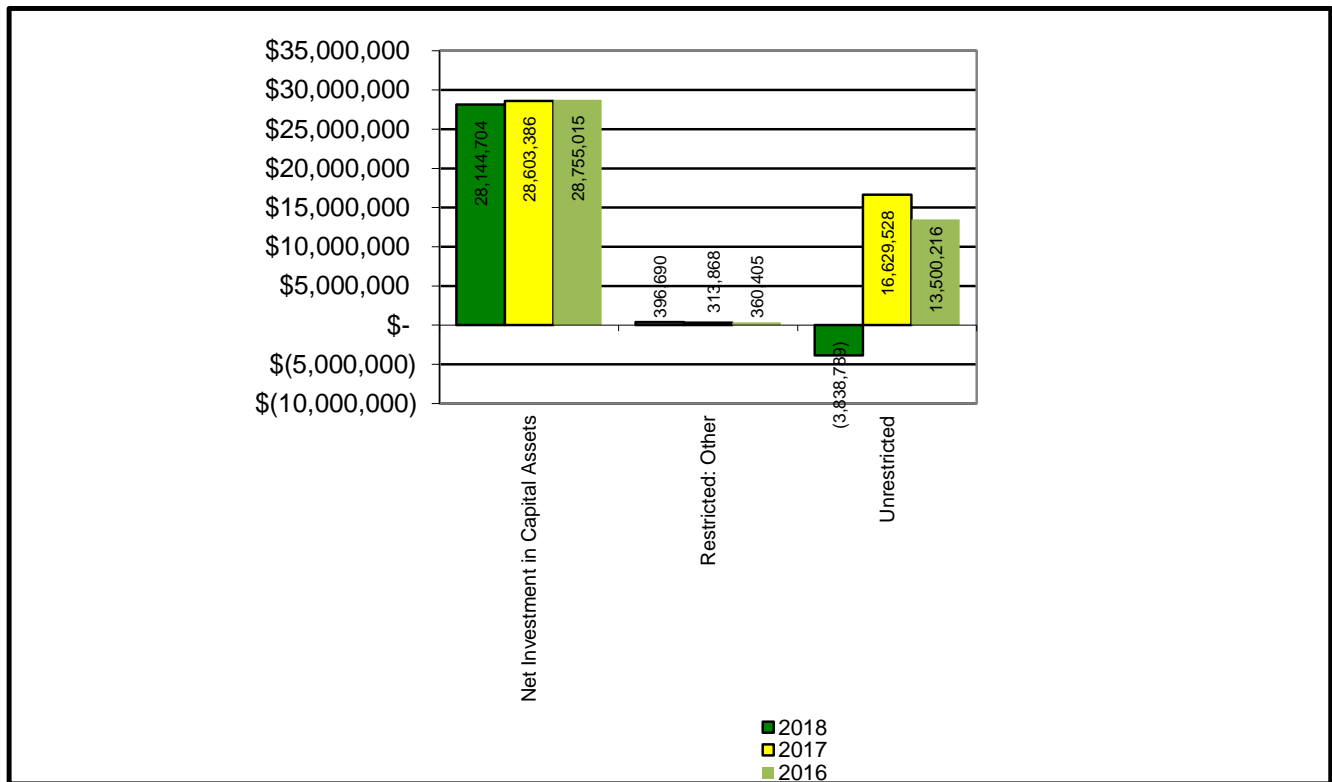
**Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2018**

Net Assets

**Condensed Statement of Net Assets
August 31,**

	2018	2017	2016
Current Assets	\$ 31,690,680	\$ 25,845,558	\$ 25,077,921
Non-Current Assets			
Capital Assets, Net of Accumulated Depreciation	40,329,698	41,548,386	42,326,015
Total Assets	<u>72,020,378</u>	<u>67,393,944</u>	<u>67,403,936</u>
Deferred Outflows of Resources	<u>2,783,970</u>	<u>1,191,220</u>	<u>1,442,284</u>
Current Liabilities	8,379,230	5,625,057	7,840,531
Non-Current Liabilities	35,777,656	16,250,480	17,105,974
Total Liabilities	<u>44,156,886</u>	<u>21,875,537</u>	<u>24,946,505</u>
Deferred Inflows of Resources	<u>5,944,857</u>	<u>1,162,845</u>	<u>1,284,079</u>
Net Position			
Net Investment in Capital Assets	28,144,704	28,603,386	28,755,015
Restricted: Other	396,690	313,868	360,405
Unrestricted	(3,838,789)	16,629,528	13,500,216
Total Net Position	<u>\$ 24,702,605</u>	<u>\$ 45,546,782</u>	<u>\$ 42,615,636</u>

Breakdown of Net Position



Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2018

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

	2018	2017	2016
Operating Revenues	\$ 11,956,918	\$ 11,063,720	\$ 11,960,835
Non-Operating Revenues	20,336,862	20,768,054	21,608,694
Total Revenues	<u>32,293,780</u>	<u>31,831,774</u>	<u>33,569,529</u>
Operating Expense	28,231,149	28,313,912	29,915,186
Non-Operating Expense	556,881	586,716	713,280
Total Expenses	<u>28,788,030</u>	<u>28,900,628</u>	<u>30,628,466</u>
Changes in Net Position	<u>3,505,750</u>	<u>2,931,146</u>	<u>2,941,063</u>
Net Position - Beginning of Year	45,546,782	42,615,636	39,674,573
Cumulative Effect of Change in Accounting Principle	<u>(24,349,927)</u>	<u>-</u>	<u>-</u>
Balance at Beginning of Year, as Restated	<u>21,196,855</u>	<u>42,615,636</u>	<u>39,674,573</u>
Net Position - End of Year	<u>\$ 24,702,605</u>	<u>\$ 45,546,782</u>	<u>\$ 42,615,636</u>

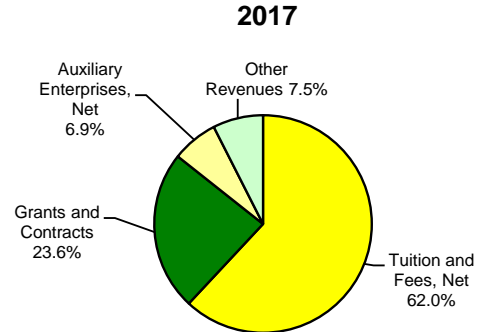
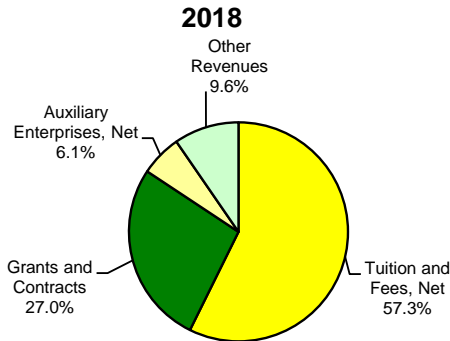
Discussion of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

The statement of net assets assesses the balance of the College's *assets* (the resources it can use to provide services and operate the entity) against its *liabilities* (its obligations to turn over resources to other organizations or individuals). The Total Assets plus Deferred Outflows of Resources minus Total Liabilities and Deferred Inflows of Resources equals Total Net Position. Paris Junior College adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for fiscal year 2017-2018. As part of that adoption, the College included a cumulative effect of change in accounting principle of (\$24,349,927) and the restatement was made directly to the beginning net position in 17/18.

**Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2018**

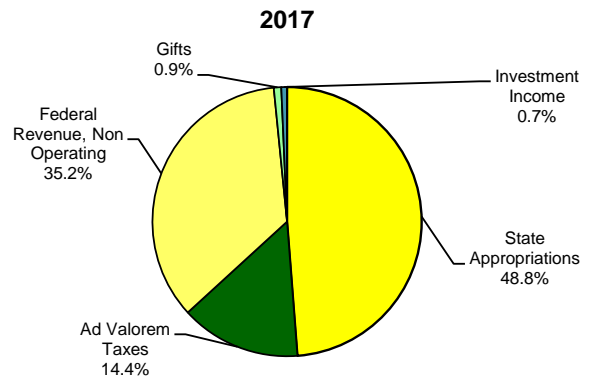
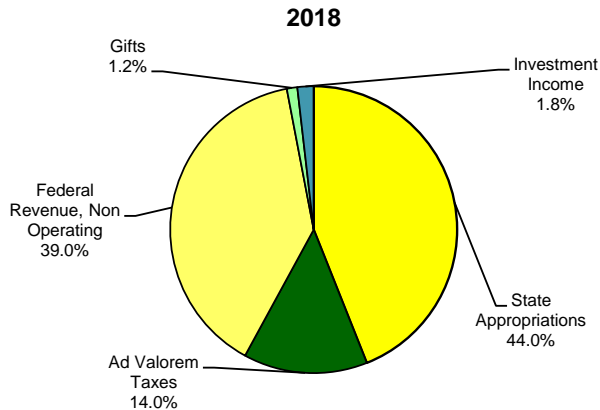
**Operating Revenues
Years Ended August 31,**

	2018	2017	2016
Tuition and Fees, Net	\$ 6,852,335	\$ 6,854,000	\$ 6,612,041
Grants and Contracts	3,228,591	2,624,030	3,041,954
Auxiliary Enterprises, Net	729,132	758,782	793,455
Other Revenues	1,146,860	826,908	1,513,385
Total Operating Revenues	\$ 11,956,918	\$ 11,063,720	\$ 11,960,835



**Non-Operating Revenues
Years Ended August 31,**

	2018	2017	2016
State Appropriations	\$ 8,940,371	\$ 10,128,799	\$ 10,187,172
Ad Valorem Taxes	2,843,527	2,997,380	3,004,129
Federal Revenue, Non Operating	7,941,395	7,314,114	8,196,876
Gifts	240,202	185,048	91,182
Investment Income	371,367	142,713	90,335
Gain on Sale of Capital Assets	-	-	39,000
Total Non-Operating Revenues	\$ 20,336,862	\$ 20,768,054	\$ 21,608,694

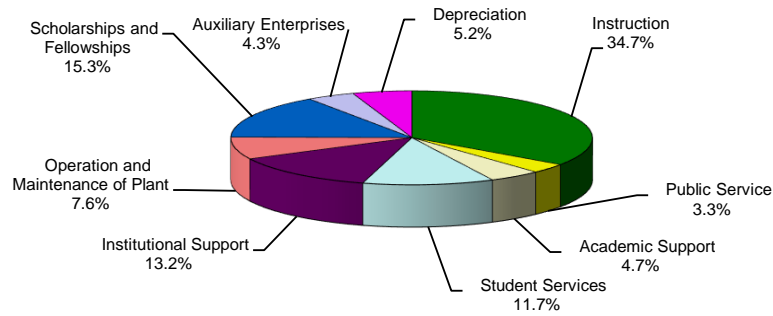


**Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2018**

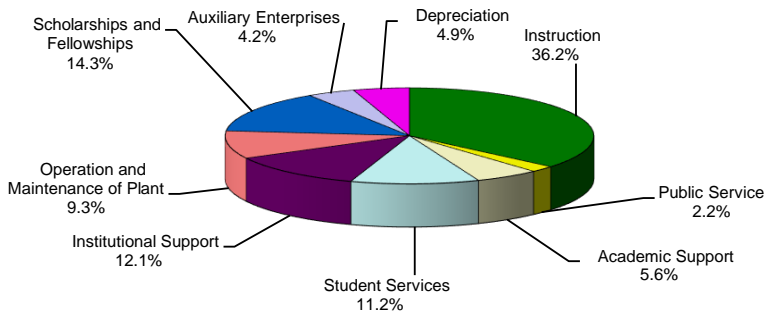
**Operating Expenses
Years Ended August 31,**

Operating Expenses:	2018	2017	2016
Instruction	\$ 9,798,444	\$ 10,238,951	\$ 10,599,106
Public Service	937,378	600,011	604,703
Academic Support	1,315,763	1,594,787	1,553,952
Student Services	3,295,470	3,178,497	3,286,505
Institutional Support	3,729,123	3,431,370	3,463,902
Operation and Maintenance of Plant	2,143,151	2,643,705	2,228,550
Scholarships and Fellowships	4,304,506	4,044,906	5,436,019
Auxiliary Enterprises	1,211,261	1,185,953	1,359,181
Depreciation	1,496,053	1,395,732	1,383,268
Total Operating Expenses	\$ 28,231,149	\$ 28,313,912	\$ 29,915,186

2018



2017



Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2018

Capital Asset and Long-Term Debt Activity

Capital Assets

The College's investment in capital assets as of August 31, 2018 amounts to \$57,868,357 net of accumulated depreciation of \$17,538,659 leaving a net book value of \$40,329,698. This investment in capital assets includes land, collections, buildings and improvements, furniture and equipment, vehicles, and library books. Please refer to the notes to the financial statements for more detail on capital assets.

Long-Term Debt Activity

At the end of the fiscal year, the College had \$12,185,000 outstanding in bonds payable versus \$12,945,000 outstanding at the end of August 2017.

There are three revenue bonds outstanding at year end. The 2006, 2007, and 2012 revenue bonds' principal and interest outstanding at year end was \$16,457,798.

The College no longer carries an active bond rating; however, in the past the College's bond rating for debt was "A-" with a rating outlook for the intermediate to longer term of stable as rated by Standard & Poor's. The College's bond rating for debt was "A3" with a rating outlook for the intermediate to longer term of stable as rated by Moody's.

Paris Junior College
Exhibit 1
Statement of Net Position
August 31, 2018 and August 31, 2017

	2018	2017
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 13,575,876	\$ 11,152,101
Short-Term Investments	11,000,000	11,000,000
Accounts Receivable, Net	6,602,127	3,402,161
Inventories	47,370	71,727
Other Assets	465,307	219,569
Total Current Assets	31,690,680	25,845,558
Noncurrent Assets		
Capital Assets, Net (See Note 5)	40,329,698	41,548,386
Total Noncurrent Assets	40,329,698	41,548,386
Total Assets	72,020,378	67,393,944
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	1,003,347	1,191,220
Deferred Outflows Related to OPEB	1,780,623	-
Total Deferred Outflows of Resources	2,783,970	1,191,220
LIABILITIES		
Current Liabilities		
Accounts Payable	709,644	703,262
Accrued Liabilities	55,144	60,066
Funds Held for Others	69,723	41,454
Unearned Revenues	6,933,872	4,337,275
OPEB Liability - Current Portion	105,847	-
Bonds Payable - Current Portion	505,000	483,000
Total Current Liabilities	8,379,230	5,625,057
Noncurrent Liabilities		
Deposits	26,900	28,400
Pension Liability	3,316,430	3,760,080
OPEB Liability	20,754,326	-
Bonds Payable	11,680,000	12,462,000
Total Noncurrent Liabilities	35,777,656	16,250,480
Total Liabilities	44,156,886	21,875,537
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	1,332,572	1,162,845
Deferred Inflows Related to OPEB	4,612,285	-
Total Deferred Inflows of Resources	5,944,857	1,162,845
NET POSITION		
Net Investment in Capital Assets	28,144,704	28,603,386
Restricted for:		
Other	396,690	313,868
Unrestricted	(3,838,789)	16,629,528
Total Net Position (Schedule D)	\$ 24,702,605	\$ 45,546,782

The notes to the financial statements are an integral part of this statement.

**Paris Junior College
Affiliated Organization
Exhibit 1A
Statement of Financial Position
August 31, 2018 and August 31, 2017**

	2018	2017
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 360,986	\$ 310,954
Total Current Assets	360,986	310,954
Investments	24,001,866	20,915,955
Fixed Assets		
Property and Equipment, Net	5,542	6,412
Total Fixed Assets	5,542	6,412
Other Assets		
Property Held for Investment	7,500	7,500
Royalty Interests	45,000	45,000
Total Other Assets	52,500	52,500
Total Assets	\$ 24,420,894	\$ 21,285,821
LIABILITIES		
Liabilities		
Accounts Payable	\$ -	\$ -
Total Liabilities	-	-
NET ASSETS		
Unrestricted	16,977	23,689
Temporarily Restricted	14,420,473	11,420,228
Permanently Restricted	9,983,445	9,841,904
Total Net Assets	\$ 24,420,895	\$ 21,285,821

The notes to the financial statements are an integral part of this statement.

Paris Junior College
Exhibit 2
Statement of Revenues, Expenses, and Changes in Net Position
Years Ended August 31, 2018 and August 31, 2017

OPERATING REVENUES	2018	2017
Tuition and Fees (Net of Discounts of \$5,827,514 and \$5,213,625, respectively)	\$ 6,852,335	\$ 6,854,000
Federal Grants and Contracts	1,894,407	1,663,086
State Grants and Contracts	1,098,163	779,692
Non-Governmental Grants and Contracts	236,021	181,252
Sales and Services of Educational Activities	307,230	87,508
Auxiliary Enterprises (Net of Discounts)	729,132	758,782
Other Operating Revenues	839,630	739,400
Total Operating Revenues (Schedule A)	<u>11,956,918</u>	<u>11,063,720</u>
 OPERATING EXPENSES		
Instruction	9,798,444	10,238,951
Public Service	937,378	600,011
Academic Support	1,315,763	1,594,787
Student Services	3,295,470	3,178,497
Institutional Support	3,729,123	3,431,370
Operation and Maintenance of Plant	2,143,151	2,643,705
Scholarships and Fellowships	4,304,506	4,044,906
Auxiliary Enterprises	1,211,261	1,185,953
Depreciation	1,496,053	1,395,732
Total Operating Expenses (Schedule B)	<u>28,231,149</u>	<u>28,313,912</u>
 Operating Income (Loss)	<u>(16,274,231)</u>	<u>(17,250,192)</u>
 NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	8,940,371	10,128,799
Maintenance Ad Valorem Taxes	2,843,527	2,997,380
Federal Revenue, Non Operating	7,941,395	7,314,114
Gifts	240,202	185,048
Investment Income	371,367	142,713
Interest on Capital Related Debt	(556,881)	(586,716)
Gain on Sale of Capital Assets	-	-
Net Non-Operating Revenues (Schedule C)	<u>19,779,981</u>	<u>20,181,338</u>
 Increase in Net Position	<u>3,505,750</u>	<u>2,931,146</u>
 NET POSITION		
Net Position - Beginning of Year	45,546,782	42,615,636
Cumulative Effect of Change in Accounting Principle	<u>(24,349,927)</u>	<u>-</u>
Balance at Beginning of Year, as Restated	21,196,855	42,615,636
Net Position - End of Year	<u>\$ 24,702,605</u>	<u>\$ 45,546,782</u>

The notes to the financial statements are an integral part of this statement.

Paris Junior College
 Affiliated Organization
 Exhibit 2A
 Statement of Activities
 Year Ended August 31, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUES, GAINS, AND OTHER SUPPORT				
Contributions	\$ 3,335	\$ 11,814	\$ 111,005	\$ 126,154
Net Realized Gains/(Losses) on Investments, Net of Management Fees	-	2,188,819	-	2,188,819
Net Unrealized Gains/(Losses) on Investments	-	1,317,377	-	1,317,377
Interest	17	22,506	-	22,523
Dividends	25	505,071	30,535	535,631
Royalties	-	7,626	1	7,627
In-Kind Professional Services	65,630	-	-	65,630
Miscellaneous	147	296	-	443
Total Operating Revenue	69,154	4,053,509	141,541	4,264,204
Net Assets Released From Restrictions:				
Satisfaction of Program Restrictions	1,053,264	(1,053,264)	-	-
Total Operating Revenues, Gains and Other Support	1,122,418	3,000,245	141,541	4,264,204
OPERATING EXPENSES				
Programs:				
Contributions to PJC for Scholarships	950,496	-	-	950,496
Contributions to PJC for Equipment	102,768	-	-	102,768
Administration and Investment Fees				
Accounting	1,300	-	-	1,300
Other	8,066	-	-	8,066
In-Kind Professional Expenses	65,630	-	-	65,630
Total Operating Expenses	1,128,260	-	-	1,128,260
Changes in Net Assets from Operations	(5,842)	3,000,245	141,541	3,135,944
OTHER CHANGES				
Nonoperating Income (Expense):				
Depreciation	870	-	-	870
Changes in Net Assets	(6,712)	3,000,245	141,541	3,135,074
NET ASSETS, Beginning of Year	23,689	11,420,228	9,841,904	21,285,821
NET ASSETS, End of Year	\$ 16,977	\$ 14,420,473	\$ 9,983,445	\$ 24,420,895

The notes to the financial statements are an integral part of this statement.

Paris Junior College
 Affiliated Organization
 Exhibit 2A (Continued)
 Statement of Activities
 Year Ended August 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUES, GAINS, AND OTHER SUPPORT				
Contributions	\$ 5,789	\$ 27,255	\$ 157,779	\$ 190,823
Net Realized Gains/(Losses) on Investments, Net of Management Fees	-	1,152,850	-	1,152,850
Net Unrealized Gains/(Losses) on Investments	-	(242,714)	-	(242,714)
Interest	27	33,139	-	33,166
Dividends	19	457,653	26,935	484,607
Royalties	-	5,747	27	5,774
In-Kind Professional Services	62,770	-	-	62,770
Miscellaneous	-	605	-	605
Total Operating Revenue	68,605	1,434,535	184,741	1,687,881
Net Assets Released From Restrictions:				
Satisfaction of Program Restrictions	1,178,505	(1,178,505)	-	-
Total Operating Revenues, Gains and Other Support	1,247,110	256,030	184,741	1,687,881
OPERATING EXPENSES				
Programs:				
Contributions to PJC for Scholarships	1,010,026	-	-	1,010,026
Other Scholarships	57,253	-	-	57,253
Administration and Investment Fees				
Accounting	1,600	-	-	1,600
Other	113,127	-	-	113,127
In-Kind Professional Expenses	62,770	-	-	62,770
Total Operating Expenses	1,244,776	-	-	1,244,776
Changes in Net Assets from Operations	2,334	256,030	184,741	443,105
OTHER CHANGES				
Nonoperating Income (Expense):				
Depreciation	870	-	-	870
Changes in Net Assets	1,464	256,030	184,741	442,235
NET ASSETS, Beginning of Year	22,225	11,164,198	9,657,163	20,843,586
NET ASSETS, End of Year	\$ 23,689	\$ 11,420,228	\$ 9,841,904	\$ 21,285,821

The notes to the financial statements are an integral part of this statement.

Paris Junior College
Exhibit 3
Statement of Cash Flows
Years Ended August 31, 2018 and August 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	2018	2017
Receipts from Students and Other Customers	\$ 8,130,324	\$ 7,684,568
Receipts of Grants and Contracts	4,301,189	2,570,870
Payments to or for Employees	(15,681,595)	(14,994,044)
Payments to Suppliers for Goods or Services	(8,031,412)	(5,955,508)
Payment of Scholarships	(3,986,152)	(3,770,866)
Net Cash Provided (Used) by Operating Activities	<u>(15,267,646)</u>	<u>(14,464,980)</u>
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	7,867,773	8,524,373
Receipts from Ad Valorem Taxes	2,864,930	3,018,433
Receipts from Non Operating Federal Revenue	7,941,395	7,314,114
Receipts from Gifts	240,202	185,048
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>18,914,300</u>	<u>19,041,968</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	(277,365)	(618,103)
Principal Paid on Capital Debt	(760,000)	(626,000)
Interest Paid on Capital Debt	(556,881)	(586,716)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,594,246)</u>	<u>(1,830,819)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from Interest on Investments	371,367	142,713
Net Cash Provided (Used) by Investing Activities	<u>371,367</u>	<u>142,713</u>
 Increase (Decrease) in Cash and Cash Equivalents	2,423,775	2,888,882
 Cash and Cash Equivalents - Beginning of Year	11,152,101	8,263,219
 Cash and Cash Equivalents - End of Year	<u>\$ 13,575,876</u>	<u>\$ 11,152,101</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (16,274,231)	\$ (17,250,192)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	1,496,053	1,395,732
Payments Made Directly by State for Benefits	1,072,598	1,604,426
Change in Assets and Liabilities:		
Receivables, Net	(3,221,369)	746,012
Deferred Outflow Pension	187,873	251,064
Deferred Outflow OPEB	49,857	-
Inventories	24,357	1,042
Other Assets	(245,738)	813,137
Accounts Payable	6,382	(231,159)
Accrued Liabilities	(4,922)	(8,420)
Pension Liability	(443,650)	(111,094)
OPEB Liability	(578,805)	-
Unearned Revenue	2,596,597	(1,539,393)
Deposits	(1,500)	2,600
Funds Held for Others	28,269	(17,501)
Deferred Inflow Pension	169,727	(121,234)
Deferred Inflow OPEB	(129,144)	-
 Net Cash Provided (Used) by Operating Activities	<u>\$ (15,267,646)</u>	<u>\$ (14,464,980)</u>

The notes to the financial statements are an integral part of this statement.

Paris Junior College
Notes to Financial Statements
August 31, 2018

1. Reporting Entity

Paris Junior College (PJC) was established in 1924, in accordance with the laws of the State of Texas, to serve the educational needs of Paris and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Government Accounting Standards Board (GASB) Statement No. 14. While the College receives funding from local, state and federal sources, and must comply with spending, reporting, and record-keeping requirements of these entities, it is not a component unit of any other governmental entity. One organization, the Paris Junior College Memorial Foundation, Inc. meets the criteria of GASB pronouncements and has been presented as a discrete component unit of the College (see Note 17).

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 (TPEG), is shown with tuition and fee revenue amounts as a separate set-aside amount (TEC section 56.033). When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act (HEA) Program Funds

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

Other Tuition Discounts

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

Basis of Accounting

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

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.

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 represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by the GASB.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

2. Summary of Significant Accounting Policies (Continued)

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.

Inventories

Inventories consist of jewelry, horology, gemology, welding, and electronics tools, books, and materials for sale to students. Inventories are valued at cost using the first-in, first-out method.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations to buildings, infrastructure 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, generally 50 years for buildings, 20 years for land improvements, 15 years for library books, 10 years for furniture, machinery, vehicles, and other equipment, and 5 years for telecommunications and peripheral equipment.

Collections: In accordance with guidance issued by the Texas Comptroller of Public Accounts, collections are capitalized but not depreciated. Collections are valued at their historical cost or fair value at the date of donation. The College has statues and antique pianos and organs which it capitalizes as collections. These collections are not depreciated due to the inexhaustible nature of these assets.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) 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 resources and deferred inflows of resources related to other postemployment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost-sharing-defined pension plan with a special funding situation. The fiduciary net position of 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's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Unearned Revenues

Tuition and fees and housing charges of \$5,791,057 and \$3,123,949 and federal, state and local grants of \$1,142,815 and \$1,213,326 have been reported as unearned revenues at August 31, 2018 and 2017, respectively.

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 represents an acquisition of net position that applies to a future period and so is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by the GASB.

Estimates

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

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

2. Summary of Significant Accounting Policies (Continued)

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a business-type entity and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal on-going operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operations of food services and the bookstore are not performed by the College but are contracted to independent vendors.

Change in Accounting Principle

The College implemented the provisions of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The implementation of this statement resulted in an adjustment to net position in 2018 of (\$24,349,927).

Prior Year Restatement

Effective for fiscal year 2018, the College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Accordingly, a restatement to beginning net position was required for the recording of the beginning net OPEB liability and for the recording of deferred outflows of resources related to OPEB for contributions made to the ERS OPEB plan subsequent to the measurement date of the beginning net OPEB liability.

Because audited balances could not be obtained for all of the deferred outflows of resources and deferred inflows of resources related to OPEB, the College determined it was impractical to restate its fiscal 2017 financial statements. As such, the College recorded a restatement to beginning net position in the fiscal year 2018 financial statements as a cumulative effect of a change in accounting principle. Beginning net position as of September 1, 2017 has been restated as follows for the implementation of GASB Statement No. 75:

	2018
Increase (Decrease) in Net Position	\$ 3,505,750
 NET POSITION	
Net Position - Beginning of Year	45,546,782
Cumulative Effect of Change in Accounting Principle	(24,349,927)
Net Position - Beginning of Year, as restated	21,196,855
Net Position - End of Year	\$ 24,702,605

3. Authorized Investments

Paris Junior College is authorized to invest in obligations and instruments as defined in the Public 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 rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute. At August 31, 2018, Paris Junior College's short-term investments consisted of certificates of deposit. Paris Junior College had no long-term investments at August 31, 2018.

4. Deposits and Investments

At August 31, 2018 and 2017, the carrying amount of Paris Junior College's deposits was \$24,576,463 and \$22,148,620, respectively, and total bank balances equaled \$25,127,252 and \$23,079,106. Bank balances of \$500,000 were covered by federal depository insurance at August 31, 2018 and 2017 and \$26,042,858 and \$23,128,532 were covered by collateral pledged in PJC's name. No collateral was held by PJC or by its agent.

Cash and Deposits included on Exhibit 1, Statement of Net Position, consist of the items reported below:

	2018	2017
Bank Deposits		
Demand Deposits	\$ 13,572,988	\$ 11,148,620
Time Deposits	11,000,000	11,000,000
	24,572,988	22,148,620
 Cash and Cash Equivalents		
Cash on Hand	3,475	3,475
Total Cash and Deposits	\$ 24,576,463	\$ 22,152,095

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

5. Capital Assets

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

	Balance September 1, 2017	Additions	Retirements	Balance August 31, 2018
<u>Not Depreciated:</u>				
Land	\$ 4,058,393	\$ -	\$ -	\$ 4,058,393
Construction in Progress	-	-	-	-
Collections	90,750	-	-	90,750
Subtotal	<u>4,149,143</u>	<u>-</u>	<u>-</u>	<u>4,149,143</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Improvements	47,844,387	69,430	-	47,913,817
Furniture and Equipment	3,469,610	258,635	-	3,728,245
Vehicles	1,055,831	-	-	1,055,831
Library Books	1,072,021	7,371	58,071	1,021,321
Subtotal	<u>53,441,849</u>	<u>335,436</u>	<u>58,071</u>	<u>53,719,214</u>
<u>Accumulated Depreciation:</u>				
Buildings and Improvements	12,731,616	1,090,707	-	13,822,323
Furniture and Equipment	1,699,844	338,538	-	2,038,382
Vehicles	760,887	56,791	-	817,678
Library Books	850,259	68,088	58,071	860,276
Subtotal	<u>16,042,606</u>	<u>1,554,124</u>	<u>58,071</u>	<u>17,538,659</u>
Net Other Capital Assets	<u>37,399,243</u>	<u>(1,218,688)</u>	<u>-</u>	<u>36,180,555</u>
Net Capital Assets	<u>\$ 41,548,386</u>	<u>\$ (1,218,688)</u>	<u>\$ -</u>	<u>\$ 40,329,698</u>

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

	Balance September 1, 2016	Additions	Retirements	Balance August 31, 2017
<u>Not Depreciated:</u>				
Land	\$ 4,058,393	\$ -	\$ -	\$ 4,058,393
Construction in Progress	557,211	-	557,211	-
Collections	90,750	-	-	90,750
Subtotal	<u>4,706,354</u>	<u>-</u>	<u>557,211</u>	<u>4,149,143</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Improvements	47,823,818	100,364	79,795	47,844,387
Furniture and Equipment	2,447,145	1,022,465	-	3,469,610
Vehicles	891,039	164,792	-	1,055,831
Library Books	1,104,533	9,611	42,123	1,072,021
Subtotal	<u>52,266,535</u>	<u>1,297,232</u>	<u>121,918</u>	<u>53,441,849</u>
<u>Accumulated Depreciation:</u>				
Buildings and Improvements	11,678,834	1,052,782	-	12,731,616
Furniture and Equipment	1,446,364	253,480	-	1,699,844
Vehicles	700,762	60,125	-	760,887
Library Books	820,914	71,468	42,123	850,259
Subtotal	<u>14,646,874</u>	<u>1,437,855</u>	<u>42,123</u>	<u>16,042,606</u>
Net Other Capital Assets	<u>37,619,661</u>	<u>(140,623)</u>	<u>79,795</u>	<u>37,399,243</u>
Net Capital Assets	<u>\$ 42,326,015</u>	<u>\$ (140,623)</u>	<u>\$ 637,006</u>	<u>\$ 41,548,386</u>

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

6. Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2018 was as follows:

	Balance September 1, 2017	Additions	Retirements	Balance August 31, 2018	Current Portion
Bonds					
Revenue Bonds	\$ 12,945,000	\$ -	\$ 760,000	\$ 12,185,000	\$ 505,000
Subtotal	12,945,000	-	760,000	12,185,000	505,000
Net Pension Liability	3,760,080	-	443,650	3,316,430	-
Net OPEB Liability	-	20,860,173	-	20,860,173	105,847
Total Noncurrent Liabilities	<u>\$ 16,705,080</u>	<u>\$ 20,860,173</u>	<u>\$ 1,203,650</u>	<u>\$ 36,361,603</u>	<u>\$ 610,847</u>

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

	Balance September 1, 2016	Additions	Retirements	Balance August 31, 2017	Current Portion
Bonds					
Revenue Bonds	\$ 13,571,000	\$ -	\$ 626,000	\$ 12,945,000	\$ 483,000
Subtotal	13,571,000	-	626,000	12,945,000	483,000
Net Pension Liability	3,871,174	-	111,094	3,760,080	-
Total Noncurrent Liabilities	<u>\$ 17,442,174</u>	<u>\$ -</u>	<u>\$ 737,094</u>	<u>\$ 16,705,080</u>	<u>\$ 483,000</u>

PJC has three series of revenue bonds outstanding that bear interest from 4.25% to 4.50%. They are due serially in varying amounts aggregating from \$735,000 to \$1,109,000 through March 15, 2032. Revenues of PJC are pledged for the payment of principal and interest on these bonds. Interest of \$556,881 was paid for the year ended August 31, 2018 on revenue bonds.

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

Year Ending August 31,	Revenue Bonds		
	Principal	Interest	Total
2019	\$ 782,000	\$ 538,571	\$ 1,320,571
2020	817,000	503,669	1,320,669
2021	854,000	467,180	1,321,180
2022	890,000	429,091	1,319,091
2023	930,000	389,330	1,319,330
2024-2028	4,900,000	1,819,879	6,719,879
2029-2032	3,289,000	334,389	3,623,389
Totals	<u>12,462,000</u>	<u>4,482,109</u>	<u>16,944,109</u>
Less payment prior to year end of September 15, 2018 requirements	<u>277,000</u>	<u>209,311</u>	<u>486,311</u>
	<u>\$ 12,185,000</u>	<u>\$ 4,272,798</u>	<u>\$ 16,457,798</u>

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

Revenue Bonds:

Tuition and General Fee Revenue Bonds, Series 2006
To acquire site, construct, and equip Greenville center
Issued August 16, 2006
\$7,500,000; all authorized bonds have been issued
Source of revenue for debt service – tuition and other fee revenues

August 31, 2018

\$ 4,996,000

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

6. Long-Term Liabilities (Continued)

Revenue Bonds (Continued):

Tuition and General Fee Revenue Bonds, Series 2007 To acquire site, construct, and equip Greenville center Issued August 16, 2007 \$6,000,000; all authorized bonds have been issued Source of revenue for debt service – tuition and other fee revenues	4,075,000
Tuition and General Fee Revenue Bonds, Series 2012 To prepare site, construct, and equip the Math and Science Building Issued May 24, 2012 \$4,000,000; all authorized bonds have been issued Source of revenue for debt service – tuition and other fee revenues	3,114,000

7. Employees' Retirement Plans

The State of Texas has joint contributory retirement plans for almost all its employees.

Teacher Retirement System of Texas-Defined Benefit Plan

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

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

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.texas.gov/TRS%20Documents/cafr_2017.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible 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 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 are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

7. Employees' Retirement Plans (Continued)

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

	Contribution Rates	
	2018	2017
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Paris Junior College Contributions	\$ 321,268	\$ 310,910
State of Texas On-behalf Contributions	\$ 216,203	\$ 199,461

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.

Public junior colleges or junior college districts 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 of 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 Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions. 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%
Municipal Bond Rate*	N/A*
Last year ending August 31 in the 2016 to 2115	
Projection period (100 years)	2115
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 post-employment benefit changes	None

*The expected contribution to returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns. Source: Teacher Retirement System of Texas FY2017 Comprehensive Annual Financial Report.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

7. Employees' Retirement Plans (Continued)

Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. There were not changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

Discount Rate. The discount rate used to measure the total pension liability was 8.0 percent. 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 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%. 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>Long-Term Expected Geometric Real Rate of Return</u>	<u>Expected Contribution to Long-Term Portfolio Returns*</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%
Real Return			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	<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.

Source: Teacher Retirement System of Texas 2017 Comprehensive Annual Financial Report

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

7. Employees' Retirement Plans (Continued)

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Paris Junior College's Proportionate Share of the Net Pension Liability:	\$ 5,590,846	\$ 3,316,430	\$ 1,422,610

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2018 Paris Junior College reported a liability of \$3,316,430 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Paris Junior College. The amount recognized by Paris Junior 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 Paris Junior College were as follows:

Paris Junior College' Proportionate Share of the Collective Net Pension Liability	\$ 3,316,430
State's Proportionate Share that is Associated with Paris Junior College	1,951,953
Total	\$ 5,268,383

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 employer's proportion of the net pension liability was based on the employer's contributions to the pension 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 of August 31, 2017, the employer's proportion of the collective net pension liability was 0.01037%, which was a decrease of 0.0004% from its proportion measured as of August 31, 2016.

For the year ended August 31, 2018, Paris Junior College recognized pension expense of \$148,887 and revenue of \$148,887 for support provided by the State. Refer to the 2017 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 48,521	\$ 54,379
Changes in Actuarial Assumptions	151,069	86,483
Difference Between Projected and Actual Investment Earnings	510,028	751,723
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	-	439,987
Contributions Paid to TRS Subsequent to the Measurement Date	293,729	-
Total	\$ 1,003,347	\$ 1,332,572

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

Year ended August 31:	Pension Expense Amount
2018	\$ (186,893)
2019	24,803
2020	(203,157)
2021	(249,136)
2022	(21,200)
Thereafter	13,129

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

7. Employees' Retirement Plans (Continued)

Optional Retirement Plan-Defined Contribution Plan

Plan Description. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. 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 legislature. The percentages of participant salaries currently contributed by the state, the College and each participant are 3.3%, 3.3% and 6.65%, respectively. The College contributes 1.31 percent 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 amount of the state's contribution to 50% of eligible employees in the reporting district. In certain instances, the College is required to make all or a portion of the State's contribution.

The retirement expense to the state for the College was \$316,516 and \$308,812 for the fiscal years ended August 31 2018 and 2017, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the College.

The total payroll for all College employees was \$12,093,907 and \$11,896,664 for fiscal years 2018 and 2017, respectively. The total payroll of employees covered by the Teacher Retirement System was \$7,903,988 and \$7,505,463, and the total payroll of employees covered by the Optional Retirement Program was \$3,106,374 and \$3,320,424 for fiscal years 2017 and 2016, respectively.

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 Texas Government Code 609.001.

As of August 31, 2018 and 2017, the College had 17 and 17 employees, respectively, participating in a deferred compensation program. A total of \$82,380 and \$110,740 in payroll deductions were invested in approved plans during the years ended August 31, 2018 and 2017, respectively.

8. Compensated Absences

Sick leave, which can be accumulated up to 480 hours, is earned at the rate of 8 hours per month. It is paid to an employee who misses work because of illness. No accumulated sick leave is paid upon termination of employment. Vacation leave does not accumulate or carryover to subsequent years. Therefore, Paris Junior College does not accrue a liability related to compensated absences.

9. Health Care and Life Insurance Benefits

Certain health care 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 \$622 per month for the year ended August 31, 2018, (\$617 per month for 2017) and totaled \$1,196,219 for 2018 (\$1,254,329 for the year ended 2017). The cost of providing those benefits for 128 retirees in the year ended 2018 as \$460,906 (retiree benefits for 124 retirees cost \$420,549 in 2017). For 206 active employees, the cost of providing benefits was \$935,313 for the year ended 2018 (active employee benefits for 195 employees cost \$833,780 for the year ended 2017). S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

10. Other Post-Employment Benefits (OPEB)

Plan Description. Paris Junior 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 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.

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 the 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	
Retiree Only	\$ 617.30
Retiree & Spouse	\$ 970.98
Retiree & Children	\$ 854.10
Retiree & Family	\$ 1,207.78

Contributions of premiums to the GBP plan is shown below:

	2017
Paris Junior College (active and retired)	\$ 1,774,447
Nonemployer Contributing Entity (State of Texas)	\$ 423,220

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

10. Other Post-Employment Benefits (OPEB) (Continued)

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2017 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	N/A
Projected annual salary increase (includes inflation)	2.5% to 9.5%
Annual healthcare trend rate	8.50% for FY2019, decreasing 0.5% per year to 4.50% for FY11 and after
Inflation assumption rate	2.50%
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 and minimum mortality rates of four per 100 male members and two per 100 female members.
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with full generational projection using Scale BB

*Many of the actuarial assumptions used in the 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.

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 used to determine the total OPEB liability as of the *beginning* of the measurement year 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%. 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 is zero years.

Discount Rate Sensitivity Analysis. The following schedule shows the impact on the College's share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (3.51%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.51%)	Discount Rate (3.51%)	1% Increase in Discount Rate (4.51%)
Paris Junior College's Proportionate Share of the Net OPEB Liability:	\$ 24,900,816	\$ 20,860,172	\$ 17,729,885

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

10. Other Post-Employment Benefits (OPEB) (Continued)

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 8.5% and the ultimate rate is 4.5%. The following schedule shows the impact on the College's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used in measuring the net OPEB liability.

	1% Decrease in Healthcare Cost Trend Rates (ex. 7.5% to 3.5%)	Current Healthcare Cost Trend Rates (ex. 8.5% to 4.5%)	1% Increase in Healthcare Cost Trend Rates (ex. 9.5% to 3.5%)
Paris Junior College's Proportionate Share of the Net OPEB Liability:	\$ 17,536,424	\$ 20,860,173	\$ 25,172,641

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2018, the College reported a liability of \$20,860,173 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the College for OPEB. 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:

Paris Junior College's Proportionate share of the collective net OPEB liability	\$ 20,860,173
State's proportionate share that is associated with Paris Junior College	15,386,001
Total	\$ 36,246,174

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 employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

For the year ended August 31, 2018, the College recognized OPEB expense of \$823,398 and revenue of \$823,398 for support provided by the State.

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:

- Additional demographic assumptions (aggregate payroll increases and rate of general inflation) to reflect an experience study;
- The percentage of current and future retirees and retirees' 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;
- Assumptions for administrative expenses, assumed per Capita Health Benefit Costs, Health Benefit Cost and Retiree Contribution trends to reflect recent health plan experience;
- Effects in short-term expectations and revised assumed rate of general inflation.

Changes of Benefit Terms Since Prior Measurement Date: The following benefit revisions have been adopted since the prior valuation:

- 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.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

10. Other Post-Employment Benefits (OPEB) (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 250,673
Changes in Actuarial Assumptions	-	4,361,612
Difference Between Projected and Actual Investment Earnings	6,176	-
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	-	-
Contributions Paid to ERS Subsequent to the Measurement Date	1,774,447	-
Total	<u>\$ 1,780,623</u>	<u>\$ 4,612,285</u>

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:	Pension Expense Amount
2019	\$ (1,037,259)
2020	(1,037,259)
2021	(1,037,259)
2022	(1,037,259)
2023	(457,075)
Thereafter	-

11. Disaggregation of Receivables and Payables Balances

Receivables at August 31, 2018 and 2017, were as follows:

	2018	2017
Student Receivables	\$ 7,261,011	\$ 3,989,684
Taxes Receivables	394,312	372,909
Federal Receivables	279,218	638,330
Other Receivables	904,139	387,791
Subtotal	<u>8,838,680</u>	<u>5,388,714</u>
Allowance for Doubtful Accounts	<u>(2,236,553)</u>	<u>(1,986,553)</u>
Total	<u>\$ 6,602,127</u>	<u>\$ 3,402,161</u>

Payables at August 31, 2018 and 2017, were as follows:

	2018	2017
Vendors Payable	\$ 709,644	\$ 703,262
Accrued Liabilities	55,144	60,066
Other Payables	69,723	41,454
Total	<u>\$ 834,511</u>	<u>\$ 804,782</u>

12. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable 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.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

13. Self-Insured Plans

PJC has various self-insured arrangements for coverage in the areas of workers' compensation and unemployment compensation. Accrued liabilities are generally based on actuarial valuation and represent the present value of unpaid expected claims. Estimated future payments for incurred claims are charged to current funds expenditures.

14. Property Tax

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

	2018	2017	
Assessed Valuation of the District	\$ 4,276,919,804	\$ 2,466,533,581	
Less: Exemptions and Abatements	953,939,423	794,309,795	
Net Assessed Valuation of the District	\$ 3,322,980,381	\$ 1,672,223,786	
	Current Operations	Debt Service	Total
2018			
Tax Rate per \$100 Valuation for Authorized	\$ 0.2700	\$ 0.5000	\$ 0.770
Tax Rate per \$100 Valuation for Assessed	\$ 0.0850	\$ -	\$ 0.0850
2017			
Tax Rate per \$100 Valuation for Authorized	\$ 0.2700	\$ 0.5000	\$ 0.770
Tax Rate per \$100 Valuation for Assessed	\$ 0.1773	\$ -	\$ 0.1773

Taxes levied for the years ended August 31, 2018 and 2017, are \$2,829,210 and \$2,960,964, respectively including penalty and interest assessed. 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.

Taxes Collected	Current Operations	Debt Service	Total
2018			
Current Taxes Collected	\$ 2,765,627	\$ -	\$ 2,765,627
Delinquent Taxes Collected	40,044	-	40,044
Penalties and Interest Collected	37,859	-	37,859
Total Collected	\$ 2,843,530	\$ -	\$ 2,843,530
2017			
Current Taxes Collected	\$ 2,820,924	\$ -	\$ 2,820,924
Delinquent Taxes Collected	71,262	-	71,262
Penalties and Interest Collected	105,194	-	105,194
Total Collected	\$ 2,997,380	\$ -	\$ 2,997,380

Tax collections for the years ended August 31, 2018 and 2017, were 97.75% and 95.27%, respectively of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

15. Tax Abatements

Paris Junior College has entered into property tax abatement agreements with local businesses under the Property Redevelopment & Tax Abatement Act, Texas Tax Code Chapter 312. Under the Act, localities may grant property tax abatements from 0 to 100 percent of a business' property tax bill for attracting or retaining businesses within their taxing jurisdictions. The abatements were granted to businesses located within or promising to relocate to the taxing district of Paris Junior College for (i) jobs created, (ii) jobs retained in cases of existing employers within the taxing district, and (iii) broadening of the tax base, and expansion of economic base. Paris Junior College discontinued granting tax abatements in 2015.

For the fiscal year ended August 31, 2018, Paris Junior College had commitments outstanding for abated property taxes totaling \$221,458 under this program, including the following agreements that each exceeded 10 percent of the total amount abated:

- An 80 percent property tax abatement to Campbell Soup Company for expansion and addition of a new juice line. The abatement amounted to \$97,283.
- A 100 percent property tax abatement to Kimberly-Clark Corporation for expansion and addition of new equipment. The abatement amounted to \$78,750.
- A 60 percent property tax abatement to Essent PRMC LP for expansion. The abatement amounted to \$22,600.

16. Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the years ended August 31, 2018 and 2017.

17. Component Unit

The Paris Junior College Memorial Foundation, Inc. - Discrete Component Unit

The Paris Junior College Memorial Foundation, Inc. was established as a separate nonprofit corporation in 1944 to raise funds to provide student scholarships and assistance in the development and growth of the College. Under Governmental Standards Board Statement No. 39, *Determining Whether Certain Organization are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

Accordingly, the Foundation's financial statements are included in the College's annual report as a discrete component unit (see table of contents). Selected disclosures are included in the College's financial statements.

General and Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Foundation maintains its accounts in accordance with the principles of fund accounting. Resources for various purposes are classified into funds that are in accordance with activities or objectives specified by donors. Separate accounts are maintained for each fund. For reporting purposes, however, the Foundation classifies net position and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net position of the Foundation and changes therein are classified and reported as follows:

Unrestricted: Net position that is not subject to donor-imposed restrictions and may be used for any operating purpose of the Foundation.

Temporarily Restricted: Net position that is subject to donor-imposed stipulations that require the passage of time and/or the occurrence of a specific event.

Permanently Restricted: Net position that is required to be maintained in perpetuity, with only the income used for operating activities, due to donor-imposed restrictions.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

17. Component Unit (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. The carrying amounts of other investments are based on the historical cost of those investments. Realized and unrealized gains and losses are reported in the statement of activities.

In accordance with generally accepted account principles, investment in financial and nonfinancial assets are reported in a three-tiered hierarchy as follows:

Level I - Assets are based on quoted prices or unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the Foundation's year end.

Level II - Assets are based on other than quoted prices or adjusted quoted prices of similar assets or liabilities in markets that are not active.

Level III - Assets are based on unobservable inputs and shall reflect the Foundation's own assumptions about the assets or liabilities.

This fair value hierarchy gives the highest priority to Level I assets and the lowest priority to Level III assets.

Capital Assets and Depreciation

Capital assets are recorded at cost or at estimated fair market value at the date of the gift if donated. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Assets donated with specific restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net position to unrestricted net position at that time.

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives range from 10 to 30 years.

Contributions

Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributed Services

The services of the Foundation employees and certain operating costs have been donated by the College. The estimated value of these contributed services is \$65,630 and \$62,770 for the years ended August 31, 2018 and 2017, respectively, and has been included in revenues and expenses in the accompanying financial statements.

Federal Income Taxes

The income of the Foundation, except for unrelated business income, is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Foundation had no unrelated business income during the years ended August 31, 2018 and 2017.

Use of Estimates

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

Risks and Uncertainties

The Foundation invests in various investment securities which are inherently exposed to various risks such as interest rate fluctuations, and market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2018

17. Component Unit (Continued)

Reclassifications

Certain amounts relating to the prior year have been reclassified to conform to the current year presentation. The reclassifications have no effect on the previously reported net assets.

Investments

The following schedule summarizes the Foundation's investments as of August 31, 2018 and 2017:

Type of Security	Fair Value	
	2018	2017
Consumer Cyclical	\$ 1,088,824	\$ 2,010,316
Consumer Non-Cyclical	1,203,722	535,379
Energy	5,141,022	3,954,527
Financial	7,446,626	7,593,162
Healthcare	3,221,398	2,343,018
Industrial	970,751	1,511,715
Technology	3,929,053	2,272,540
Preferred Stock	109,440	-
Closed End Funds (Precious Metals)	48,469	91,149
Corporate Bonds	53,457	142,075
Government Bonds	942	1,311
Municipal Bonds	105,640	286,852
Mutual Funds (Equity)	434	-
Unit Investment Trust	3,503	173,911
Unit Investment Trust	198,585	-
Total Investments	<u>\$ 23,521,866</u>	<u>\$ 20,915,955</u>

The Foundation holds investment assets of common stock valued at \$480,000 that is a Level II investment. The remainder of the Foundation's investments are Level I investments.

Fees paid for by the Foundation investment management services amounted to \$64,128 and \$63,444 for the years ended August 31, 2018 and 2017.

Capital Assets

The following schedule summarizes the Foundation's capital assets as of August 31, 2018 and 2017:

	2018	2017
Land	\$ 500	\$ 500
Building	170,273	170,273
Improvements	14,603	14,603
	185,376	185,376
Accumulated Depreciation	(179,834)	(178,964)
Total Property and Equipment	<u>\$ 5,542</u>	<u>\$ 6,412</u>

Paris Junior College
Required Supplementary Information
August 31, 2018

Schedule of Proportionate Share of Net Pension Liability

Fiscal year ending August 31*,	2018**	2017**	2016**	2015**
Paris Junior College's Proportionate Share of Collective Net Pension Liability (%)	0.013070%	0.009950%	0.010951%	0.012075%
Paris Junior College's Proportionate Share of Collective Net Pension Liability (\$)	\$ 3,316,430	\$ 3,760,080	\$ 3,871,174	\$ 3,225,507
State's Proportionate Share of Net Pension Liability Associated with Paris Junior College	1,915,953	2,359,068	2,508,903	2,233,999
Total	<u>\$ 5,232,383</u>	<u>\$ 6,119,148</u>	<u>\$ 6,380,077</u>	<u>\$ 5,459,506</u>
Paris Junior College's Covered Employee Payroll Amount	\$ 7,903,988	\$ 7,505,463	\$ 7,392,598	\$ 7,722,452
Paris Junior College's Proportionate Share of Collective Net Pension Liability as a Percentage of Covered Employee Payroll	41.96%	50.10%	52.37%	41.77%
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	82.17%	78.00%	78.43%	83.25%

*The amounts presented above are as of the measurement date of the collective net pension liability.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Pension Contributions

Fiscal year ending August 31*,	2018**	2017**	2016**	2015**
Legally Required Contributions	\$ 321,268	\$ 310,910	\$ 307,172	\$ 316,189
Actual Contributions	321,268	310,910	307,172	316,189
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Paris Junior College Covered Employee Payroll Amount	\$ 7,903,988	\$ 7,505,463	\$ 7,392,598	\$ 7,722,452
Ratio of: Actual Contributions / ER Covered Payroll Amount	4.06%	4.14%	4.16%	4.09%

*The amounts presented above are as of the most recent fiscal year-end.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Paris Junior College
Required Supplementary Information
August 31, 2018**

Schedule of Proportionate Share of Net OPEB Liability

Fiscal year ending August 31*	2018**
Paris Junior College's Proportion of the Collective Net OPEB Liability (%)	0.061222%
Paris Junior College's Proportionate Share of the Net OPEB Liability (\$)	\$ 20,860,173
State's Proportionate Share of Net OPEB Liability Associated with Paris Junior College	15,386,001
Total	\$ 36,246,174
Paris Junior College's Covered Employee Payroll Amount	\$ 11,048,585
Paris Junior College's Proportionate Share of Collective Net OPEB Liability as a Percentage of Covered Employee Payroll	188.80%
Plan Fiduciary Net Position as Percentage of the Total OPEB Liability	2.04%

*The amounts presented above are as of the measurement date of the collective net OPEB liability.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Schedule of Contributions for OPEB
Employee Retirement System of Texas**

Fiscal year ending August 31*	2018**
Legally Required Contributions (active and retired)	\$ 1,774,447
Actual Contributions	1,774,447
Contributions Deficiency (Excess)	\$ -
Paris Junior College Covered Employee Payroll Amount	\$ 11,048,585
Contributions as a Percentage of Covered Employee Payroll	16.06%

*The amounts presented above are as of the most recent fiscal year-end.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Paris Junior College
Notes to Required Supplementary Information
August 31, 2018

Defined Benefit Pension Plan

Changes of Benefit Terms

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

Changes of Assumptions

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

Defined Benefit OPEB Plan

Changes of Benefit Terms

Benefit changes have been made since prior valuation of the OPEB plan. Accordingly, the latest valuation reflects the benefit changes that became effective September 1, 2018, since these changes were communicated to plan members in advance of the preparation of the latest valuation report. The benefit changes for HealthSelect retirees and dependents for whom Medicare is not primary include:

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

These minor benefit changes are provided for in the FY2018 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

Changes of Assumptions

Demographic Assumptions

Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality, assumed salary increases and assumed age difference for future retirees and their spouses for selected classes of State Agency employees), assumed aggregate payroll increases and the assumed rate of general inflation have been updated to reflect assumptions recently adopted by the ERS Trustees. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

In addition, the following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees covering dependent children.
- Percentage of future retirees assumed to be married and electing coverage for their spouse.

Economic Assumptions

The assumed rate of general inflation has been updated since the previous valuation to remain consistent with the ERS retirement plan assumption previously adopted by the ERS Trustees.

Assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost, Retiree Contribution and Expense trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations and the revised assumed rate of general inflation.

The discount rate was lowered as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher.

Minor benefit changes have been reflected in the FY2018 Assumed Per Capita Health Benefit Costs.

Paris Junior 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 Total</u>	<u>2017 Total</u>
Tuition and Fees						
Tuition						
State Funded Courses						
In-District Resident Tuition	\$ 1,458,593	\$ -	\$ 1,458,593	\$ -	\$ 1,458,593	\$ 507,674
Out-of-District Resident Tuition	4,991,500	-	4,991,500	-	4,991,500	8,139,533
Non-Resident Tuition	350,225	-	350,225	-	350,225	289,793
TPEG Credit (Set-Aside)	334,344	-	334,344	-	334,344	498,794
State Funded Continuing Education	424,188	-	424,188	-	424,188	467,568
Non-State Funded Continuing Education	65,030	-	65,030	-	65,030	58,446
TPEG Non-Credit (Set-Aside)	28,554	-	28,554	-	28,554	31,565
Total Tuition	<u>7,652,434</u>	<u>-</u>	<u>7,652,434</u>	<u>-</u>	<u>7,652,434</u>	<u>9,993,373</u>
Fees						
General Fee	1,985,934	-	1,985,934	-	1,985,934	1,560,390
Registration Fee	-	-	-	-	-	191,871
Laboratory Fee	196,240	-	196,240	-	196,240	214,590
Installment Handling Fee	26,650	-	26,650	-	26,650	40,775
Other Fees	2,818,591	-	2,818,591	-	2,818,591	66,626
Total Fees	<u>5,027,415</u>	<u>-</u>	<u>5,027,415</u>	<u>-</u>	<u>5,027,415</u>	<u>2,074,252</u>
Scholarship Allowances and Discounts						
Scholarship Allowances	(211,637)	-	(211,637)	-	(211,637)	(228,705)
Remissions and Exemptions	(1,566,458)	-	(1,566,458)	-	(1,566,458)	(1,120,452)
TPEG Allowances	(256,145)	-	(256,145)	-	(256,145)	(327,305)
Federal Grants to Students	(3,793,274)	-	(3,793,274)	-	(3,793,274)	(3,537,163)
Total Scholarship Allowances and Discounts	<u>(5,827,514)</u>	<u>-</u>	<u>(5,827,514)</u>	<u>-</u>	<u>(5,827,514)</u>	<u>(5,213,625)</u>
Total Net Tuition and Fees	<u>6,852,335</u>	<u>-</u>	<u>6,852,335</u>	<u>-</u>	<u>6,852,335</u>	<u>6,854,000</u>
Other Operating Revenues						
Federal Grants and Contracts	-	1,894,407	1,894,407	-	1,894,407	1,663,086
State Grants and Contracts	-	1,098,163	1,098,163	-	1,098,163	779,692
Non-Governmental Grants and Contracts	236,021	-	236,021	-	236,021	181,252
Sales and Services of Educational Activities	4,204	-	4,204	303,026	307,230	87,508
Other Operating Revenues	839,630	-	839,630	-	839,630	739,400
Total Other Operating Revenues	<u>1,079,855</u>	<u>2,992,570</u>	<u>4,072,425</u>	<u>303,026</u>	<u>4,375,451</u>	<u>3,450,938</u>
Auxiliary Enterprises						
Residential Life	-	-	-	982,551	982,551	967,417
Scholarship Allowances and Discounts	-	-	-	(330,714)	(330,714)	(337,248)
Net Residential Life	-	-	-	651,837	651,837	630,169
Bookstore	-	-	-	74,195	74,195	119,838
Athletics	-	-	-	3,100	3,100	8,775
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>729,132</u>	<u>729,132</u>	<u>758,782</u>
Total Operating Revenues (Exhibit 2)	<u>\$ 7,932,190</u>	<u>\$ 2,992,570</u>	<u>\$ 10,924,760</u>	<u>\$ 1,032,158</u>	<u>\$ 11,956,918</u>	<u>\$ 11,063,720</u>

In accordance with Education Code 56.033, \$362,898 and \$530,359 for years ended August 31, 2018 and 2017, respectively, was set aside for Texas Public Education Grants (TPEG).

Paris Junior College
Schedule B
Schedule of Operating Expenses by Object
Year Ended August 31, 2018 (With Memorandum Totals for Year Ended August 31, 2017)

	<u>Operating Expenses</u>						
	<u>Salaries and Wages</u>	<u>Benefits</u>		<u>Other Expenses</u>	<u>2018 Total</u>		<u>2017 Total</u>
		<u>State</u>	<u>Local</u>				
Unrestricted - Educational Activities							
Instruction	\$ 6,374,457	\$ -	\$ 1,300,688	\$ 473,398	\$ 8,148,543	\$ 8,546,941	
Public Service	91,900	-	35,628	19,261	146,789	162,215	
Academic Support	892,594	-	175,586	155,749	1,223,929	1,439,503	
Student Services	1,406,201	-	260,036	223,582	1,889,819	1,840,777	
Institutional Support	1,603,574	-	316,596	1,643,346	3,563,516	3,191,863	
Operation and Maintenance of Plant	766,228	-	206,876	1,170,047	2,143,151	2,643,705	
Scholarships and Fellowships	-	-	-	318,354	318,354	274,040	
Total Unrestricted - Educational Activities	11,134,954	-	2,295,410	4,003,737	17,434,101	18,099,044	
Restricted - Educational Activities							
Instruction	229,260	669,534	51,191	699,916	1,649,901	1,692,010	
Public Service	166,318	9,603	60,050	554,618	790,589	437,796	
Academic Support	-	91,834	-	-	91,834	155,284	
Student Services	543,593	136,021	169,014	557,023	1,405,651	1,337,720	
Institutional Support	-	165,607	-	-	165,607	239,507	
Operation and Maintenance of Plant	-	-	-	-	-	-	
Scholarships and Fellowships	-	-	-	3,986,152	3,986,152	3,770,866	
Total Restricted - Educational Activities	939,171	1,072,599	280,255	5,797,709	8,089,734	7,633,183	
Total Educational Activities	12,074,125	1,072,599	2,575,665	9,801,446	25,523,835	25,732,227	
Auxiliary Enterprises	123,858	-	24,681	1,062,722	1,211,261	1,185,953	
Depreciation Expense-Buildings and Other Real Estate Improvements	-	-	-	1,090,707	1,090,707	1,052,782	
Depreciation Expense-Equipment	-	-	-	405,346	405,346	342,950	
Total	\$ 12,197,983	\$ 1,072,599	\$ 2,600,346	\$ 12,360,221	\$ 28,231,149	\$ 28,313,912	

Paris Junior College
Schedule C
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2018 (With Memorandum Totals for the Year Ended August 31, 2017)

	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
Non-Operating Revenues:					
State Appropriations					
Education and General - State Support	\$ 7,833,934	\$ -	\$ -	\$ 7,833,934	\$ 8,504,599
State Group Insurance	-	-	823,398	823,398	1,254,329
State Retirement Matching	-	-	249,200	249,200	350,097
Professional Nursing Shortage Reduction	-	-	33,839	33,839	19,774
Total State Appropriations	<u>7,833,934</u>	<u>-</u>	<u>1,106,437</u>	<u>8,940,371</u>	<u>10,128,799</u>
Ad Valorem Taxes	2,843,527	-	-	2,843,527	2,997,380
Federal Revenue, Non Operating	7,941,395	-	-	7,941,395	7,314,114
Gifts	240,202	-	-	240,202	185,048
Investment Income	<u>371,367</u>	<u>-</u>	<u>-</u>	<u>371,367</u>	<u>142,713</u>
Total Non-Operating Revenues	<u>19,230,425</u>	<u>-</u>	<u>1,106,437</u>	<u>20,336,862</u>	<u>20,768,054</u>
Non-Operating Expenses:					
Interest on Capital Related Debt	<u>556,881</u>	<u>-</u>	<u>-</u>	<u>556,881</u>	<u>586,716</u>
Total Non-Operating Expenses	<u>556,881</u>	<u>-</u>	<u>-</u>	<u>556,881</u>	<u>586,716</u>
Net Non-Operating Revenues	<u>\$ 18,673,544</u>	<u>\$ -</u>	<u>\$ 1,106,437</u>	<u>\$ 19,779,981</u>	<u>\$ 20,181,338</u>
				(Exhibit 2)	(Exhibit 2)

Paris Junior 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		Net Investment in Capital Assets	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ (6,231,610)	\$ -	\$ -	\$ -	\$ (6,231,610)	\$ (6,231,610)	\$ -
Board Designated	-	1,913,722	-	-	1,913,722	-	1,913,722
Restricted	-	152,538	-	-	152,538	-	152,538
Auxiliary Enterprises	479,099	-	-	-	479,099	479,099	-
Loan	-	-	-	-	-	-	-
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	244,152	-	-	244,152	-	244,152
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	28,144,704	28,144,704	-	28,144,704
Total Net Position, August 31, 2018	(5,752,511)	2,310,412	-	28,144,704	24,702,605 <small>(Exhibit 1)</small>	(5,752,511)	30,455,116
Cumulative Effect of Change in Accounting Principle	(24,349,927)	-	-	-	(24,349,927)	-	(24,349,927)
Total Net Position, August 31, 2017	15,965,806	977,590	-	28,603,386	45,546,782 <small>(Exhibit 1)</small>	15,965,806	29,580,976
Net Increase (Decrease) in Net Position	<u>\$ 2,631,610</u>	<u>\$ 1,332,822</u>	<u>\$ -</u>	<u>\$ (458,682)</u>	<u>\$ 3,505,750</u> <small>(Exhibit 2)</small>	<u>\$ (21,718,317)</u>	<u>\$ 25,224,067</u>

Paris Junior College
Schedule E
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures and Pass-Through Disbursements
<u>U. S. Department of Education</u>				
Direct Programs:				
TRIO Cluster				
Talent Search	84.044	N/A	\$ -	\$ 401,273
Upward Bound	84.047	N/A	-	353,702
Educational Opportunity Center	84.066	N/A	-	323,980
			<u>-</u>	<u>1,078,955</u>
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	-	88,902
Federal Work-Study Program	84.033	N/A	-	114,572
Federal Pell Grant Programs	84.063	N/A	-	7,529,500
			<u>-</u>	<u>7,732,974</u>
Pass-Through from:				
Texas Workforce Commission				
Adult Education - Basic Grants to States	84.002	0716AEL004	17,957	53,175
Adult Education - Basic Grants to States	84.002	0716AELB04	184,922	328,335
Adult Education - Basic Grants to States	85.002	0718ALA000	-	37,387
Adult Education - Basic Grants to States	86.002	0418ALA002	-	2,977
Career Pathways Project	93.558	1315SSF000	-	14,390
			<u>202,879</u>	<u>436,264</u>
Texas Higher Education Coordinating Board Career and Technical Education - Basic	84.048	184202067120001	-	163,981
Total U. S. Department of Education			<u>202,879</u>	<u>9,412,174</u>
<u>U. S. Department of Veterans Affairs</u>				
Veterans Benefits Administration	64.028	N/A	-	208,420
<u>U. S. Small Business Administration</u>				
Pass-Through from:				
Dallas County Community College District Small Business Development Centers	59.037	SBAHQ-17-B-0002	-	121,221
Total U. S. Small Business Administration			<u>-</u>	<u>121,221</u>

Paris Junior College
Schedule E (Continued)
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures	Pass-Through Disbursements and Expenditures
<u>U. S. Department of Health and Human Services</u>				
Pass-Through from:				
Texas Workforce Commission				
Temporary Assistance for Needy Families	93.558	0716AEL004	4,056	13,689
Temporary Assistance for Needy Families	93.558	0716AELB04	1,828	34,362
Temporary Assistance for Needy Families	93.558	0718ALA000	-	182
Total U. S. Department of Health and Human Services			5,884	48,233
<u>Corporation for National and Community Services</u>				
Pass-Through from:				
State Comptroller				
Retired Senior Volunteer Program	94.002	17SRWTX005	-	45,754
Total Corporation for National and Community Services			-	45,754
Total Federal Financial Assistance			\$ 208,763	\$ 9,835,802

Notes to schedule on following page.

Paris Junior College
Schedule E (Continued)
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2018

Note 1: Federal Financial Assistance Reconciliation

Federal Grants and Contracts Revenue - Per Schedule A	\$	-	\$	1,894,407
Add: Non Operating Federal Revenue		-		<u>7,941,395</u>
Total Federal Financial Assistance	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>9,835,802</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

The expenditures included in the schedule are reported for PJC's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represented funds which have been expended by PJC 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 the 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. PJC has followed guidelines issued by various entities in the preparation of the schedule.

Paris Junior College
Schedule F
Schedule of Expenditures of State of Texas Awards
Year Ended August 31, 2018

<u>Grantor/Program/Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
<u>Texas Workforce Commission</u>		
Adult Basic Education	0716AEL004	\$ 36,045
Adult Basic Education	0716AELB04	57,000
Adult Basic Education	0718ALA000	122
Adult Basic Education	0418ALA002	485
Skills Development		
Skills Development Grant-QMF Steel, Inc	0716SDF001	5,674
Saputo Dairy Foods SFSB Grant	0717SDF000	44,987
Campbell Soup SFSB Grant	0717SDF002	430,288
Bob Evans Foods, Inc. Grant	0718SDF000	27,023
		<u>601,624</u>
<u>Texas Comptroller of Public Accounts</u>		
Retired Senior Volunteer Program	17SRWTX021	21,422
Texas Workstudy	N/A	29,652
Texas Workstudy Mentorship	N/A	4,610
		<u>55,684</u>
<u>Texas Higher Education Coordinating Board</u>		
TEOG Grant Program	N/A	352,729
TSTEM Challenge Scholarship	N/A	45,204
		<u>397,933</u>
<u>Dallas County Community College District</u>		
Small Business Development Center	SBAHQ-17-B-0002	42,922
Total Dallas County Community College District		<u>42,922</u>
Total State Financial Assistance		<u>\$ 1,098,163</u>

Paris Junior College
Schedule F (Continued)
Schedule of Expenditures of State of Texas Awards
Year Ended August 31, 2018

Notes to schedule below.

Note 1: State Financial Assistance Reconciliation

State Grants and Contracts Revenues - Per Schedule A	\$ 1,098,163
Reconciling Items	-
Total State Financial Assistance	<u>\$ 1,098,163</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

The Schedule of Expenditures of State of Texas Awards is presented using accrual accounting. See Note 2 to financial statements for Paris Junior College's significant accounting policies. These expenditures are reported on Paris Junior College's fiscal year. The expenditure reports to funding agencies are prepared on the award period basis.

Note 3: Indirect Cost Rate

Paris Junior College has elected not to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

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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
Paris Junior College
Paris, Texas

Members of the Board of Regents:

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 Paris Junior College and Paris Junior College Memorial Foundation, a discretely presented component unit, as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise Paris Junior College's basic financial statements, and have issued our report thereon dated December 14, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Paris Junior 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 Paris Junior College's internal control. Accordingly, we do not express an opinion on the effectiveness of Paris Junior College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 Paris Junior 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Public Funds Investment Act

We have performed tests designed to verify Paris Junior College's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2018, no instances of noncompliance were found.

McClanahan and Holmes, LLP
Certified Public Accountants

Paris, Texas
December 14, 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

Board of Regents
Paris Junior College
Paris, Texas

Report on Compliance for Each Major Federal Program

We have audited Paris Junior College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Paris Junior College's major federal programs for the year ended August 31, 2018. Paris Junior College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Paris Junior College's major federal 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Paris Junior 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 program. However, our audit does not provide a legal determination of Paris Junior College's compliance.

Opinion on Each Major Federal Program

In our opinion, Paris Junior 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 programs for the year ended August 31, 2018.

Report on Internal Control over Compliance

Management of Paris Junior 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 Paris Junior College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Paris Junior 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 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 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 a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

McClanahan and Holmes, LLP
Certified Public Accountants

Paris, Texas
December 14, 2018

Paris Junior College
Schedule of Findings and Questioned Costs
Year Ended August 31, 2018

A. Summary of Auditors' Results

1. Financial Statements

Type of Auditors' Report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

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

Non-compliance material to financial statements noted? Yes No

2. Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

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

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 Yes No

Major programs are as follows:

Federal
 TRIO Cluster 84.044, 84.047, 84.066

State
 Campbell Soup Grant

The threshold used to distinguish between Type A and Type B federal programs was \$750,000 and state programs was \$300,000.

Paris Junior College was classified as a low-risk auditee in the context of OMB Circular A-133.

B. Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

C. Findings and Questioned Costs for Federal and State Awards

<u>Program</u>	<u>Finding/Non-Compliance</u>	<u>Questioned Costs</u>
-	None	\$ -

**Paris Junior College
Corrective Action Plan
Year Ended August 31, 2018**

Finding/Recommendation

Not Applicable

Paris Junior College
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2018

<u>Program</u>	<u>Finding/Noncompliance</u>	<u>Status of Prior Year's Finding/Noncompliance</u>
Not Applicable		

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Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control over Compliance In Accordance With
State of Texas Single Audit Circular

Board of Regents
Paris Junior College
Paris, Texas

Report on Compliance for Each Major State Program

We have audited Paris Junior College's compliance with the types of compliance requirements that are applicable to its major state programs that could have a direct and material effect on each of Paris Junior College's major state programs for the year ended August 31, 2018. Paris Junior College's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Paris Junior College's major 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 State of Texas Single Audit Circular. Those standards and the Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major state program has occurred. An audit includes examining, on a test basis, evidence about Paris Junior 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 state program. However, our audit does not provide a legal determination on Paris Junior College's compliance.

Opinion on Each Major State Program

In our opinion, Paris Junior College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state programs for the year ended August 31, 2018.

Report on Internal Control over Compliance

Management of Paris Junior 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 Paris Junior College's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Paris Junior 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 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 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 a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

McClanahan and Holmes, LLP
Certified Public Accountants

Paris, Texas
December 14, 2018

Paris Junior College
Statistical Supplement 1
Net Position by Component
Fiscal Years 2009 to 2018
(Unaudited)

	Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Investment in Capital Assets	\$ 28,144,704	\$ 28,603,386	\$ 28,755,015	\$ 26,226,034	\$ 25,140,579	\$ 23,539,988	\$ 19,473,463	\$ 16,009,890	\$ 11,785,483	\$ 11,178,834
Restricted - Expendable	396,690	313,868	360,405	331,723	275,417	247,179	246,341	232,791	11,520	2,932
Restricted - Nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	(3,838,789)	16,629,528	13,500,216	13,116,816	15,221,839	15,903,612	17,945,890	17,563,313	17,348,103	14,177,654
Total Primary Government Net Position	\$ 24,702,605	\$ 45,546,782	\$ 42,615,636	\$ 39,674,573	\$ 40,637,835	\$ 39,690,779	\$ 37,665,694	\$ 33,805,994	\$ 29,145,106	\$ 25,359,420
Net Position, Beginning of Year*	\$ 45,546,782	\$ 42,615,636	\$ 39,674,573	\$ 40,637,835	\$ 39,690,779	\$ 37,665,694	\$ 33,805,994	\$ 29,145,106	\$ 25,359,420	\$ 22,232,542
Cumulative Effect of Change in Accounting Principle (Note 2)	(24,349,927)	NA	NA	(3,654,513)	NA	NA	NA	NA	NA	NA
Balance at Beginning of Year, as Restated	21,196,855	NA	NA	36,983,322	NA	NA	NA	NA	NA	NA
Increase (Decrease) in Net Position	\$ 3,505,750	\$ 2,931,146	\$ 2,941,063	\$ 2,691,251	\$ 947,056	\$ 2,025,085	\$ 3,859,700	\$ 4,660,888	\$ 3,785,686	\$ 3,126,878

*In fiscal year 2018, net position as of the beginning of the year was restated (reduced) by \$24,349,927 for the cumulative effect of applying GASB Statement 75. See Note 2.

Paris Junior College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2009 to 2018
(Unaudited)

	Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	\$ 6,852,335	\$ 6,854,000	\$ 6,612,041	\$ 6,355,929	\$ 5,899,150	\$ 5,375,845	\$ 5,691,298	\$ 5,454,475	\$ 5,582,016	\$ 5,239,223
Governmental Grants and Contracts										
Federal Grants and Contracts	1,894,407	1,663,086	1,801,929	1,797,770	1,623,050	1,748,075	1,746,425	1,963,597	2,069,057	1,886,669
State Grants and Contracts	1,098,163	779,692	882,886	1,633,441	860,173	1,258,116	818,975	776,689	607,885	593,121
Non-Governmental Grants and Contracts	236,021	181,252	357,139	294,676	245,159	240,837	346,271	314,041	583,564	583,095
Sales and Services of Educational Activities	307,230	87,508	171,563	237,668	223,390	177,480	190,804	189,307	189,056	161,900
Auxiliary Enterprises	729,132	758,782	793,455	743,994	786,393	760,768	891,110	962,936	656,827	642,046
Other Operating Revenues	839,630	739,400	1,341,822	962,137	717,232	606,621	550,788	497,361	500,040	311,573
Total Operating Revenues	11,956,918	11,063,720	11,960,835	12,025,615	10,354,547	10,167,742	10,235,671	10,158,406	10,188,445	9,417,627
State Appropriations	8,940,371	10,128,799	10,187,172	10,033,579	9,910,893	10,299,398	10,196,611	10,607,656	10,705,191	10,076,934
Ad Valorem Taxes	2,843,527	2,997,380	3,004,129	2,964,030	2,920,185	2,891,428	2,900,541	2,898,389	2,897,212	2,889,522
Federal Revenue, Non Operating	7,941,395	7,314,114	8,196,873	9,648,664	10,920,270	12,075,279	13,640,575	14,422,193	11,863,665	6,528,064
Gifts	240,202	185,048	91,182	123,606	55,551	64,632	20,931	332,478	-	-
Investment Income	371,367	142,713	90,335	108,118	119,236	74,012	75,920	224,466	243,697	601,252
Gain on Sale of Fixed Assets	-	-	39,000	-	-	-	-	404,807	-	-
Total Non-Operating Revenues	20,336,862	20,768,054	21,608,691	22,877,997	23,926,135	25,404,749	26,834,578	28,889,989	25,709,765	20,095,772
Total Revenues	\$ 32,293,780	\$ 31,831,774	\$ 33,569,526	\$ 34,903,612	\$ 34,280,682	\$ 35,572,491	\$ 37,070,249	\$ 39,048,395	\$ 35,898,210	\$ 29,513,399

	Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	21.22%	21.53%	19.70%	18.21%	17.21%	15.11%	15.35%	13.97%	15.55%	17.75%
Governmental Grants and Contracts										
Federal Grants and Contracts	5.87%	5.22%	5.37%	5.15%	4.73%	4.91%	4.71%	5.03%	5.76%	6.39%
State Grants and Contracts	3.40%	2.45%	2.63%	4.68%	2.51%	3.54%	2.21%	1.99%	1.69%	2.01%
Non-Governmental Grants and Contracts	0.73%	0.57%	1.06%	0.84%	0.72%	0.68%	0.93%	0.80%	1.63%	1.98%
Sales and Services of Educational Activities	0.95%	0.27%	0.51%	0.68%	0.65%	0.50%	0.51%	0.48%	0.53%	0.55%
Auxiliary Enterprises	2.26%	2.38%	2.36%	2.13%	2.29%	2.14%	2.40%	2.47%	1.83%	2.18%
Other Operating Revenues	2.60%	2.32%	4.00%	2.76%	2.09%	1.71%	1.49%	1.27%	1.39%	1.06%
Total Operating Revenues	37.03%	34.74%	35.63%	34.45%	30.21%	28.58%	27.61%	26.01%	28.38%	31.91%
State Appropriations	27.68%	31.82%	30.35%	28.75%	28.91%	28.95%	27.51%	27.17%	29.82%	34.14%
Ad Valorem Taxes	8.81%	9.42%	8.95%	8.49%	8.52%	8.13%	7.82%	7.42%	8.07%	9.79%
Federal Revenue, Non Operating	24.59%	22.99%	24.42%	27.64%	31.86%	33.95%	36.80%	36.93%	33.05%	22.12%
Gifts	0.74%	0.58%	0.27%	0.35%	0.16%	0.18%	0.06%	0.85%	0.00%	0.00%
Investment Income	1.15%	0.45%	0.27%	0.31%	0.35%	0.21%	0.20%	0.57%	0.68%	2.04%
Gain on Disposal of Fixed Assets	0.00%	0.00%	0.11%	0.00%	0.00%	0.00%	0.00%	1.04%	0.00%	0.00%
Total Non-Operating Revenues	62.97%	65.26%	64.37%	65.55%	69.79%	71.42%	72.39%	73.99%	71.62%	68.09%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Paris Junior College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2009 to 2018
(Unaudited)

	Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	\$ 9,798,444	\$ 10,238,951	\$ 10,599,106	\$ 11,600,874	\$ 11,429,490	\$ 11,032,784	\$ 11,053,115	\$ 11,779,911	\$ 11,238,591	\$ 9,887,824
Public Service	937,378	600,011	604,703	784,520	624,806	1,092,323	1,105,584	1,019,181	1,118,489	1,035,595
Academic Support	1,315,763	1,594,787	1,553,952	1,639,220	1,372,191	1,638,575	1,538,113	1,685,412	1,400,601	1,198,515
Student Services	3,295,470	3,178,497	3,286,505	3,323,382	3,324,474	3,565,273	3,192,520	3,000,559	2,975,408	2,809,666
Institutional Support	3,729,123	3,431,370	3,463,902	3,322,626	3,945,668	3,539,775	3,249,999	2,780,207	2,581,385	2,639,290
Operation and Maintenance of Plant	2,143,151	2,643,705	2,228,550	2,111,979	2,433,236	2,547,222	2,457,614	2,407,225	2,596,478	2,326,401
Scholarships and Fellowships	4,304,506	4,044,906	5,436,019	5,975,461	6,615,052	7,081,595	7,811,971	9,039,031	7,697,696	4,190,181
Auxiliary Enterprises	1,211,261	1,185,953	1,359,181	1,421,241	1,574,201	1,284,865	1,209,647	1,183,468	986,041	963,875
Depreciation	1,496,053	1,395,732	1,383,268	1,247,943	1,197,470	927,899	859,076	788,462	806,441	753,304
Total Operating Expenses	28,231,149	28,313,912	29,915,186	31,427,246	32,516,588	32,710,311	32,477,639	33,683,456	31,401,130	25,804,651
Interest on Capital Related Debt	556,881	586,716	713,280	785,115	817,038	837,095	732,910	704,051	711,394	581,870
Loss on Disposal of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Expenses	556,881	586,716	713,280	785,115	817,038	837,095	732,910	704,051	711,394	581,870
Total Expenses	\$ 28,788,030	\$ 28,900,628	\$ 30,628,466	\$ 32,212,361	\$ 33,333,626	\$ 33,547,406	\$ 33,210,549	\$ 34,387,507	\$ 32,112,524	\$ 26,386,521

	Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	34.03%	35.42%	34.60%	36.01%	34.29%	32.89%	33.28%	34.26%	35.00%	37.47%
Public Service	3.26%	2.08%	1.97%	2.44%	1.87%	3.26%	3.33%	2.96%	3.48%	3.92%
Academic Support	4.57%	5.52%	5.07%	5.09%	4.12%	4.88%	4.63%	4.90%	4.36%	4.54%
Student Services	11.45%	11.00%	10.73%	10.32%	9.97%	10.63%	9.61%	8.73%	9.27%	10.65%
Institutional Support	12.95%	11.87%	11.31%	10.31%	11.84%	10.55%	9.79%	8.08%	8.04%	10.00%
Operation and Maintenance of Plant	7.44%	9.15%	7.28%	6.56%	7.30%	7.59%	7.40%	7.00%	8.09%	8.82%
Scholarships and Fellowships	14.95%	14.00%	17.75%	18.55%	19.84%	21.11%	23.52%	26.29%	23.97%	15.88%
Auxiliary Enterprises	4.21%	4.10%	4.44%	4.41%	4.72%	3.83%	3.64%	3.44%	3.07%	3.65%
Depreciation	5.20%	4.83%	4.52%	3.87%	3.59%	2.77%	2.59%	2.29%	2.51%	2.85%
Total Operating Expenses	98.06%	97.96%	97.67%	97.56%	97.55%	97.50%	97.79%	97.95%	97.78%	97.79%
Interest on Capital Related Debt	1.93%	2.03%	2.33%	2.44%	2.45%	2.50%	2.21%	2.05%	2.22%	2.21%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	1.93%	2.03%	2.33%	2.44%	2.45%	2.50%	2.21%	2.05%	2.22%	2.21%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Paris Junior College
Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(Unaudited)

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee	In-District Tuition	Out-of-District Tuition	Out-of-District Fee	Instructional Technology Fee	General Fee	PE Facility Fee	Activity Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2017	\$ -	\$ 55	\$ 55	\$ 50	\$ -	\$ 300	\$ -	\$ -	\$ 960	\$ 1,560	4.58%	7.00%
2016	30	55	100	-	-	228	-	-	918	1,458	18.60%	20.90%
2015	30	50	86	-	-	144	-	-	774	1,206	0.00%	5.24%
2014	30	50	81	-	-	144	-	-	774	1,146	8.40%	5.52%
2013	30	50	81	-	-	84	-	-	714	1,086	5.31%	3.43%
2012	30	47	78	-	-	84	-	-	678	1,050	5.61%	3.55%
2011	30	44	75	-	-	84	-	-	642	1,014	10.31%	6.29%
2010	30	39	70	-	-	84	-	-	582	954	2.11%	2.58%
2009	30	38	68	-	-	84	-	-	570	930	2.15%	1.31%
2008	30	37	67	-	-	84	-	-	558	918	4.49%	2.68%

Non - Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee	Non-Resident Tuition Out-of-State	Non-Resident Tuition International	Out-of-District Fee	Instructional Technology Fee	General Fee	PE Facility Fee	Activity Fee	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	\$ -	\$ 155	\$ 155	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 2,160	\$ 2,160	4.96%	4.96%
2016	30	150	150	-	-	228	-	-	2,058	2,058	16.27%	16.27%
2015	30	133	133	-	-	144	-	-	1,770	1,770	3.51%	3.51%
2014	30	128	128	-	-	144	-	-	1,710	1,710	3.64%	3.64%
2013	30	128	128	-	-	84	-	-	1,650	1,650	2.23%	2.23%
2012	30	125	125	-	-	84	-	-	1,614	1,614	3.86%	3.86%
2011	30	120	120	-	-	84	-	-	1,554	1,554	7.47%	7.47%
2010	30	111	111	-	-	84	-	-	1,446	1,446	2.55%	2.55%
2009	30	108	108	-	-	84	-	-	1,410	1,410	0.86%	0.86%
2008	30	107	107	-	-	84	-	-	1,398	1,398	1.75%	1.75%

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

Paris Junior College
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2017-18	\$ 4,276,919,804	\$ 953,939,423	\$ 3,322,980,381	77.70%	\$ 0.0850	-	0.0850
2016-17	2,466,533,581	794,309,795	1,672,223,786	67.80%	0.1773	-	0.1773
2015-16	2,293,017,296	713,657,553	1,579,359,743	68.88%	0.1875	-	0.1875
2014-15	2,258,829,833	682,439,819	1,576,390,014	69.79%	0.1866	-	0.1866
2013-14	2,113,987,770	566,770,766	1,547,217,004	73.19%	0.1866	-	0.1866
2012-13	2,083,119,258	538,072,809	1,545,046,449	74.17%	0.1870	-	0.1870
2011-12	2,047,880,472	540,397,032	1,507,483,440	73.61%	0.1900	-	0.1900
2010-11	2,065,438,985	540,197,794	1,525,241,191	73.85%	0.1850	-	0.1850
2009-10	2,054,521,295	507,864,326	1,546,656,969	75.28%	0.1850	-	0.1850
2008-09	2,008,299,818	478,863,243	1,529,436,575	76.16%	0.1874	-	0.1874

Source: Lamar County Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Paris Junior College
Statistical Supplement 6
State Appropriations per FTSE and Contact Hour
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Appropriations per FTSE			Appropriations per Contact Hour			
	State Appropriations	FTSE	State Appropriations per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a)	Total Contact Hours	State Appropriations per Contact Hour
2017-18	\$ 8,940,371	7,031	1,272	1,464,968	572,784	2,037,752	4.39
2016-17	10,128,799	7,412	1,367	1,549,776	640,948	2,190,724	4.62
2015-16	10,187,172	7,924	1,286	1,672,640	697,917	2,370,557	4.30
2014-15	10,033,579	8,375	1,198	1,743,692	788,415	2,532,107	3.96
2013-14	9,910,893	8,849	1,120	1,839,540	827,104	2,666,644	3.72
2012-13	10,299,398	8,931	1,153	1,849,280	784,626	2,633,906	3.91
2011-12	10,196,611	9,825	1,038	2,043,536	868,525	2,912,061	3.50
2010-11	10,607,656	10,281	1,032	2,121,168	984,662	3,105,830	3.42
2009-10	10,705,191	9,818	1,090	2,021,600	888,604	2,910,204	3.68
2008-09	10,076,934	7,776	1,296	1,784,192	629,081	2,413,273	4.18

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

**Paris Junior College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(Unaudited)**

Taxpayer	Owner ID:	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
			2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
La Frontera Holdings, LLC*	10682837	Utility	\$ 328,212	\$ 296,943	\$ 211,870	\$ 211,905	\$ 210,303	\$ 205,185	\$ 199,234	\$ 199,224	\$ 207,027	\$ 225,707
Daisy Farms	106833318	Dairy	98,183	-	-	-	-	-	-	-	-	-
Campbell Soup Company	106828326	Manufacturing	89,136	88,017	47,182	47,098	47,163	53,439	35,315	37,797	39,382	46,979
Kimberly-Clark Corporation	106828329	Manufacturing	88,428	88,006	95,117	109,106	122,143	116,106	104,568	104,568	113,075	114,658
Midcontinent Express	106830209	Transportation/Pipeline	81,070	-	-	-	-	-	-	-	-	-
Gulf Crossing Pipeline Co.	106830208	Transportation/Pipeline	67,359	-	-	-	-	-	-	-	-	-
Transcanada Keystone Pipeline	106835028	Transportation/Pipeline	53,194	-	-	-	-	-	-	-	-	-
Oncor Electric Delivery Co.	16828342	Utility	45,330	20,788	21,992	20,129	19,169	22,581	23,702	23,702	26,265	24,952
Essent PRMC LP	166229	Medical	25,846	27,369	30,364	26,808	26,811	31,732	26,898	30,955	32,214	36,065
Paris Generation LP	106804840	Utility	18,884	21,979	20,551	21,980	21,511	27,965	-	17,950	18,580	19,250
Huhtamaki	106828330	Manufacturing	-	12,775	-	7,323	-	-	-	-	-	-
Alpha Lake LTD	125029	Rental Facilities	-	10,596	10,597	10,597	10,596	-	-	-	-	-
Wal-Mart Property Tax Department	105237	Retail	-	10,390	10,189	9,432	-	-	-	-	-	-
Turner Industries Group LLC	106828325	Manufacturing	-	10,390	-	7,442	-	-	-	-	-	-
Campbell Soup	38122	Manufacturing	-	-	29,404	30,879	32,912	34,669	18,592	35,315	23,763	24,779
Campbell Soup Supply LLC	160217	Manufacturing	-	-	10,857	9,700	-	-	9,716	-	-	-
Silgan Can Co.	106828363	Manufacturing	-	-	-	16,519	17,116	14,987	15,213	15,213	14,688	23,127
Kimberly Clark Corp	70760	Manufacturing	-	-	-	10,203	10,504	11,314	12,100	12,100	13,989	15,268
Wal-Mart Stores #148-C	132609	Retail	-	-	-	9,285	-	-	-	-	-	-
Essent PRMC LP-North Campus PP	106833315	Medical	-	-	-	8,733	-	-	-	-	-	-
Paris Warehouse 107 Inc.	132812	Commercial	-	-	-	8,312	-	-	-	-	-	-
HD Development Prop LP	167508	Commercial	-	-	-	6,965	-	-	-	-	-	-
Kimberly Clark Global Sales	106833316	Manufacturing	-	-	-	6,866	-	-	10,855	-	-	-
First Federal Savings & Loan	15699	Commercial	-	-	-	5,549	-	-	-	-	-	-
Essent PRMC LP	106828423	Medical	-	-	-	-	-	10,402	-	13,245	12,638	14,906
Sara Lee Bakery Group	unavailable	Manufacturing	-	-	-	-	-	-	-	-	-	-
Totals			\$ 567,430	\$ 290,310	\$ 276,253	\$ 372,926	\$ 307,925	\$ 323,195	\$ 256,959	\$ 290,845	\$ 294,594	\$ 319,984
Total Taxable Assessed Value			\$ 3,322,980	\$ 1,672,223	\$ 1,579,360	\$ 1,547,217	\$ 1,545,046	\$ 1,507,483	\$ 1,525,241	\$ 1,546,656	\$ 1,529,436	\$ 1,472,081

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
La Frontera Holdings, LLC*	Utility	20.78%	18.80%	13.41%	13.70%	13.61%	13.27%	12.88%	12.88%	13.54%	15.33%
Daisy Farms	Dairy	6.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Campbell Soup Company	Manufacturing	5.64%	5.57%	2.99%	3.04%	3.05%	3.46%	2.28%	2.44%	2.57%	3.19%
Kimberly-Clark Corporation	Manufacturing	5.60%	5.57%	6.02%	7.05%	7.91%	7.51%	6.76%	6.76%	7.39%	7.79%
Midcontinent Express	Transportation/Pipeline	5.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gulf Crossing Pipeline Co.	Transportation/Pipeline	4.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Huhtamaki	Manufacturing	0.00%	0.81%	0.00%	0.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Alpha Lake LTD	Rental Facilities	0.00%	0.67%	0.67%	0.68%	0.69%	0.00%	0.00%	0.00%	0.00%	0.00%
Wal-Mart Property Tax Department	Retail	0.00%	0.66%	0.65%	0.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Turner Industries Group LLC	Manufacturing	0.00%	0.66%	0.00%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Campbell Soup	Manufacturing	0.00%	0.00%	1.86%	2.00%	2.13%	2.24%	1.20%	2.28%	1.55%	1.68%
Campbell Soup Supply LLC	Manufacturing	0.00%	0.00%	0.69%	0.63%	0.00%	0.00%	0.63%	0.00%	0.00%	0.00%
Silgan Can Co.	Manufacturing	0.00%	0.00%	0.00%	1.07%	1.11%	0.97%	0.98%	0.98%	0.96%	1.57%
Kimberly Clark Corp	Manufacturing	0.00%	0.00%	0.00%	0.66%	0.68%	0.73%	0.78%	0.78%	0.91%	1.04%
Wal-Mart Stores #148-C	Retail	0.00%	0.00%	0.00%	0.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Essent PRMC LP-North Campus PP	Medical	0.00%	0.00%	0.00%	0.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Paris Warehouse 107 Inc.	Commercial	0.00%	0.00%	0.00%	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
HD Development Prop LP	Commercial	0.00%	0.00%	0.00%	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kimberly Clark Global Sales	Manufacturing	0.00%	0.00%	0.00%	0.44%	0.00%	0.00%	0.70%	0.00%	0.00%	0.00%
First Federal Savings & Loan	Commercial	0.00%	0.00%	0.00%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Essent PRMC LP	Medical	0.00%	0.00%	0.00%	0.00%	0.00%	0.67%	0.00%	0.86%	0.83%	1.01%
Sara Lee Bakery Group	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		47.64%	32.74%	26.29%	33.34%	29.17%	28.84%	26.22%	26.99%	27.76%	31.62%

Source: Lamar County Appraisal District

Paris Junior College
Statistical Supplement 8
Ad Valorem Levies and Collections
Last Ten Tax Years
(Unaudited)

Year Ended August 31,	Total Tax Levy	Collections - Current Levy (a)	Percentage of Current Levy	Current Collections of Prior Levies (a)	Total Collections (a)	Percentage of Current Levy
2018	\$ 2,829,210	\$ 2,765,627	97.75%	\$ 40,044	\$ 2,805,671	99.17%
2017	2,960,964	2,820,924	95.27%	71,262	2,892,186	97.68%
2016	2,952,918	2,844,818	96.34%	98,646	2,943,464	99.68%
2015	2,934,536	2,859,705	97.45%	53,970	2,913,675	99.29%
2014	2,889,546	2,819,644	97.58%	59,461	2,879,105	99.64%
2013	2,935,588	2,786,812	94.93%	60,522	2,847,334	96.99%
2012	2,861,009	2,787,555	97.43%	59,212	2,846,767	99.50%
2011	2,875,251	2,795,000	97.21%	59,174	2,854,174	99.27%
2010	2,863,163	2,787,564	97.36%	59,998	2,847,562	99.46%
2009	2,867,269	2,795,183	97.49%	53,927	2,849,110	99.37%

Source: Lamar County Appraisal District and District records.
(a) Ad valorem taxes only - does not include penalties and interest.

Paris Junior College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(Unaudited)

	Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Bonded Debt										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Net General Bonded Debt	-	-	-	-	-	-	-	-	-	-
Other Debt										
Revenue Bonds	12,185,000	12,945,000	13,571,000	16,909,000	17,624,000	18,310,000	18,828,000	15,325,000	15,802,000	12,740,000
Notes	-	-	-	-	-	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 12,185,000	\$ 12,945,000	\$ 13,571,000	\$ 16,909,000	\$ 17,624,000	\$ 18,310,000	\$ 18,828,000	\$ 15,325,000	\$ 15,802,000	\$ 12,740,000
Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a Percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios										
Per Capita	\$ 245.73	\$ 259.99	\$ 274.49	\$ 341.44	\$ 356.57	\$ 367.59	\$ 376.00	\$ 307.77	\$ 316.26	\$ 258.49
Per FTSE	1,733	1,746	1,713	2,019	1,992	2,050	1,916	1,491	1,609	1,638
As a Percentage of Taxable Assessed Value	0.37%	0.77%	0.86%	1.07%	1.14%	1.19%	1.25%	1.00%	1.02%	0.83%

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

Paris Junior College
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Taxable Assessed Value	\$ 3,322,980,381	\$ 1,672,223,786	\$ 1,579,359,743	\$ 1,576,390,014	\$ 1,547,217,004	\$ 1,545,046,449	\$ 1,507,483,440	\$ 1,525,241,191	\$ 1,546,656,969	\$ 1,529,436,575
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 16,614,902	\$ 8,361,119	\$ 7,896,799	\$ 7,881,950	\$ 7,736,085	\$ 7,725,232	\$ 7,537,417	\$ 7,626,206	\$ 7,733,285	\$ 7,647,183
Less: Funds Restricted for										
Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	16,614,902	8,361,119	7,896,799	7,881,950	7,736,085	7,725,232	7,537,417	7,626,206	7,733,285	7,647,183
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for										
Debt Service Over Current Requirements	\$ 16,614,902	\$ 8,361,119	\$ 7,896,799	\$ 7,881,950	\$ 7,736,085	\$ 7,725,232	\$ 7,537,417	\$ 7,626,206	\$ 7,733,285	\$ 7,647,183
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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.

Paris Junior College
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Revenue Bonds

Year Ended August 31,	Pledged Revenues			Debt Service Requirements			Coverage Ratio
	Tuition	General Fee	Total	Principal	Interest	Total	
2018	\$ 7,652,434	\$ 1,985,934	\$ 9,638,368	\$ 760,000	\$ 556,881	\$ 1,316,881	7.32%
2017	9,993,373	1,560,390	11,553,763	626,000	586,716	1,212,716	9.53%
2016	9,111,877	1,308,207	10,420,084	751,000	702,313	1,453,313	7.17%
2015	9,356,478	1,385,179	10,741,657	715,000	785,115	1,500,115	7.16%
2014	9,830,225	874,248	10,704,473	686,000	817,038	1,503,038	7.12%
2013	9,637,223	870,890	10,508,113	676,000	828,712	1,504,712	6.98%
2012	10,363,730	953,370	11,317,100	508,000	821,386	1,329,386	8.51%
2011	9,530,791	996,642	10,527,433	488,000	692,681	1,180,681	8.92%
2010	8,578,378	965,527	9,543,905	468,000	714,155	1,182,155	8.07%
2009	6,814,468	781,276	7,595,744	329,000	570,660	899,660	8.44%

Paris Junior College
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(Unaudited)

Calendar Year	County Population	County Personal Income	County Personal Income Per Capita	County Unemployment Rate
2017	49,587	(a)	(a)	4.2%
2016	49,791	\$ 1,917,848,000	\$ 38,518	5.1%
2015	49,440	1,857,879,000	37,578	4.8%
2014	49,523	1,859,083,000	37,540	6.1%
2013	49,426	1,804,479,000	36,509	7.9%
2012	49,811	1,750,363,000	35,140	9.0%
2011	50,074	1,657,062,000	33,092	9.7%
2010	49,793	1,521,784,000	31,079	9.0%
2009	49,965	1,521,784,000	31,079	7.8%
2008	49,286	1,451,272,000	29,641	5.5%

Sources:

Population from U.S. Bureau of the Census.

All info. from www.tracer2.com

www.txcip.org (all info)

Notes:

Information provided is for Lamar County. District specific information not available.

(a) Not available

**Paris Junior College
Statistical Supplement 13
Principal Employers
Fiscal Years 2008 to 2017
(Unaudited)**

Current Fiscal Year

Employer	(Avg) Number of Employees	% of Employment
Paris Regional Medical Center	900	16.62%
Campbell Soup Company	725	13.39%
Kimberly-Clark Corporation	650	12.00%
Paris ISD	629	11.61%
Turner Industries	610	11.26%
The Results Company	500	9.23%
North Lamar ISD	465	8.59%
Paris Junior College	375	6.92%
City of Paris	320	5.91%
J. Skinner Baking Co.	242	4.47%
Total	5,416	100.00%

Nine Years Prior

Employer	(Avg) Number of Employees	% of Employment
Paris Regional Medical Center	900	15.40%
Campbell Soup Company	872	14.92%
Kimberly-Clark Corporation	730	12.49%
Paris ISD	618	10.57%
Turner Industries	700	11.97%
The Results Company	500	8.55%
North Lamar ISD	480	8.21%
Paris Junior College	436	7.45%
City of Paris	310	5.30%
RK Hall Construction	300	5.13%
Total	5,846	100.00%

Source:

City of Paris and Local Entities
www.parisedc.com/major-employers/
www.sitesontexas.com

Paris Junior College
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(Unaudited)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Faculty										
Full-Time	81	83	88	92	92	96	91	99	93	95
Part-Time	106	138	146	159	186	185	192	149	125	118
Total	187	221	234	251	278	281	283	248	218	213
Percent										
Full-Time	43%	38%	38%	37%	33%	34%	32%	40%	43%	44.6%
Part-Time	57%	62%	62%	63%	67%	66%	68%	60%	57%	55.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Staff and Administrators										
Full-Time	111	121	116	113	120	141	148	155	148	149
Part-Time	34	30	41	47	51	66	61	68	89	65
Total	145	151	157	160	171	207	209	223	237	214
Percent										
Full-Time	76.6%	80.1%	73.9%	70.6%	70.2%	68.1%	70.8%	69.5%	62.4%	69.6%
Part-Time	23.4%	19.9%	26.1%	29.4%	29.8%	31.9%	29.2%	30.5%	37.6%	30.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
FTSE per Full-Time Faculty	24.00	22.00	22.00	22.00	22.17	22.46	28.56	29.91	23.98	24.51
FTSE per Full-Time Staff Member	23.00	22.00	23.00	25.00	24.92	21.77	26.35	25.03	18.35	19.21
Average Annual Faculty Salary	\$ 56,115	\$ 58,158	\$ 58,941	\$ 59,310	\$ 57,888	\$ 54,423	\$ 54,493	\$ 55,808	\$ 50,118	\$ 48,449

Paris Junior College
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(Unaudited)

Student Classification	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 Hours	3,800	78.45%	3,633	75.59%	3,748	74.96%	4,017	78.98%	4,041	76.19%
31-72 Hours	715	14.76%	780	16.23%	838	16.76%	705	13.86%	836	15.76%
> 72 Hours	329	6.79%	393	8.18%	414	8.28%	364	7.16%	427	8.05%
Total	4,844	100.00%	4,806	100.00%	5,000	100.00%	5,086	100.00%	5,304	100.00%

Semester Hour Load	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	10	0.21%	5	0.10%	8	0.16%	12	0.24%	14	0.26%
3-5 Semester Hours	1,224	25.27%	1,117	23.24%	1,072	21.44%	988	19.43%	974	18.36%
6-8 Semester Hours	1,157	23.89%	1,176	24.47%	1,179	23.58%	1,189	23.38%	1,181	22.27%
9-11 Semester Hours	624	12.88%	677	14.09%	684	13.68%	668	13.13%	664	12.52%
12-14 Semester Hours	1,187	24.50%	1,238	25.76%	1,325	26.50%	1,518	29.85%	1,775	33.47%
15-17 Semester Hours	546	11.27%	484	10.07%	605	12.10%	575	11.31%	544	10.26%
18 & Over	96	1.98%	109	2.27%	127	2.54%	136	2.67%	152	2.87%
Total	4,844	100.00%	4,806	100.00%	5,000	100.00%	5,086	100.00%	5,304	100.00%

Average Course Load (Hours)	8.82	8.95	9.27	9.61	9.84
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Tuition Status	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	1,251	25.83%	618	12.86%	707	14.14%	744	14.63%	779	14.69%
Texas Resident (Out-of-District)	3,312	68.37%	3,926	81.69%	3,996	79.92%	4,034	79.32%	4,208	79.34%
Non-Resident Tuition	76	1.57%	67	1.39%	64	1.28%	93	1.83%	113	2.13%
Tuition Exempt	205	4.23%	195	4.06%	233	4.66%	215	4.23%	204	3.85%
Total	4,844	100.00%	4,806	100.00%	5,000	100.00%	5,086	100.00%	5,304	100.00%

Paris Junior College
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(Unaudited)

Gender	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	2,879	59.43%	2,831	58.91%	2,978	59.56%	3,066	60.28%	3,143	59.26%
Male	1,965	40.57%	1,975	41.09%	2,022	40.44%	2,020	39.72%	2,161	40.74%
Total	4,844	100.00%	4,806	100.00%	5,000	100.00%	5,086	100.00%	5,304	100.00%

Ethnic Origin	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Caucasian	3,227	66.62%	3,357	69.85%	3,532	70.64%	3,683	72.41%	3,889	73.32%
Hispanic	836	17.26%	738	15.36%	735	14.70%	631	12.41%	624	11.76%
African American	555	11.46%	499	10.38%	532	10.64%	566	11.13%	578	10.90%
Asian	52	1.07%	49	1.02%	48	0.96%	44	0.87%	46	0.87%
Native American	69	1.42%	82	1.71%	85	1.70%	97	1.91%	107	2.02%
Other	105	2.17%	81	1.69%	68	1.36%	65	1.28%	60	1.13%
Total	4,844	100.00%	4,806	100.00%	5,000	100.00%	5,086	100.00%	5,304	100.00%

Age	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,583	32.68%	1,548	32.21%	1,427	28.54%	1,279	25.15%	1,299	24.49%
18 -21	1,849	38.17%	1,879	39.10%	1,978	39.56%	1,965	38.64%	1,973	37.20%
22 - 24	381	7.87%	395	8.22%	443	8.86%	512	10.07%	530	9.99%
25 - 35	674	13.91%	641	13.34%	710	14.20%	791	15.55%	886	16.70%
36 - 50	289	5.97%	271	5.64%	332	6.64%	407	8.00%	473	8.92%
51 and over	68	1.40%	72	1.50%	110	2.20%	132	2.60%	143	2.70%
Total	4,844	100.00%	4,806	100.00%	5,000	100.00%	5,086	100.00%	5,304	100.00%

Average Age	22.0	22.0	22.0	23.0	23.0
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Paris Junior College
Statistical Supplement 17
Transfers to Senior Institutions
2016 Fall Students as of Fall 2017
(Includes Only Public Senior Colleges in Texas)
(unaudited)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all PJC Transfer Students	% of all PJC Transfer Students
	Academic	Technical	Tech-Prep		
Lamar University	2			2	0.17%
Midwestern State University	6			6	0.52%
Prairie View A&M University	5			5	0.43%
Sam Houston State University	30		1	31	2.70%
Stephen F. Austin State University	34	1		35	3.04%
Sul Ross State University	1			1	0.09%
Tarleton State University	39		1	40	3.48%
Texas A&M International University	1			1	0.09%
Texas A&M University	76			76	6.61%
Texas A&M University - Commerce	564	10	7	581	50.52%
Texas A&M University - Corpus Christi	7		1	8	0.70%
Texas A&M University - San Antonio	1			1	0.09%
Texas A&M University - Texarkana	17		1	18	1.57%
Texas A&M University - Galveston	4			4	0.35%
Texas A&M University System Health Science Center	2			2	0.17%
Texas State University - San Marcus	23			23	2.00%
Texas Tech University	31	1		32	2.78%
Texas Tech University Health Science Center	3			3	0.26%
Texas Woman's University	32			32	2.78%
University of Houston	11			11	0.96%
University of Houston - Downtown	1			1	0.09%
University of North Texas	112	2		114	9.91%
University of North Texas at Dallas	2			2	0.17%
University of North Texas Health Science Center	1			1	0.09%
University of Texas at Arlington	28		1	29	2.52%
University of Texas at Austin	33			33	2.87%
University of Texas at Dallas	9			9	0.78%
University of Texas at San Antonio	2			2	0.17%
University of Texas at Tyler	38		1	39	3.39%
University of Texas Medical Branch at Galveston	2			2	0.17%
University of Texas of the Permian Basin	3			3	0.26%
West Texas A&M University	3			3	0.26%
Totals	1,123	14	13	1,150	100.00%

Source:
<http://www.txhighereddata.org/reports/performance/ctcasalf/ctcadd/>

Paris Junior College
Statistical Supplement 18
Schedule of Capital Asset Information
Fiscal Years 2014 to 2018
(Unaudited)

	Fiscal Year 2018 Square Footage	Fiscal Year 2017 Square Footage	Fiscal Year 2016 Square Footage	Fiscal Year 2015 Square Footage	Fiscal Year 2014 Square Footage
<u>Academic Buildings</u>					
Agriculture Barn	4,800	4,800	4,800	4,800	4,800
Applied Sciences Center	45,000	45,000	45,000	45,000	45,000
Applied Technology	64,600	64,600	64,600	64,600	64,600
Annex 1 Cosmetology	5,000	5,000	5,000	5,000	5,000
Annex 3 Art	7,500	7,500	7,500	7,500	7,500
Greenville Technical Center (current)	39,000	39,000	39,000	39,000	39,000
Henry P. Mayer Center for the Musical Arts	10,000	10,000	10,000	10,000	10,000
A. Frank Grimes Natural Sciences	15,276	15,276	15,276	15,276	15,276
Math and Science Technology Building	42,000	42,000	42,000	42,000	42,000
PJC Recreational Center	18,321	18,321	18,321	18,321	18,321
Sulphur Springs, High School	-	-	-	10,888	10,888
Sulphur Springs, Loop 301	21,000	21,000	21,000	-	-
<u>Libraries</u>					
Mike Rheudasil Learning Center	54,000	54,000	54,000	54,000	54,000
<u>Administrative and Support Buildings</u>					
College Store	3,000	3,000	3,000	3,000	3,000
DeShong Chapel	1,668	1,668	1,668	1,668	1,668
Jess B. Alford Center	8,436	8,436	8,436	8,436	8,436
Louise B. Williams Administration	26,300	26,300	26,300	26,300	26,300
Mary Jo Gabbert	2,150	2,150	2,150	2,150	2,150
Willow Creek Office	3,196	3,196	3,196	3,196	3,196
<u>Dormitories</u>					
Clara Rice Thompson Hall	13,308	13,308	13,308	13,308	13,308
Dixon L. Hatcher Hall	13,308	13,308	13,308	13,308	13,308
South Campus	33,000	33,000	33,000	33,000	33,000
<u>Apartments</u>					
B.E. Masters Apartment Complex	48,848	48,848	48,848	48,848	48,848
<u>Dining Facilities</u>					
J.R. McLemore Student Center	24,960	24,960	24,960	24,960	24,960
<u>Athletic Facilities</u>					
Golf Storage	176	176	176	176	176
Harold E. Hunt Physical Education Center	17,815	17,815	17,815	17,815	17,815
H.L. Hollis Fieldhouse	1,901	1,901	1,901	1,901	1,901
Old Gymnasium	13,500	13,500	13,500	13,500	13,500
<u>Plant Facilities</u>					
Downtown Center	-	-	17,775	17,775	17,775
Mechanical Building #1	1,745	1,745	1,745	1,745	1,745
Mechanical Building #2	1,975	1,975	1,975	1,975	1,975
Physical Plant Operations	4,946	4,946	4,946	4,946	4,946
Vehicle Shop	2,880	2,880	2,880	2,880	2,880
Total Square Footage	549,609	549,609	567,384	557,272	557,272
<u>Transportation</u>					
Cars	15	15	13	12	13
Light Trucks/Vans	27	27	27	27	29
Bus	5	5	4	4	4
Total	47	47	44	43	46