

ANGELINA COLLEGE
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
AUGUST 31, 2018 AND 2017



PREPARED BY:
THE BUSINESS OFFICE
ANGELINA COLLEGE
LUFKIN, TEXAS

ANGELINA COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	<u>PAGE</u>	
Introductory Section:		
Transmittal Letter	1	
Certificate of Achievement for Excellence in Financial Reporting.....	6	
Organizational Chart	7	
Principal Officials.....	8	
Financial Section:		
Independent Auditor’s Report.....	11	
Management's Discussion and Analysis (Required Supplementary Information).....	15	
Basic Financial Statements:		<u>EXHIBITS</u>
Statements of Net Position	25	1
Statements of Revenues, Expenses, and Changes in Net Position.....	27	2
Statements of Cash Flows	29	3
Notes to Financial Statements	31	
Required Supplementary Information Schedules:		<u>RSI</u>
Schedule of the College’s Share of Net Pension Liability	65	I
Schedule of the College’s Pension Contributions	66	II
Schedule of the College’s Share of Net OPEB Liability.....	67	III
Schedule of the College’s OPEB Contributions	68	IV
Notes to Required Supplementary Schedules	69	
Supplemental Financial Information:		<u>SCHEDULES</u>
Schedule of Operating Revenues	73	A
Schedule of Operating Expenses by Object.....	74	B
Schedule of Non-Operating Revenues and Expenses.....	75	C
Schedule of Net Position by Source and Availability	76	D
Schedule of Expenditures of Federal Awards.....	77	E
Schedule of Expenditures of State Awards.....	79	F
Statistical Section (Unaudited):		
Statistical Section Objectives.....	81	
SS1 – Net Position by Component.....	82	

ANGELINA COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	<u>PAGE</u>
SS2– Revenues by Source.....	83
SS3 – Program Expenses by Function.....	85
SS4 – Tuition and Fees.....	87
SS5 – Assessed Value and Taxable Assessed Value of Property.....	89
SS6 – Unrestricted State Appropriation per FTSE and Contact Hour.....	90
SS7 – Principal Taxpayers	91
SS8 – Property Tax Levies and Collections	93
SS9 – Ratios of Outstanding Debt.....	94
SS10 – Legal Debt Margin Information.....	95
SS11 – Pledged Revenue Coverage.....	96
SS12 – Demographic and Economic Statistics – Taxing District	97
SS13 – Principal Employers	98
SS14 – Faculty, Staff, and Administrators Statistics.....	99
SS15 – Enrollment Details.....	101
SS16 – Student Profile	103
SS17 – Transfers to Senior Institutions	105
SS18 – Capital Asset Information	106

Single Audit Section:

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 <i>Government Auditing Standards</i>	109
Independent Auditor’s Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the <i>State of Texas Single Audit Circular</i>	111
Schedule of Findings and Questioned Costs.....	114
Schedule of Corrective Action	117
Summary Schedule of Prior Audit Findings.....	118



Angelina College

INTRODUCTORY SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2018 and 2017**



Angelina College

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

December 12, 2018

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

We are pleased to present the following comprehensive annual financial report (CAFR) of Angelina College (the College) for the fiscal year ended August 31, 2018. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

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

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

PROFILE OF DISTRICT

Angelina College was established as a public community college under the laws of the State of Texas by election on September 24, 1966. It is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award the following degrees: Associate in Arts, Associate in Science, Associate in Applied Science, and certificates. The College's five educational divisions (Arts and Education, Science and Math, Business and Technology Workforce, Health Careers, and Community

Services) offer over 65 different areas of study. Course work includes not only credit-type courses, but also certificate programs in multiple areas to provide for the educational needs of the local communities.

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

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

MISSION AND GOALS

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

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

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

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

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

FINANCIAL CONDITION

The population of the College’s service area has remained relatively constant over the least ten years. Similarly, the College’s full-time student equivalent has also remained level over the same time period. In the coming years, the College expects enrollment to remain stable as students continue to take advantage of the low cost but high quality education of community colleges.

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

One of the challenges community colleges are facing is being able to meet educational demands under the continued pressure of level or reduced state funding. Cost-saving measures, additional tuition and increased property tax revenue have enabled the College to balance these demands against decreases in state appropriations but it is a continuing concern, which may influence future budgets and educational programs.

LONG-TERM PLANNING

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

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

BUDGETARY PROCESS

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Angelina College for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2017. This was the seventh year that the College achieved this prestigious award.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

Chris Sullivan

Chris Sullivan
Vice President of Business Affairs

Melissa M. Goins

Melissa Goins
Controller

Darin Murphy

Darin Murphy
Assistant Controller





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Angelina County Junior College District
Texas

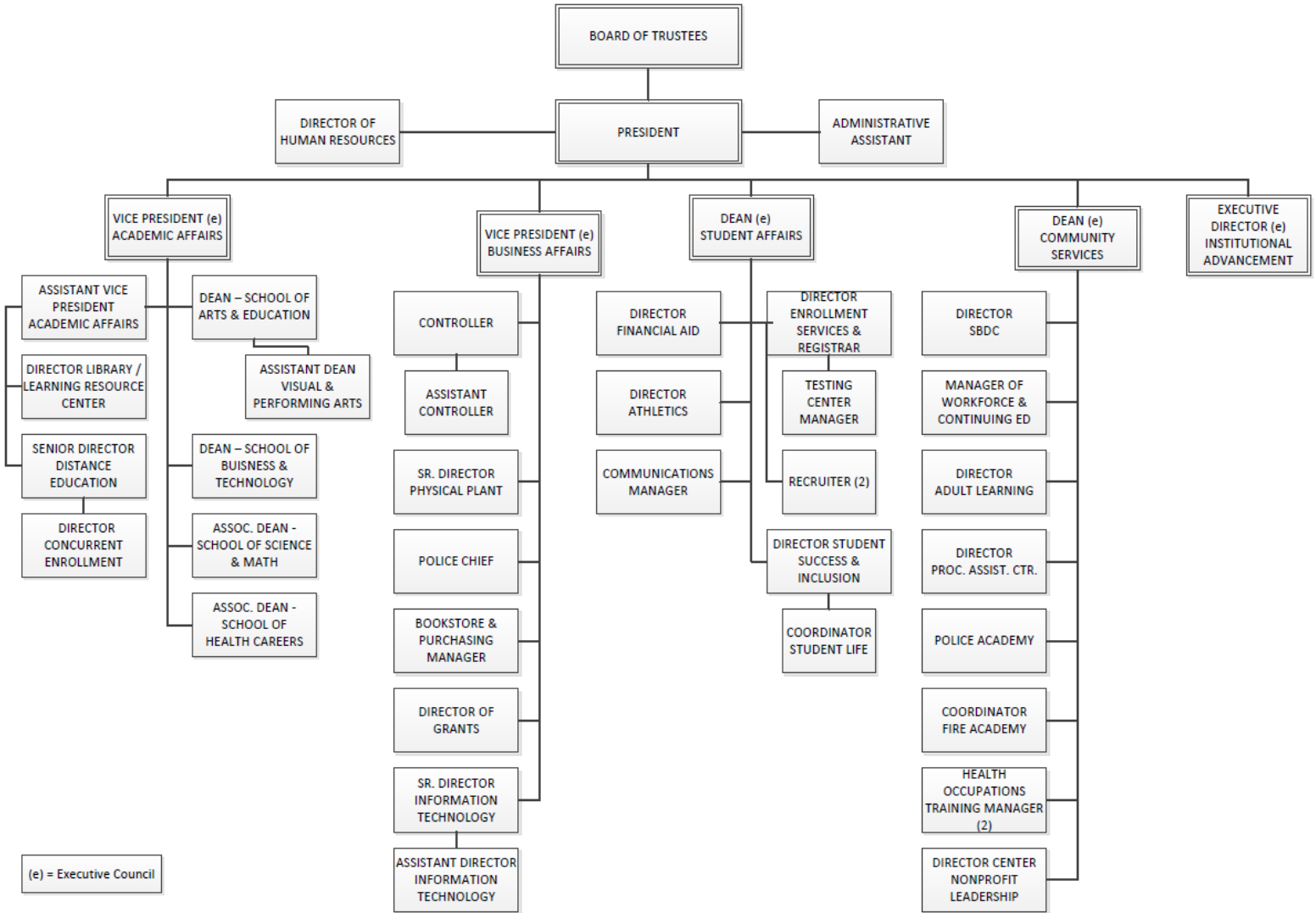
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2017

Christopher P. Morill

Executive Director/CEO

**ANGELINA COLLEGE
ORGANIZATIONAL CHART
For the Fiscal Year Ending August 31, 2018**



ANGELINA COLLEGE
PRINCIPAL OFFICIALS
For the Fiscal Year Ending August 31, 2018

BOARD OF TRUSTEES

		TITLE	TERM EXPIRES
Dr. Sidney Roberts, M.D.	Lufkin, Texas	President	2022
Hilary Haglund Walker	Lufkin, Texas	Vice-President	2020
Jay Shands	Lufkin, Texas	Secretary	2020
Joe Deason	Lufkin, Texas	Member	2020
Tim Stacy	Lufkin, Texas	Member	2022
Ellen Clarke Temple	Lufkin, Texas	Member	2024
Robert Poland Jr.	Lufkin, Texas	Member	2024

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. Michael Simon	President
Dr. Cynthia Casparis	Vice President of Academic Affairs
Chris Sullivan	Vice President of Business Affairs
Tim Ditoro	Dean of Community Services
Steven Hudman	Dean of Student Affairs
Dana Smithhart	Executive Director, Institutional Advancement



Angelina College

FINANCIAL SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2018 and 2017**



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Angelina College
Lufkin, Texas

Report on the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Report on the Financial Statements – Continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Angelina College as of August 31, 2018 and 2017 and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the College's share of the net pension liability, schedule of the College's share of the net OPEB liability, schedule of College's pension contributions and schedule of College's OPEB contributions on pages 15 through 22 and 65 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Report on the Financial Statements – Continued

Other Matters - Continued

Other Information - Continued

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2018 on our consideration of Angelina College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Angelina College's internal control over financial reporting and compliance.



ALEXANDER, LANKFORD & HIERS, INC.
Certified Public Accountants

Lufkin, Texas
December 12, 2018



Angelina College
Management's Discussion and Analysis - Continued
August 31, 2018

The management of Angelina College (the College) has prepared the following Management's Discussion and Analysis. As management of the College, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the College for the fiscal years ended August 31, 2018 and 2017. The information presented should be read in conjunction with additional information we have furnished in our letter of transmittal, which precedes this report, as well as the financial statements and the accompanying notes to the financial statements, which follow this section. Responsibility for the completeness and fairness of this information rests with the preparers.

Basic Financial Statements

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

Statement of Net Position

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

Statement of Revenues, Expenses, and Changes in Net Position

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

Statement of Cash Flows

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

**Angelina College
Management's Discussion and Analysis - Continued
August 31, 2018**

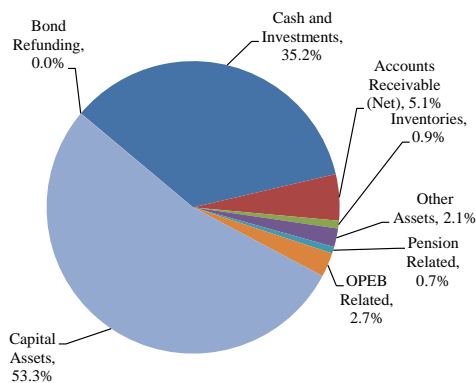
the College's ability to generate future net cash flows, to meet its obligations as they come due, and to determine its need for external financing.

Comparative Financial Information and Analysis

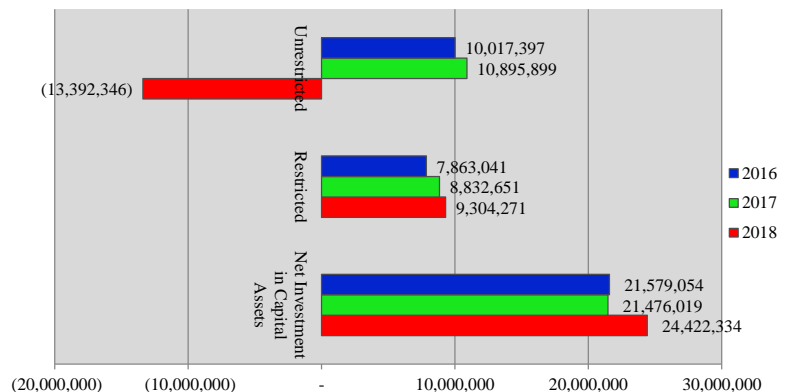
Comparison of Current to Prior Years' Net Position

	2018	2017	\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2016	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
Assets							
Cash and Investments	\$ 25,319,602	\$ 25,221,988	\$ 97,614	0.39%	\$ 22,563,056	\$ 2,658,932	11.78%
Accounts Receivable (Net)	3,678,372	5,350,757	(1,672,385)	(31.26%)	5,206,685	144,072	2.77%
Inventories	617,570	543,883	73,687	13.55%	583,165	(39,282)	(6.74%)
Other Assets	1,473,638	920,030	553,608	60.17%	199,072	720,958	362.16%
Capital Assets	38,315,601	36,555,035	1,760,566	4.82%	37,815,273	(1,260,238)	(3.33%)
Total Assets	69,404,783	68,591,693	813,090	1.19%	66,367,251	2,224,442	3.35%
Deferred Outflows of Resources							
Pension Related	523,234	858,257	(335,023)	(39.04%)	1,473,284	(615,027)	(41.75%)
OPEB Related	609,997	-	609,997	N/A	-	-	0.00%
Loss on Bond Refunding	15,258	30,516	(15,258)	(50.00%)	45,773	(15,257)	(33.33%)
Total Deferred Outflows of Resources	1,148,489	888,773	259,716	29.22%	1,519,057	(630,284)	(41.49%)
Liabilities							
Current Liabilities	7,583,759	9,621,467	(2,037,708)	(21.18%)	8,022,294	1,599,173	19.93%
Noncurrent Liabilities	37,132,487	18,076,754	19,055,733	105.42%	19,191,633	(1,114,879)	(5.81%)
Total Liabilities	44,716,246	27,698,221	17,018,025	61.44%	27,213,927	484,294	1.78%
Deferred Inflows of Resources							
Pension Related	854,768	577,676	277,092	47.97%	1,212,889	(635,213)	(52.37%)
OPEB Related	4,647,999	-	4,647,999	N/A	-	-	0.00%
Total Deferred Inflows of Resources	5,502,767	577,676	4,925,091	852.57%	1,212,889	(635,213)	(52.37%)
Net Position							
Net Investment in Capital Assets	24,422,334	21,476,019	2,946,315	13.72%	21,579,054	(103,035)	(0.48%)
Restricted	9,304,271	8,832,651	471,620	5.34%	7,863,041	969,610	12.33%
Unrestricted	(13,392,346)	10,895,899	(24,288,245)	(222.91%)	10,017,397	878,502	8.77%
Total Net Position	\$ 20,334,259	\$ 41,204,569	\$ (20,870,310)	(50.65%)	\$ 39,459,492	\$ 1,745,077	4.42%

Year Ending 2018 – Assets and Deferred Outflows



Net Position – Past Three Years



Angelina College
Management's Discussion and Analysis - Continued
August 31, 2018

Cash and Investments increased by \$97,614 (0.39%) in FY18 and \$2,658,932 (12%) in FY17. The small increase in FY18 resulted from an increase in capital projects, including a major renovation to the science and math building and the construction of a softball fieldhouse. The larger increase in FY17 resulted from a lower than normal investment in capital assets.

Accounts Receivable (Net) decreased by \$1,672,385 (31%) in FY18 and increased \$144,072 (3%) in FY17 as a result of the slight fluctuations in class start dates.

Bookstore Inventories increased \$73,687 (14%) in FY18 and decreased \$39,282 (7%) in FY17 as a result of the slight fluctuations in class start dates.

Other Assets increased \$553,608 (60%) in FY18 as a result of the decision to begin the implementation of new enterprise software. The new software is not expected to be fully functional until Spring 2019 but required purchasing the software and support services related to future periods in FY18 as well as FY17.

Capital Assets compose 55% of the College's total assets. The \$38,315,601 invested in capital assets includes land, buildings, furniture and equipment, and improvements and is the largest single component of total assets. The College uses these capital assets to provide services to students, faculty, and staff. The College's investment in capital assets is reported net of accumulated depreciation. A portion of the capital assets was acquired with debt, some of which is still outstanding. It should be noted that resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Current Liabilities decreased by \$2,037,708 (21%) in FY18 and increased \$1,599,173 (20%) in FY17. These amounts fluctuate based on purchases and services required at year end and based on changes in unearned revenues. The decrease in FY18 was due to the FY17 private grant accruals being expended in FY18.

Noncurrent Liabilities increased by \$19,055,733 (105%) in FY18. This was due to the implementation of GASB 75, which requires all state institutions to record their proportionate share of the accumulated Other Post Employment Benefits (OPEB) net obligation.

The assets and deferred outflows exceeded the liabilities and deferred inflows of the College at the close of the most recent fiscal year by \$20,334,259 (Net Position), a decrease of \$20,870,310 from the prior fiscal year. The implementation of GASB 75 decreased the College's net position by \$24,538,476. Excluding GASB 75, the College's net position increased \$3,668,166 in FY18.

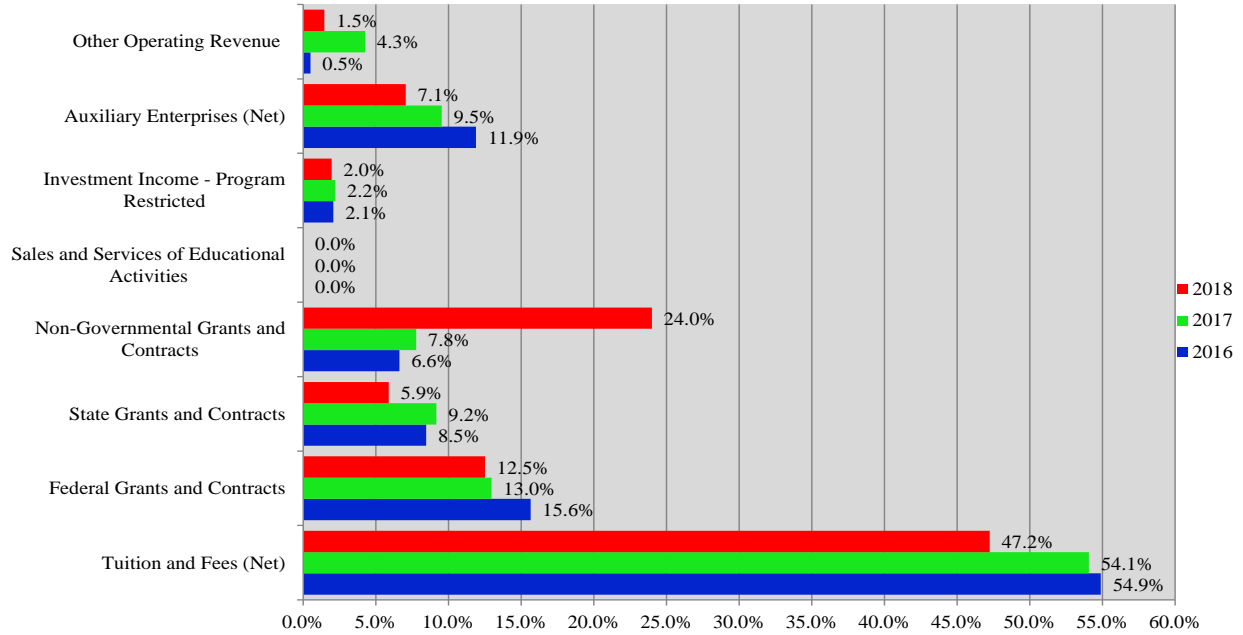
Angelina College
Management's Discussion and Analysis - Continued
August 31, 2018

Analysis of Significant Changes in Operations

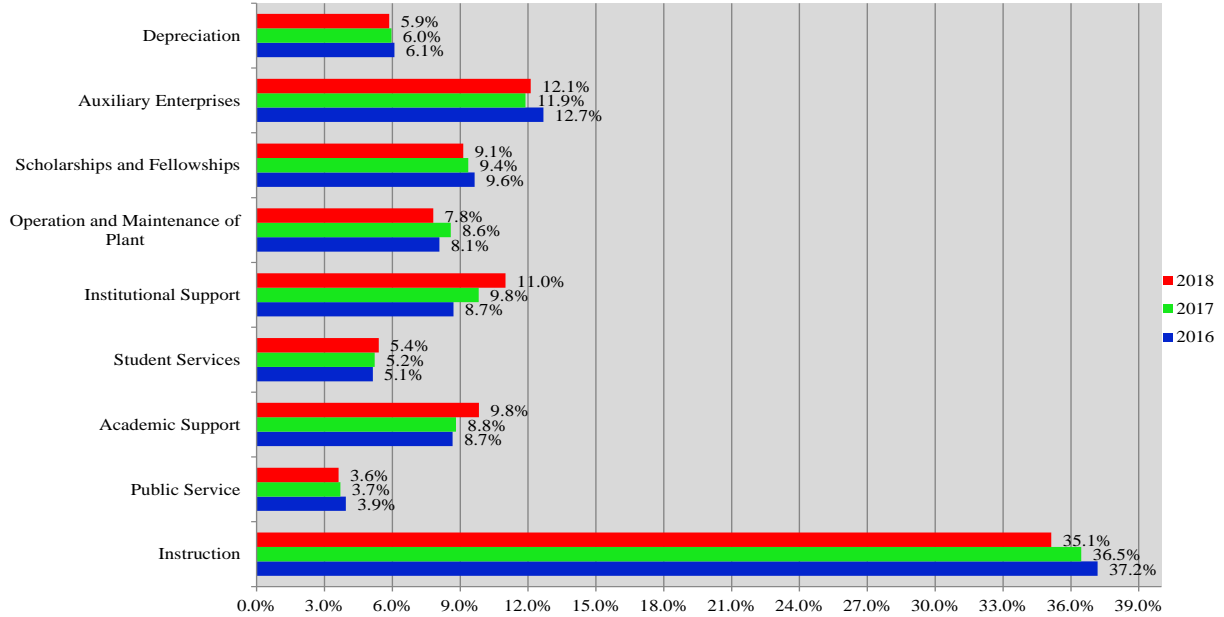
	2018	2017	\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2016	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
Operating Revenues							
Tuition and Fees (Net)	\$ 6,182,814	\$ 6,157,350	\$ 25,464	0.41%	\$ 5,947,776	\$ 209,574	3.52%
Federal Grants and Contracts	1,639,981	1,476,582	163,399	11.07%	1,698,421	(221,839)	(13.06%)
State Grants and Contracts	771,800	1,044,053	(272,253)	(26.08%)	919,265	124,788	13.57%
Non-Governmental Grants and Contracts	3,147,186	886,134	2,261,052	255.16%	718,228	167,906	23.38%
Sales and Services of Educational Activities	-	-	-	0.00%	-	-	0.00%
Investment Income - Program Restricted	256,412	251,105	5,307	2.11%	225,867	25,238	11.17%
Auxiliary Enterprises (Net)	926,420	1,085,964	(159,544)	(14.69%)	1,291,358	(205,394)	(15.91%)
Other Operating Revenue	191,965	486,394	(294,429)	(60.53%)	54,781	431,613	787.89%
Total Operating Revenue	<u>13,116,578</u>	<u>11,387,582</u>	<u>1,728,996</u>	<u>15.18%</u>	<u>10,855,696</u>	<u>531,886</u>	<u>4.90%</u>
Operating Expenses							
Instruction	12,681,965	12,901,510	(219,545)	(1.70%)	12,808,913	92,597	0.72%
Public Service	1,303,734	1,306,847	(3,113)	(0.24%)	1,363,120	(56,273)	(4.13%)
Academic Support	3,537,465	3,111,659	425,806	13.68%	2,991,252	120,407	4.03%
Student Services	1,941,961	1,840,758	101,203	5.50%	1,773,556	67,202	3.79%
Institutional Support	3,960,190	3,465,762	494,428	14.27%	3,005,739	460,023	15.30%
Operation and Maintenance of Plant	2,810,424	3,028,321	(217,897)	(7.20%)	2,792,393	235,928	8.45%
Scholarships and Fellowships	3,286,415	3,302,629	(16,214)	(0.49%)	3,328,425	(25,796)	(0.78%)
Auxiliary Enterprises	4,361,919	4,231,109	130,810	3.09%	4,379,873	(148,764)	(3.40%)
Depreciation	2,110,401	2,102,392	8,009	0.38%	2,105,071	(2,679)	(0.13%)
Total Operating Expenses	<u>35,994,474</u>	<u>35,290,987</u>	<u>703,487</u>	<u>1.99%</u>	<u>34,548,342</u>	<u>742,645</u>	<u>2.15%</u>
Net Operating Loss	(22,877,896)	(23,903,405)	1,025,509	(4.29%)	(23,692,646)	(210,759)	0.89%
Non-Operating Revenues							
State Appropriations	9,611,037	9,140,236	470,801	5.15%	9,121,348	18,888	0.21%
Maintenance Ad Valorem Taxes	5,781,607	5,532,767	248,840	4.50%	5,244,579	288,188	5.49%
Debt Service Ad Valorem Taxes	1,710,873	1,813,343	(102,470)	(5.65%)	1,829,913	(16,570)	(0.91%)
Federal Revenue, Non-Operating	8,719,323	8,054,554	664,769	8.25%	8,460,303	(405,749)	(4.80%)
Gifts	729,770	676,775	52,995	7.83%	710,798	(34,023)	(4.79%)
Investment Income	291,225	274,721	16,504	6.01%	283,080	(8,359)	(2.95%)
Other Non-Operating Revenues	261,788	307,922	(46,134)	(14.98%)	288,166	19,756	6.86%
Total Non-Operating Revenues	<u>27,105,623</u>	<u>25,800,318</u>	<u>1,305,305</u>	<u>5.06%</u>	<u>25,938,187</u>	<u>(137,869)</u>	<u>(0.53%)</u>
Non-Operating Expenses							
Interest on Capital Related Debt	622,695	664,948	(42,253)	(6.35%)	752,245	(87,297)	(11.60%)
Disposal of Capital Asset (Net)	768	8,216	(7,448)	(90.65%)	8,604	(388)	(4.51%)
Investment Expenses	23,767	2,771	20,996	757.70%	4,343	(1,572)	(36.20%)
Total Non-Operating Expenses	<u>647,230</u>	<u>675,935</u>	<u>(28,705)</u>	<u>(4.25%)</u>	<u>765,192</u>	<u>(89,257)</u>	<u>(11.66%)</u>
Income Before Other Revenues	3,580,497	1,220,978	2,359,519	193.25%	1,480,349	(259,371)	(17.52%)
Other Revenues							
Capital Contributions	-	-	-	-	-	-	-
Additions to Permanent Endowments	87,669	524,099	(436,430)	(83.27%)	59,180	464,919	785.60%
Total Other Revenues	<u>87,669</u>	<u>524,099</u>	<u>(436,430)</u>	<u>(83.27%)</u>	<u>59,180</u>	<u>464,919</u>	<u>785.60%</u>
Increase in Net Position	3,668,166	1,745,077	1,923,089	110.20%	1,539,529	205,548	13.35%
Beginning Net Position	41,204,569	39,459,492	1,745,077	4.42%	37,919,963	1,539,529	4.06%
Cumulative Effect of Change in Accounting Principle							
	(24,538,476)	-	(24,538,476)	-	-	-	-
Ending Net Position	<u>\$ 20,334,259</u>	<u>\$ 41,204,569</u>	<u>\$ (20,870,310)</u>	<u>(50.65%)</u>	<u>\$ 39,459,492</u>	<u>\$ 1,745,077</u>	<u>4.42%</u>

**Angelina College
Management's Discussion and Analysis - Continued
August 31, 2018**

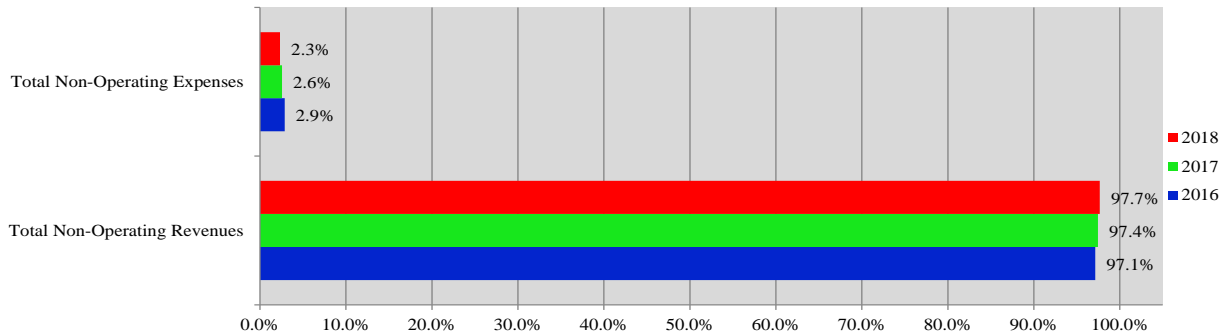
Operating Revenues – Past Three Years



Operating Expenses – Past Three Years



Non-Operating Revenues and Expenses – Past Three Years



Angelina College
Management's Discussion and Analysis - Continued
August 31, 2018

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

Net Tuition and Fees increased \$25,464 (0.41%) in FY18 and \$209,574 (4%) in FY17. State Grants and Contracts decreased \$272,253 (26%) in FY18, but increased by \$124,788 (14%) in FY17 showing the fluctuating nature of such grants. Non-Governmental Grants and Contracts increased \$2,261,052 (255%) due to a private grant for instructor's salaries and building renovations. Auxiliary Enterprises (Net) decreased \$159,544 (15%) in FY18 due to a general decline in the College Bookstore's sales.

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College. Instructional costs decreased in FY18 by \$219,545 (2%). The decrease was due to several factors including, the College's decision to move all academic deans from instructional employees to full-time administrative academic support positions, several faculty positions being vacant for all or part of the fiscal year, and the replacement of long-term, higher compensation faculty, who retired or resigned, with new, lower compensation faculty. Academic Support increased by \$425,806 (14%) primarily due to the change in academic deans' responsibilities and classification. Institutional Support increased \$494,428 (14%) primarily due to the creation of several new support positions, including the Assistant Vice President of Academic Affairs, Executive Director of Institutional Advancement and Director of Grants and Sponsored Programs. Operations and Maintenance of Plant decreased \$217,897 (7%) due primarily to a decrease in utility consumption, a decrease in custodial service costs, and several employment positions that were open for all or part of the fiscal year.

Non-operating revenues are all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, federal Title IV revenues, investment income, and grants and contracts that do not require any services to be performed. State Appropriations increased \$470,801 (5%). The majority of the increase was due to GASB 75 changing the way Non-Employer Contributing Entity contributions are recorded. Maintenance Ad Valorem Tax revenue increased \$248,840 (5%) in FY18 and \$288,188 (5%) in FY17 because of changes in property valuations. Federal Revenue, Non-Operating increased \$664,769 (8%) in FY18 and decreased \$405,749 (5%) in FY17 as Pell eligible recipients increased their average course load and, as a result, their awards increased in FY18 over FY17. Investment Income increased \$16,504 (6%) in FY18 stemming from the rise in interest rates.

Non-operating expenses are all expenditures that are not directly related to the basic services performed by the institution. They consist primarily of interest on capital related debt and disposal of capital assets. The College reduced interest expenses on capital related debt by paying scheduled principal payments on outstanding debt. The College had minimal Investment Expenses in FY18, but they increased \$20,996 (758%) in FY18 as a result of rising interest rates in FY18 and a loss on sales of securities switching from lower interest rates to higher ones.

Capital or endowment donations to the College can vary greatly from year to year. These variations led to a decrease of \$436,430 (83%) in FY18 over FY17, which had a large increase from the previous year of \$464,919 (786%).

Angelina College
Management's Discussion and Analysis - Continued
August 31, 2018

Analysis of Cash Flows

	2018	2017	\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2016	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
Net Cash Used by Operating Activities	\$ (18,986,453)	\$ (18,833,923)	\$ (152,530)	0.81%	\$ (19,084,411)	\$ 250,488	(1.31%)
Net Cash Provided by Non-Capital Financing Activities	22,731,424	22,031,795	699,629	3.18%	21,810,508	221,287	1.01%
Net Cash Used by Capital Financing Activities	(3,922,433)	(828,874)	(3,093,559)	373.22%	(489,730)	(339,144)	69.25%
Net Cash Provided by Investing Activities	130,821	1,108,406	(977,585)	(88.20%)	230,696	877,710	380.46%
Increase (Decrease) in Cash and Cash Equivalents	(46,641)	3,477,404	(3,524,045)	(101.34%)	2,467,063	1,010,341	40.95%
Cash and Cash Equivalents at September 1	18,013,717	14,536,313	3,477,404	23.92%	12,069,250	2,467,063	20.44%
Cash and Cash Equivalents at August 31	<u>\$ 17,967,076</u>	<u>\$ 18,013,717</u>	<u>\$ (46,641)</u>	<u>(0.26%)</u>	<u>\$ 14,536,313</u>	<u>\$ 3,477,404</u>	<u>23.92%</u>

Overall, the College's year-end cash balance of \$17,967,076 decreased by \$46,641 (0.26%) from last year's balance of \$18,013,717 which was an increase of \$3,477,404 (24%) from the previous year's balance of \$14,536,313.

Capital Assets and Long-Term Debt

Capital Assets
(Net of Accumulated Depreciation)

	Year Ending		\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2016	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
	2018	2017					
Buildings and Improvements	\$ 30,796,324	\$ 29,236,149	\$ 1,560,175	5.34%	\$ 30,355,218	\$ (1,119,069)	(3.69%)
Land and Land Improvements	5,148,050	5,434,578	(286,528)	(5.27%)	5,722,914	(288,336)	(5.04%)
Library Books	222,726	238,692	(15,966)	(6.69%)	253,251	(14,559)	(5.75%)
Furniture, Machinery, and Equipment	1,752,990	1,550,704	202,286	13.04%	1,483,890	66,814	4.50%
Construction in Process	395,511	94,912	300,599	316.71%	-	94,912	-
Total	<u>\$ 38,315,601</u>	<u>\$ 36,555,035</u>	<u>\$ 1,760,566</u>	<u>4.82%</u>	<u>\$ 37,815,273</u>	<u>\$ (1,260,238)</u>	<u>(3.33%)</u>

The College had \$38.3 and \$36.5 million invested in capital assets, net of accumulated depreciation of \$39.3 and \$37.3 million for FY18 and FY17, respectively. The largest single component of capital assets is buildings totaling \$24,965,602 for FY18 and \$25,485,783 for FY17 net of accumulated depreciation. Depreciation charges totaled \$2,110,401 for FY18 and \$2,102,392 for FY17.

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

Angelina College
Management's Discussion and Analysis - Continued
August 31, 2018

Other Conditions and Factors

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

Requests for Information

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



BASIC FINANCIAL STATEMENTS

**For the Fiscal Years Ended
August 31, 2018 and 2017**

ANGELINA COLLEGE
EXHIBIT 1
STATEMENTS OF NET POSITION
For the years ended August 31, 2018 and 2017

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 9,815,825	\$ 9,168,578
Accounts Receivable (Net)	3,678,372	5,350,757
Inventories	617,570	543,883
Other Assets	1,473,638	920,030
Total Current Assets	<u>15,585,405</u>	<u>15,983,248</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalents	8,151,251	8,845,139
Endowment Investments	7,352,526	7,208,271
Capital Assets (Net) (See Note 7)	38,315,601	36,555,035
Total Noncurrent Assets	<u>53,819,378</u>	<u>52,608,445</u>
Total Assets	<u>69,404,783</u>	<u>68,591,693</u>
Deferred Outflows of Resources		
Pension Related	523,234	858,257
OPEB Related	609,997	-
Loss on Bond Refunding	15,258	30,516
Total Deferred Outflows of Resources	<u>1,148,489</u>	<u>888,773</u>
Liabilities		
Current Liabilities		
Accounts Payable	1,270,140	1,444,493
Accrued Liabilities	317,617	313,705
Accrued Compensable Absences-Current Portion	44,029	45,159
Funds Held for Others	102,949	65,291
Unearned Revenues	4,567,761	6,551,812
Bonds Payable - Current Portion	1,281,263	1,201,007
Total Current Liabilities	<u>7,583,759</u>	<u>9,621,467</u>
Noncurrent Liabilities		
Deposits	17,600	18,200
Accrued Compensable Absences	252,197	256,576
Net Pension Liability	3,213,728	3,893,453
Net OPEB Liability	21,021,700	-
Bonds Payable	12,627,262	13,908,525
Total Noncurrent Liabilities	<u>37,132,487</u>	<u>18,076,754</u>
Total Liabilities	<u>44,716,246</u>	<u>27,698,221</u>
Deferred Inflows of Resources		
Pension Related	854,768	577,676
OPEB Related	4,647,999	-
Total Deferred Inflows of Resources	<u>5,502,767</u>	<u>577,676</u>

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

ANGELINA COLLEGE
EXHIBIT 1 (Continued)
STATEMENTS OF NET POSITION
For the years ended August 31, 2018 and 2017

	<u>Current Year</u>	<u>Prior Year</u>
Net Position		
Net Investment in Capital Assets	24,422,334	21,476,019
Restricted		
Nonexpendable		
Student Aid	6,569,435	6,299,182
Expendable		
Student Aid	2,078,785	1,831,405
Debt Service	483,134	540,210
Other	172,917	161,854
Unrestricted	<u>(13,392,346)</u>	<u>10,895,899</u>
Total Net Position (Schedule D)	<u><u>\$ 20,334,259</u></u>	<u><u>\$ 41,204,569</u></u>

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

ANGELINA COLLEGE
EXHIBIT 2
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the years ended August 31, 2018 and 2017

	Current Year	Prior Year
Operating Revenues		
Tuition and Fees (Net of Discounts of \$5,003,147 and \$5,163,623, respectively)	\$ 6,182,814	\$ 6,157,350
Federal Grants and Contracts	1,639,981	1,476,582
State Grants and Contracts	771,800	1,044,053
Non-Governmental Grants and Contracts	3,147,186	886,134
Investment Income - Program Restricted	256,412	251,105
Auxiliary Enterprises (Net of Discounts of \$1,676,356 and \$1,732,771, respectively)	926,420	1,085,964
Other Operating Revenues	191,965	486,394
Total Operating Revenues (Schedule A)	13,116,578	11,387,582
Operating Expenses		
Instruction	12,681,965	12,901,510
Public Service	1,303,734	1,306,847
Academic Support	3,537,465	3,111,659
Student Services	1,941,961	1,840,758
Institutional Support	3,960,190	3,465,762
Operation and Maintenance of Plant	2,810,424	3,028,321
Scholarships and Fellowships	3,286,415	3,302,629
Auxiliary Enterprises	4,361,919	4,231,109
Depreciation	2,110,401	2,102,392
Total Operating Expenses (Schedule B)	35,994,474	35,290,987
Operating Loss	(22,877,896)	(23,903,405)
Non-Operating Revenues (Expenses)		
State Appropriations	9,611,037	9,140,236
Maintenance Ad Valorem Taxes	5,781,607	5,532,767
Debt Service Ad Valorem Taxes	1,710,873	1,813,343
Federal Revenue, Non-Operating	8,719,323	8,054,554
Gifts	729,770	676,775
Investment Income	291,225	274,721
Interest on Capital Related Debt	(622,695)	(664,948)
Disposal of Capital Assets, net	(768)	(8,216)
Investment Expenses	(23,767)	(2,771)
Other Non-Operating Revenues	261,788	307,922
Total Non-Operating Revenue (Expenses) (Schedule C)	26,458,393	25,124,383
Income Before Other Revenues	3,580,497	1,220,978

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

ANGELINA COLLEGE
EXHIBIT 2 (Continued)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the years ended August 31, 2018 and 2017

	<u>Current Year</u>	<u>Prior Year</u>
Other Revenues		
Additions to Permanent Endowments	87,669	524,099
Total Other Revenues	<u>87,669</u>	<u>524,099</u>
Increase (Decrease) in Net Position	3,668,166	1,745,077
Net Position		
Net Position - Beginning of Year	41,204,569	39,459,492
Cumulative Effect of Change in Accounting Principle-Note 2	<u>(24,538,476)</u>	-
Net Position - Beginning of Year, as restated	16,666,093	39,459,492
Net Position - End of Year	<u>\$ 20,334,259</u>	<u>\$ 41,204,569</u>

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

ANGELINA COLLEGE
EXHIBIT 3
STATEMENTS OF CASH FLOWS
For the years ended August 31, 2018 and 2017

	<u>Current Year</u>	<u>Prior Year</u>
Cash Flows from Operating Activities		
Receipts from Students and Other Customers	\$ 7,368,848	\$ 6,909,953
Receipts from Grants and Contracts	4,375,002	3,594,063
Investment Income, Program Restricted	256,412	251,105
Collection of Loans to Students and Employees	9,987	5,584
Other Receipts	187,756	491,441
Payments to or on Behalf of Employees	(18,098,833)	(18,674,869)
Payments to Suppliers for Goods or Services	(9,180,839)	(8,154,378)
Payments of Scholarships	(3,898,001)	(3,560,954)
Other Cash Payments	(6,785)	(3,790)
Net Cash Provided (Used) by Operating Activities	<u>(18,986,453)</u>	<u>(19,141,845)</u>
Cash Flows from Noncapital Financing Activities		
Receipts from State Appropriations	7,481,761	7,411,011
Ad Valorem Tax Revenues	5,790,992	5,528,785
Receipts from Non-Operating Federal Revenue	8,655,327	8,050,000
Payments for Collection of Taxes	(152,489)	(148,310)
Gifts and Grants (Other Than Capital)	812,060	1,171,543
Other Non-Operating Revenues	106,715	307,922
Student Organization and Other Agency Transactions	37,058	18,766
Net Cash Provided (Used) by Noncapital Financing Activities	<u>22,731,424</u>	<u>22,339,717</u>
Cash Flows from Capital and Related Financing Activities		
Net Proceeds from Issuance of Capital Debt	-	-
Ad Valorem Tax Revenues	1,716,360	1,814,316
Purchases of Capital Assets	(3,866,356)	(821,040)
Payments on Capital Debt	(1,772,437)	(1,822,150)
Net Cash Provided (Used) by Capital Financing Activities	<u>(3,922,433)</u>	<u>(828,874)</u>
Cash Flows from Investing Activities		
Proceeds from Sale and Maturity of Investments	692,517	1,839,772
Investment Earnings	157,908	51,905
Purchases of Investments	(719,604)	(783,271)
Net Cash Provided (Used) by Investing Activities	<u>130,821</u>	<u>1,108,406</u>
Increase (Decrease) in Cash and Cash Equivalents	(46,641)	3,477,404
Cash and Cash Equivalents - September 1	18,013,717	14,536,313
Cash and Cash Equivalents - August 31	<u>\$ 17,967,076</u>	<u>\$ 18,013,717</u>

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

ANGELINA COLLEGE
EXHIBIT 3 (Continued)
STATEMENTS OF CASH FLOWS
For the years ended August 31, 2018 and 2017

	Current Year	Prior Year
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (22,877,896)	\$ (23,903,405)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	2,110,401	2,102,392
Bad Debt Expense	161,292	94,645
Tax Collection Fee	152,489	148,310
Payments made directly by state for benefits	2,129,276	1,729,225
Changes in Assets and Liabilities		
Interest Receivable	(7,613)	(17,982)
Ad Valorem Taxes Receivable	(14,872)	3,007
Federal Receivable - Non-operating	63,995	4,554
Accounts Receivable (Net)	1,737,422	(238,717)
Inventories	(73,688)	39,282
Other Assets	(553,608)	(720,958)
Pension Related Outflows	335,023	615,027
OPEB Related Outflows	(609,997)	-
Accounts Payable	(174,353)	806,172
Accrued Liabilities	3,912	(258,181)
Unearned Revenue	(1,984,051)	1,000,129
Pension Related Inflows	277,092	(635,213)
OPEB Related Inflows	4,647,999	-
Deposits	(600)	4,100
Accrued Compensable Absences	(5,509)	15,132
Net OPEB Liability (adjusted for prior period)	(3,623,442)	-
Net Pension Liability	(679,725)	70,636
Net Cash Provided (Used) by Operating Activities	\$ (18,986,453)	\$ (19,141,845)
Noncash investing, capital, and financing activities		
Increase (decrease) in fair value of investments	\$ 117,164	\$ 238,028
Amortization of bond premium and bond refunding loss	\$ 20,749	\$ 47,202

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

1. Reporting Entity

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

2. Summary of Significant Accounting Policies

Reporting Guidelines

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

Tuition Discounting

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

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

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

Basis of Accounting

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

2. Summary of Significant Accounting Policies - Continued

Budgetary Data

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

Cash and Cash Equivalents

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

Deferred Outflows of Resources

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

Investments

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

Inventories

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

Capital Assets

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

2. Summary of Significant Accounting Policies - Continued

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

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

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

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

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

Pensions

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

Other Post-Employment Benefits

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.

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

2. Summary of Significant Accounting Policies – Continued

Unearned Revenues

Tuition, fees, and other revenues received and related to periods after August 31, 2018 or 2017, respectively, have been reported as unearned revenue.

Deferred Inflows of Resources

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

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

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

New Pronouncements

For the year ended August 31, 2018, the College implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

2. Summary of Significant Accounting Policies - Continued

No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity. In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

Restatement

The College's participation in the Texas Employees Group Benefits Program (GBP) required the implementation of GASB Statement No. 75 and as a result, restatement to the beginning net position in the FY2018 financial statements as a cumulative effect of a change in accounting principle.

Since Angelina College did not have all of the audited beginning balances for deferred inflows of resources and deferred outflows of resources related to pensions required to properly restate FY2017 financial statements, the restatement was made directly to the beginning net position in the FY2018 financial statements as a cumulative effect of a change in accounting principle.

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

2. Summary of Significant Accounting Policies - Continued

Beginning net position as of September 1, 2017, has been restated as follows for the implementation of GASB Statement No. 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> .	
Beginning Net Position	\$41,204,569
Prior period adjustment-implementation of GASB 75:	
Net Pension Liability (measurement date as of August 31, 2017)	(\$25,116,461)
Deferred outflows – College contributions made during FY2014	\$ 577,985
Cumulative Effect of Change in Accounting Principle	(\$24,538,476)
Beginning Net Position, as restated	\$16,666,093

Reclassifications

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

3. Authorized Investments

Angelina College is authorized to invest in obligations and instruments as defined in the Public Funds 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. The investments of the College are in compliance with these investment policies.

4. Deposits and Investments

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

	<u>August 31, 2018</u>	<u>August 31, 2017</u>
Bank Deposits		
Demand Deposits and Money		
Market Mutual Funds	\$ 17,402,056	\$ 17,758,307
Certificates of Deposit - Short-term	249,253	248,358
Certificates of Deposit - Long-term	1,755,353	1,561,891
	<u>19,406,662</u>	<u>19,568,556</u>
Cash and Cash Equivalents		
Petty Cash on Hand	10,900	10,468
Total Cash and Deposits	<u>\$ 19,417,562</u>	<u>\$ 19,579,024</u>

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

4. Deposits and Investments – Continued

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Fair Value August 31, 2018	Fair Value August 31, 2017
U.S. Government Agencies	\$ 418,291	\$ 593,418
Mutual Funds	4,521,662	4,060,708
Corporate Bonds	407,967	743,896
Total Cash and Bank Deposits	19,417,562	19,579,024
Total Endowment Bank Deposits	554,120	244,942
Total Cash, Deposits, and Investments	<u>\$ 25,319,602</u>	<u>\$ 25,221,988</u>
Current (Exhibit 1)		
Cash and Cash Equivalents	\$ 9,815,825	\$ 9,168,578
Noncurrent (Exhibit 1)		
Restricted Cash and Cash Equivalents	8,151,251	8,845,139
Restricted Short-Term Investments	-	-
Endowment Investments	7,352,526	7,208,271
Other Noncurrent Investments	-	-
Total Current and Noncurrent Cash and Investments	<u>\$ 25,319,602</u>	<u>\$ 25,221,988</u>

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

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

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

Investment Type	Fair Value (Level 1)	Investment Maturities (in years)		
		Less Than 1	1 to 5	5 or More
U.S. Government Securities	\$ 418,291	\$ 181,411	\$ 98,119	\$ 138,761
Certificates of Deposit	2,004,606	249,253	1,276,675	478,679
Corporate Bonds	407,967	-	258,666	149,301
Total	<u>\$ 2,830,864</u>	<u>\$ 430,664</u>	<u>\$ 1,633,459</u>	<u>\$ 766,741</u>

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

4. Deposits and Investments – Continued

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's policy for reducing its exposure to credit risk is to comply with state law and the College's investment policy. Investments in money market funds and investment pools must be rated at least AAA or an equivalent rating by at least one nationally recognized rating service. Commercial paper must be rated at least A-1 or P-1. Investments in obligations from other states, municipalities, counties, etc. must be rated at least A. As of August 31, 2018 and 2017, the College's investments in U.S. Government Agencies are rated AAA/AA+ by Moody's and Standard and Poor's, respectively. As of August 31, 2018 and 2017, the College's investments in corporate bonds are rated at least BAA1/BBB+ by Moody's and Standard and Poor's, respectively. The College's investments in mutual funds are rated at least ★★★ by Morningstar, Inc. as of August 31, 2018 and 2017.

Custodial Credit Risk - Custodial credit risk is the risk that the College's deposits may not be returned in the event of a bank failure. The College's policy with respect to custodial credit risk complies with state law. At August 31, 2018 and 2017, the bank balances of the College's deposits were \$15,768,348 and \$15,685,977 respectively. Of these balances, the amounts covered by FDIC insurance were \$619,487 and \$619,733 at August 31, 2018 and 2017, respectively. The remaining balances at August 31, 2018 and 2017 of \$15,148,861 and \$15,066,243 were entirely covered by pledged collateral held by the pledging financial institution's agent bank in the College's name.

5. Derivative Investments

Derivatives are investment products that may be a security or contract deriving its value from another security, currency, commodity, or index, regardless of the source of funds used. Angelina College did not invest in derivative products during fiscal year 2018 or 2017.

6. Endowments

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

6. Endowments - Continued

Distributions from endowment investments are required to be spent for the purposes for which the endowment was established. Scholarship distributions are made pursuant to the investment policy. The policy for distribution of investment income designates an annual spending rate of no more than 5% as applied to a 36 month moving average of market value less current year contributions as measured at August 31 of each year. Endowment net position is classified as restricted nonexpendable student aid in the Statement of Net Position except for \$1,489,214 which is included in unrestricted.

	<u>August 31, 2018</u>	<u>August 31, 2017</u>
Beginning Net Position	\$ 7,774,020	\$ 7,001,104
Interest, Dividends, Earnings, Capital Gains (Losses)	329,797	259,667
Unrealized Gains (Losses)	117,164	238,028
Excess Distributions Returned to Endowment	-	1,122
Contributions	<u>87,669</u>	<u>524,099</u>
Funds Available in the Endowment	8,308,649	8,024,020
Less Scholarship Distributions from Current Year Endowment Interest	<u>250,000</u>	<u>250,000</u>
Ending Net Position	<u>\$ 8,058,649</u>	<u>\$ 7,774,020</u>

Endowment assets consist of the following:

	<u>August 31, 2018</u>	<u>August 31, 2017</u>
Bank Deposits	\$ 388,441	\$ 299,882
Brokerage Deposits	-	244,942
Endowment Investments	7,906,647	7,208,271
Interest Receivable	<u>13,311</u>	<u>20,925</u>
Endowment Assets	<u>\$ 8,308,399</u>	<u>\$ 7,774,020</u>

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

7. Capital Assets

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

	Balance September 1, 2017	Increase	Decrease	Balance August 31, 2018
Not Depreciated				
Land	\$ 1,773,999	\$ -	\$ -	\$ 1,773,999
Construction in Process	94,912	300,599		395,511
Total Not Depreciated	<u>1,868,911</u>	<u>300,599</u>	<u>-</u>	<u>2,169,510</u>
Other Capital Assets				
Buildings	50,897,262	497,764	-	51,395,026
Land Improvements	7,548,396	-	-	7,548,396
Building Improvements	6,571,389	2,408,925	-	8,980,314
Library Books	1,010,359	15,373	8,616	1,017,116
Furniture, Machinery, Vehicles, and Other Equipment	3,440,956	598,450	33,066	4,006,340
Telecommunications and Peripheral Equipment	2,520,622	50,624	-	2,571,246
Total Capital Assets	<u>71,988,984</u>	<u>3,571,136</u>	<u>41,682</u>	<u>75,518,438</u>
Accumulated Depreciation				
Buildings	25,411,479	1,017,945	-	26,429,424
Land Improvements	3,887,817	286,528	-	4,174,345
Building Improvements	2,821,023	328,569	-	3,149,592
Library Books	771,667	31,339	8,616	794,390
Furniture, Machinery, Vehicles, and Other Equipment	2,330,394	246,434	30,494	2,546,334
Telecommunications and Peripheral Equipment	2,080,480	199,586	1,804	2,278,262
Total Accumulated Depreciation	<u>37,302,860</u>	<u>2,110,401</u>	<u>40,914</u>	<u>39,372,347</u>
Net Capital Assets	<u>\$ 36,555,035</u>	<u>\$ 1,761,334</u>	<u>\$ 768</u>	<u>\$ 38,315,601</u>

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

7. Capital Assets - Continued

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

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

8. Long-Term Liabilities

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

	Balance August 31, 2017	Additions	Reductions	Balance August 31, 2018	Current Portion
Bonds					
Series 2008 Limited Tax Bonds	\$ 7,851,949	\$ -	\$ 323,616	\$ 7,528,333	\$ 323,509
Series 2009 Limited Tax Bonds	5,164,211	-	211,036	4,953,175	235,458
Series 2015 Limited Tax Refunding Bonds	2,093,372	-	666,355	1,427,017	722,296
Total Bonds	<u>15,109,532</u>	<u>-</u>	<u>1,201,007</u>	<u>13,908,525</u>	<u>1,281,263</u>
Other Liabilities					
Accrued Compensable Absences	301,735	-	5,509	296,226	44,029
Net Pension Liability	3,893,453	-	679,725	3,213,728	-
Net OPEB Liability	-	21,599,940	578,240	21,021,700	-
Deposits Payable	18,200	-	600	17,600	-
Total Liabilities	19,322,920	<u>\$ 21,599,940</u>	<u>\$ 2,465,081</u>	38,457,779	<u>\$ 1,325,292</u>
Current Portion	<u>(1,246,166)</u>			<u>(1,325,292)</u>	
Total Noncurrent Portion	<u>\$ 18,076,754</u>			<u>\$ 37,132,487</u>	

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

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

9. Debt Obligations

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

Fiscal Year	Principal	Interest	Total
2019	\$ 1,281,263	\$ 558,969	\$ 1,840,232
2020	940,926	517,906	1,458,832
2021	947,338	483,737	1,431,075
2022	625,885	455,363	1,081,248
2023	647,700	430,675	1,078,375
2024-2028	3,723,798	1,724,219	5,448,017
2029-2033	4,676,739	835,994	5,512,733
2034-2035	1,064,876	37,600	1,102,476
Total	<u>\$ 13,908,525</u>	<u>\$ 5,044,463</u>	<u>\$ 18,952,988</u>

10. Bonds Payable

Bonds are payable semi-annually with annual obligations varying from \$1,112,600 to \$1,773,969, with interest rates from 3.00% to 5.50%. The final installment is due in 2034.

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

	August 31, 2018	August 31, 2017
Limited Tax Bonds, Series 2008.		
• To construct a softball and baseball complex, Health Careers building, and a Technical Education Shop Center.		
• Issued June 15, 2008, matures fiscal 2034.		
• \$16,500,000 was authorized and \$10,000,000 was issued.		
• Source of revenue for debt service – ad valorem taxes.		
• Interest rate of 3.65% to 5.00%.		
• Outstanding balance:	\$ 7,528,333	\$ 7,851,949
Limited Tax Bonds, Series 2009.		
• To construct a softball and baseball complex, Health Careers building, and a Technical Education Shop Center.		
• Issued June 15, 2009, matures fiscal 2034.		
• \$16,500,000 was authorized and \$6,500,000 was issued.		
• Source of revenue for debt service – ad valorem taxes.		
• Interest rate of 4.25% to 5.50%.		
• Outstanding balance:	4,953,175	5,164,211

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

10. Bonds Payable - Continued

Limited Tax Refunding Bonds, Series 2015.

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

	1,427,017	2,093,372
Total Bonds Payable	\$ 13,908,525	\$ 15,109,532

11. Advance Refunding Bonds

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

12. Unearned Revenues

Tuition and fees of \$4,049,198 and \$5,355,782 and federal, state, and local grants of \$518,563 and \$1,196,030 have been reported as unearned revenues at August 31, 2018 and 2017, respectively.

13. Pending Lawsuits and Claims

Various claims and lawsuits are pending against the District. In the opinion of the College administration, the potential loss on all claims and lawsuits, to the extent not provided by insurance or otherwise, will not be significant to the financial statements of the College.

14. Employees' Retirement Plan

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

Teacher Retirement System of Texas (TRS)

A. Plan Description - The 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). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. 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.

B. Pension Plan Fiduciary Net Position - Detailed information about TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at:

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

14. Employees' Retirement Plan - Continued

<http://www.trs.state.tx.us/about/documents/cafr.pdf#cafr>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

- C. Benefits Provided* - TRS provides service and disability retirement, as well as death and survivor benefits, to eligible members (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity (except for employees who are grandfathered, where the three highest annual salaries are used). The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.
- D.* Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

	<u>Contribution Rates</u>	
	<u>2018</u>	<u>2017</u>
Member (Employee)	7.7%	7.7%
Non-employer contributing entity (NECE)	6.8%	6.8%
College	6.8%	6.8%
College Contributions (fiscal year)	\$329,826	\$348,853
Member Contributions (fiscal year)	\$620,980	\$618,906
NECE On-behalf Contributions (measurement year)	\$217,320	\$221,134

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

14. Employees' Retirement Plan - Continued

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- 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.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

E. Actuarial Assumptions - The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

14. Employees' Retirement Plan - Continued

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.0%
Long-term expected Investment Rate of Return	8.0%
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

F. Discount Rate - The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. 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 summarized below:

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

14. Employees' Retirement Plan - Continued

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

G. Discount Rate Sensitivity Analysis - The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8.0%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Angelina College proportionate share of the net pension liability:	\$5,517,711	\$3,213,728	\$1,378,555

H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At August 31, 2018, the College reported a liability of \$3,213,728 for its proportionate share of TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

Angelina College's Proportionate share of the collective net pension	\$ 3,213,728
State's proportionate share that is associated with Angelina College	<u>2,124,638</u>
Total	<u>\$ 5,338,366</u>

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

14. Employees' Retirement Plan - Continued

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

At August 31, 2017, the College's proportion of the collective net pension liability was .0100509%, which was a decrease of .000252% from its proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation – There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

For the year ended August 31, 2018, the College recognized pension expense of \$162,059 and revenue of \$162,059 for support provided by the State. The College also recognized their proportionate share of pension expense of \$242,272.

At August 31, 2018, the College reported its proportionate share of the TRS 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	\$ 47,018	\$173,312
Changes in actuarial assumptions	\$146,390	\$83,805
Difference between projected and actual investment earnings	-	\$234,210
Changes in proportion and difference between the College's contributions and the proportionate share of contributions		\$363,441
Contributions paid to TRS subsequent to the measurement date	\$329,826	
Total	\$523,234	\$854,768

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

14. Employees' Retirement Plan - Continued

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

Plan (Fiscal) Year ended August 31:	Pension Expense Amount
2018 (2019)	(\$184,976)
2019 (2020)	\$20,165
2020 (2021)	(\$200,736)
2021 (2022)	(\$245,933)
2022 (2023)	(\$36,896)
Thereafter	(\$12,894)

Optional Retirement Program (ORP)

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

Funding Policy - Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentage of participant salaries contributed by each participating employee is 6.65 percent for fiscal years 2018, 2017, and 2016. The percentage of participant salaries contributed by the state is 3.3 percent for 2018 and 3.135 percent for 2017 and 2016. The percentage of participant salaries contributed by the College is 3.3 percent for 2018 and 3.465 percent for 2017 and 2016. The College contributed an additional 1.9 percent for fiscal years 2018 and 2017 for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual contracts, the state has no additional or unfunded liability for this program.

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

Fiscal Year Ended August 31,	On-Behalf State Contribution	Angelina College Contribution	Participant Contribution	Total Contribution	Covered Payroll	Total College Payroll
2018	\$ 147,763	\$ 206,746	\$ 336,233	\$ 690,742	\$ 5,081,401	\$ 15,415,392
2017	142,038	206,671	330,484	679,193	4,969,691	15,589,982
2016	132,207	206,008	320,171	658,386	4,814,598	15,579,645

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

14. Employees' Retirement Plan - Continued

Part-time Employees

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

Funding Policy - The plan offered through TIAA-CREF is a defined contribution plan to which the employees contribute 7.5 percent and the State of Texas and the College do not contribute. Employee contributions to TIAA-CREF for the years ended August 31, 2018, 2017, and 2016 were \$110,799, \$137,828, and \$155,521 respectively, which equaled the required contributions each year.

15. Compensable Absences

Full-time employees earn annual leave from 5.83 to 10.00 hours per month depending on whether they have less than or more than five years continuous employment with the College. The College's policy is that an employee may carry their accrued leave forward from one fiscal year to another fiscal year with a maximum number 240 hours. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed.

The College recognized the accrued liability for the unpaid annual leave in the amounts of \$296,226 and \$301,735 for fiscal years ended August 31, 2018 and 2017, respectively. The liability is shown in the Statement of Net Position split between current and noncurrent in the amounts of \$44,029 and \$252,197, respectively for August 31, 2018 and \$45,159 and \$256,576, respectively for August 31, 2017.

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

16. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA audit and accounting guide, *State and Local Governments*, 8.99). For Federal Contract and Grant Awards, funds expended but not collected are reported as Federal Receivables 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. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2018 and 2017 for which monies have not been received nor funds expended totaled \$6,437,483 and \$4,549,435. Of these

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

16. Contract and Grant Awards - Continued

amounts, \$1,805,297 and \$2,554,759 were from Federal Contract and Grant Awards; \$1,189,264 and \$951,914 were from State Contract and Grant Awards; and \$3,442,922 and \$1,042,762 from Private Contract and Grant Awards for the fiscal years ended 2018 and 2017, respectively.

17. Disaggregation of Receivables and Payables Balances

Receivables were as follows:

	August 31, 2018	August 31, 2017
Students and Other Customers	\$ 5,644,770	\$ 7,043,640
Allowance for Doubtful Accounts	(2,581,747)	(2,415,238)
Federal Grants and Contracts - Operating	223,502	313,387
Federal Grants and Contracts - Non-operating	102,889	38,877
Other Grants and Contracts	28,398	68,189
Loans to Students	139,704	150,997
Allowance for Doubtful Accounts	(139,657)	(144,873)
Taxes Receivable	715,142	656,165
Allowance for Uncollectible Taxes	(545,364)	(471,515)
Interest Receivable	13,311	20,925
Other Receivables	77,424	90,203
	<hr/>	<hr/>
Total Receivables	\$ 3,678,372	\$ 5,350,757

Payables and accrued liabilities were as follows:

	August 31, 2018	August 31, 2017
Vendors	\$ 1,249,719	\$ 1,443,305
Students	20,421	1,188
Total Payables	<hr/>	<hr/>
	\$ 1,270,140	\$ 1,444,493
Salaries and benefits	\$ 246,782	\$ 229,786
Sales taxes	64,017	76,904
Other	6,818	7,015
Total Accrued Liabilities	<hr/>	<hr/>
	\$ 317,617	\$ 313,705

18. Self-Insured Plans

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

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2018	\$ 1,223	\$ 5	\$ 58	\$ 1,170
2017	1,249	3	29	1,223

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

19. Post-Retirement Health Care and Life Insurance Benefits

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

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

	August 31, 2018	August 31, 2017	August 31, 2016
State's monthly contribution per full-time employee	\$ 621 - 1,812	\$ 617 - 1,798	\$ 577 - 1,679
State's contribution for retired participants	\$ 469,535	\$ 452,725	\$ 434,353
Number of retired participants	123	119	115
State's contribution for active participants	\$ 944,473	\$ 864,284	\$ 813,597
Number of active participants	262	252	252
State's total contribution	\$ 1,414,008	\$ 1,317,009	\$ 1,247,950
Number of total participants	385	371	367

20. Ad Valorem Tax

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

	August 31, 2018	August 31, 2017
Assessed Valuation of the College	\$ 4,721,511,656	\$ 4,668,069,513
Less: Exemptions	583,719,682	582,919,135
Less: Abatements	12,843,368	16,708,089
Net Assessed Valuation of the College	<u>\$ 4,124,948,606</u>	<u>\$ 4,068,442,289</u>

	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation - authorized	\$ 0.4000	\$ 0.5000	\$ 0.9000
Tax Rate per \$100 valuation - assessed			
- FYE August 31, 2018	\$ 0.1397	\$ 0.0413	\$ 0.1810
- FYE August 31, 2017	\$ 0.1350	\$ 0.0442	\$ 0.1792

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

20. Ad Valorem Tax - Continued

Taxes levied for the year ended August 31, 2018 were \$7,470,009 (which includes any penalty and interest assessed if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the following year in which imposed.

Tax Revenues-2018	Current Operations	Debt Service	Total
Current Taxes	\$ 5,604,641	\$ 1,653,525	\$ 7,258,166
Delinquent Taxes	94,060	30,282	124,342
Penalties and Interest	82,906	27,066	109,972
Total Tax Revenues	\$ 5,781,607	\$ 1,710,873	\$ 7,492,480

Taxes levied for the year ended August 31, 2017 were \$7,290,961 (which includes any penalty and interest assessed if applicable).

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

Tax collections for the year ended August 31, 2018 and 2017 were 97% of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

The College participated in multiple agreements during fiscal years 2017 and 2018 which resulted in abatements of tax revenues. Total tax revenues forgone by the College under these tax abatement agreements were \$23,246 and \$29,941 for the years ended August 31, 2018 and 2017, respectively, which amounted to approximately .310% and .407% of total tax revenues collected by the College in each fiscal year. The College has concluded that the dollar amounts of these tax abatements are immaterial to the revenues and the financial statements of the College taken as a whole. As such, we have elected not to present a full disclosure as required by GASB Statement No. 77, *Tax Abatements* since the GASB states that the provisions of Statement No. 77 need not be applied to immaterial items.

21. Income Taxes

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

22. Risk Management

During the year ended August 31, 2018, the College participated in several Texas Association of School Boards (TASB) Risk Management Fund programs including Auto Liability, Auto Physical Damage, General Liability, Legal Liability, Property, and Unemployment Compensation.

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

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2018, the Fund anticipates that Angelina College has no additional liability beyond the contractual obligations for payment of contributions.

During the year ended August 31, 2018, Angelina College provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2018, the Fund anticipates that Angelina College has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2017, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

23. Non-Monetary Transactions

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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

23. Non-Monetary Transactions - Continued

the years ended August 31, 2018 and 2017, respectively. A corresponding amount is also included in operating expenses.

The College also provides the use of some of its facilities to an unrelated nonprofit entity at no cost. Included in operating expenses is \$119,066 and \$119,066 in non-monetary transactions representing the value of the donation of the facilities for the years ended August 31, 2018 and 2017, respectively. A corresponding amount is also included in non-operating revenues.

24. Defined Other Post-Employment Benefit Plans

A. Plan Description

The College participates in a cost-sharing, multiple-employer, other postemployment 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.

B. 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.

C. 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.

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

24. Post-Employment Benefits Other than Pensions - Continued

D. Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

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

Maximum Monthly Employer Contribution
 Retiree Health and Basic Life Premium

Retiree only	\$ 617.30
Retiree & Spouse	970.98
Retiree & Children	854.10
Retiree & Family	1,204.78

Contributions to the GBP plan by source is summarized in the following table.

	Measured (Fiscal) Year 2017 (2018)
Employer	\$ 603,773
Nonemployer Contributing Entity (State of Texas)	449,719

E. 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:

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

24. Post-Employment Benefits Other than Pensions - Continued

ERS Group Benefits
Program Plan

Valuation Date	August 31, 2017
Actuarial cost method	Entry age
Amortization method	Level percent of pay, open
Remaining amortization period	30 Years
Asset valuation method	N/A
Projected annual salary increase (includes inflation)	2.50% to 9.50%
Annual healthcare trend rate	8.50% for FY2019, decreasing 0.5% per year to 4.50% for FY2027 and later years
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 this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2010 to August 31, 2014 for higher education members.

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%.

F. 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

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

24. Post-Employment Benefits Other than Pensions - Continued

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.

G. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (2.51%)	Current Single Discount Rate (3.51%)	1% Increase in Discount Rate (4.51%)
College's proportionate share of the Net OPEB Liability:	\$25,093,766	\$21,021,700	\$17,867,519

H. 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 (7.5% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (8.5% decreasing to 4.5%)	1% Increase in Healthcare Cost Trend Rates (9.5% decreasing to 5.5%)
College's proportionate share of the Net OPEB Liability:	\$17,672,312	\$20,021,700	\$25,367,721

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

24. Post-Employment Benefits Other than Pensions - Continued

I. 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 \$21,021,700 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the College. The amount recognized by the College as its proportionate share of the Net OPEB Liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the College were as follows:

	<u>FY2018</u>
College's Proportionate share of the Collective Net OPEB Liability	\$21,021,700
State's proportionate share that is associated with the College	<u>\$16,349,362</u>
Total	<u>\$37,371,061</u>

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The College's proportion of the Net OPEB Liability was based on the College's contributions to the OPEB plan relative to the contributions of all other employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the College's proportion of the collective Net OPEB Liability was .06169604%. Since this is the first year of implementation, the College does not have the proportion measured as of August 31, 2016. The Notes to the Financial Statements for August 31, 2016 for ERS stated that the change in proportion was immaterial and, therefore, disregarded this year. For the year ended August 31, 2018, the College recognized OPEB expense of \$874,954 and revenue of \$874,954 for support provided by the State. The College also recognized their proportionate share of OPEB expense of \$521,226.

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;

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

24. Post-Employment Benefits Other than Pensions - Continued

- 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.

At August 31, 2018, the College reported its proportionate share of the GBP’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	-	\$252,613
Changes in actuarial assumptions	-	\$4,395,386
Difference between projected and actual investment earnings	\$6,224	-
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	-	-
Contributions paid to TRS subsequent to the measurement date	\$603,773	-
Total	\$609,997	\$4,647,999

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:	OPEB Expense Amount
2019	\$1,045,291
2020	\$1,045,291
2021	\$1,045,291
2022	\$1,045,291
2023	\$460,611
Thereafter	-

Angelina College
Notes to Financial Statements - Continued
August 31, 2018

25. Construction Commitments

At August 31, 2018, the College has a remaining commitment to Moore Building Associates for various building renovations of \$1,128,896.

26. Subsequent Events

2018 Bonds

- Refunding occurred in September 2018 after the close of FY18. This information is supplemental and did not affect the financial reporting for FY18.
- Refunded \$7,575,000 of Limited Tax Refunding Bonds, Series 2008.
- Issued refunding bonds on September 13, 2018.
- \$7,575,000, all authorized bonds have been issued.
- Angelina College Limited Tax Refunding Bonds, Series 2018.
- Average interest rate of bonds refunded – 3.82%.
- Net proceeds from Refunding Series -- \$7,635,692 including premium of \$233,507 and net of \$57,815 in underwriter's discount.
- \$7,602,821 was retained for the redemption of the Limited Tax Refunding Bonds, Series 2008.
- The refunding resulted in a deferred loss on refunding of \$74,488 which will be amortized over 16 years.
- The 2008 Series Limited Tax Refunding Bonds are fully defeased and the liability for those bonds will be removed from the College's financial statements.
- Advance refunding of the 2008 Series Limited Tax Refunding Bonds reduced the College's debt service payments over the next 5 years by approximately \$302,384.

**REQUIRED SUPPLEMENTARY
INFORMATION SCHEDULES**

**For the Fiscal Years Ended
August 31, 2018 and 2017**

**ANGELINA COLLEGE
REQUIRED SUPPLEMENTARY SCHEDULE I
SCHEDULE OF THE COLLEGE'S SHARE OF NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS**

Fiscal year ending August 31 *	2018	2017	2016	2015 **
Total Teacher's Retirement System (TRS) pension liability	\$ 179,336,534,819	\$ 171,797,150,487	\$ 163,887,375,172	\$ 159,496,075,886
TRS' net position	(147,361,922,120)	(134,008,637,473)	(128,538,706,212)	(132,779,243,085)
TRS' net pension liability	<u>\$ 31,974,612,699</u>	<u>\$ 37,788,513,014</u>	<u>\$ 35,348,668,960</u>	<u>\$ 26,716,832,801</u>
TRS net position as a percentage of total pension liability	82.17%	78.00%	78.43%	83.25%
The College's proportionate share of collective net pension liability (%)	0.0100509%	0.0103033%	0.0108146%	0.0117342%
The College's proportionate share of collective net pension liability (\$)	\$ 3,213,728	\$ 3,893,453	\$ 3,822,817	\$ 3,134,367
Portion of nonemployer contributing entities (NECE) total proportionate share of NPL associated with the College	<u>2,124,638</u>	<u>2,603,482</u>	<u>2,395,398</u>	<u>2,071,447</u>
Total	<u>\$ 5,338,366</u>	<u>\$ 6,496,935</u>	<u>\$ 6,218,215</u>	<u>\$ 5,205,814</u>
The College's covered payroll amount in the year of measurement	\$ 8,041,917	\$ 7,990,530	\$ 7,631,192	\$ 7,225,531
Ratio of AC proportionate share of collective NPL/AC's covered payroll amount	39.96%	48.73%	50.09%	43.38%

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

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

**ANGELINA COLLEGE
REQUIRED SUPPLEMENTARY SCHEDULE II
SCHEDULE OF THE COLLEGE'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS**

Fiscal year ending August 31 *	2018	2017	2016	2015 **
Contractually required contributions	\$ 329,826	\$ 346,162	\$ 321,907	\$ 310,048
Actual Contributions	329,826	348,853	322,056	318,842
Contributions deficiency (excess)	\$ -	\$ (2,691)	\$ (149)	\$ (8,794)
The College's covered payroll amount in the current fiscal year	\$ 8,087,625	\$ 8,041,917	\$ 7,990,530	\$ 7,631,192
Ratio of: Actual contributions / AC's covered payroll amount	4.08%	4.34%	4.03%	4.18%

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

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

See independent auditor's report.

**ANGELINA COLLEGE
REQUIRED SUPPLEMENTARY SCHEDULE III
SCHEDULE OF THE COLLEGE'S SHARE OF NET OPEB LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS**

Fiscal year ending August 31 **	2018
College's proportion of collective net OPEB liability (%)	0.0616960%
College's proportionate share of collective net OPEB liability (\$)	\$ 21,021,700
	16,349,362
Total	\$ 37,371,062
The College's covered payroll amount in the year of measurement	\$ 11,159,443
College's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	188.38%
Plan fiduciary net position as percentage of the total OPEB liability	2.04%

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

**Only one year of data is presented in accordance with GASB 75, paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

See independent auditor's report.

**ANGELINA COLLEGE
REQUIRED SUPPLEMENTARY SCHEDULE IV
SCHEDULE OF THE COLLEGE'S OPEB CONTRIBUTIONS
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS**

Fiscal year ending August 31 *	2018
Contractually required contributions	\$ 603,773
Actual Contributions	603,773
Contributions deficiency (excess)	\$ -
The College's covered payroll amount in the current fiscal year	\$ 13,801,786
Ratio of: Actual contributions / AC's covered payroll amount	4.37%

*Note: GASB 75, Paragraph 97 requires that the data in this schedule be presented as of the College's current fiscal year as opposed to the time period covered by the measurement date of the prior fiscal year.

**Only one year of data is presented in accordance with GASB 75, paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

See independent auditor's report.

Angelina College
Notes to Required Supplementary Schedules
August 31, 2018

Defined Benefit OPEB Plan
Changes in Benefit Terms

Under Q/A #4.107 of GASB's Implementation Guide No. 2017-2, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, the latest valuation reflects the benefit changes that became effective September 1, 2017, 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 FY 2018 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

Changes in 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.

Angelina College
Notes to Required Supplementary Schedules
August 31, 2018

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.

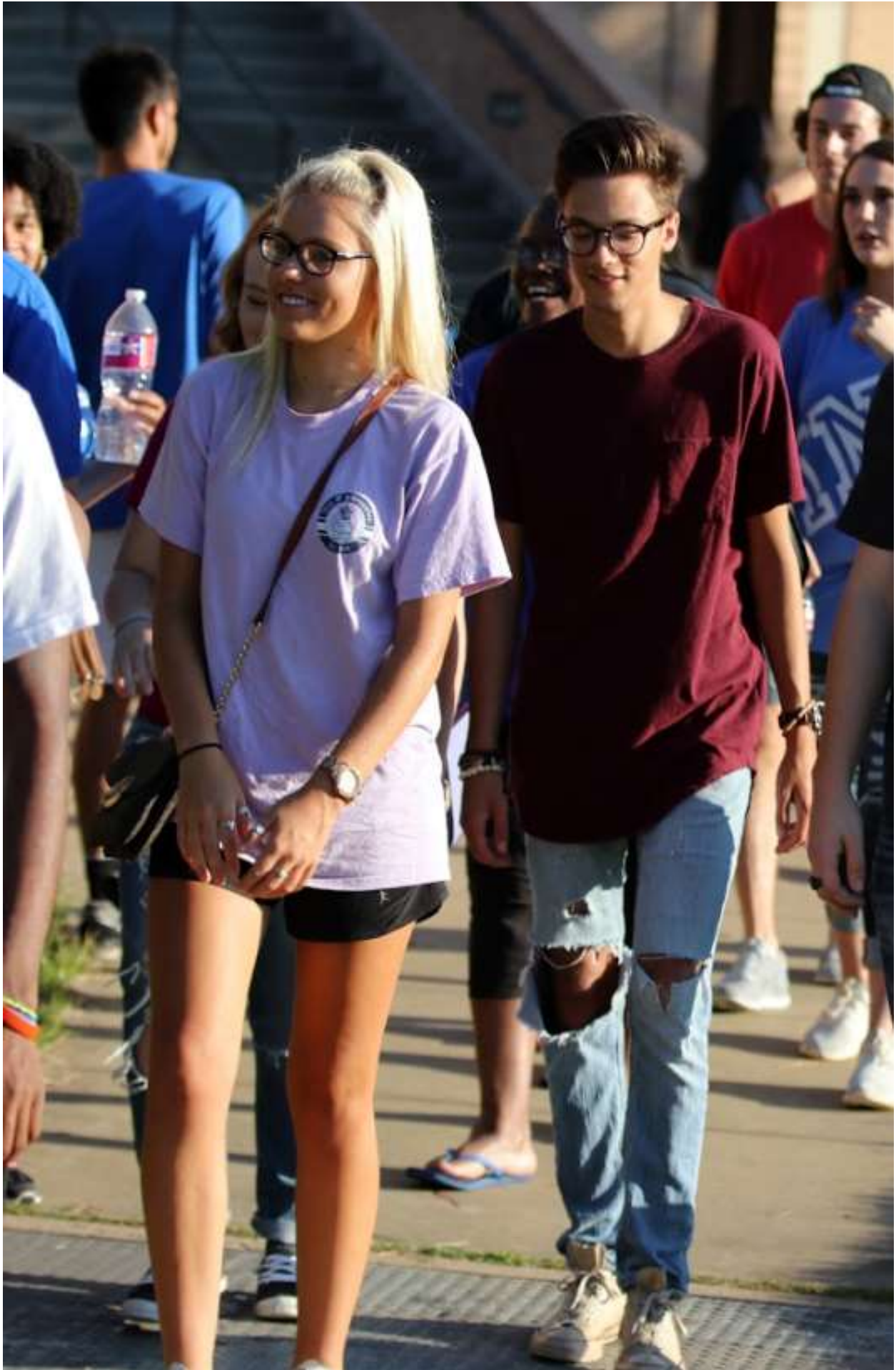
Minor benefit changes have been reflected in the FY 2018 Assumed Per Capita Health Benefit Costs.

Defined Benefit Pension Plan

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

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

See independent auditor's report.



**SUPPLEMENTAL FINANCIAL
INFORMATION**

**For the Fiscal Years Ended
August 31, 2018 and 2017**

ANGELINA COLLEGE
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2018
With Memorandum Totals for the Year Ended August 31, 2017

			Total		Totals	
	Unrestricted	Restricted	Educational Activities	Auxiliary Enterprises	Current Year	Prior Year
Tuition						
State Funded Credit Courses						
In-District Resident Tuition	\$ 3,032,937	\$ -	\$ 3,032,937	\$ -	\$ 3,032,937	\$ 3,037,235
Out-of-District Resident Tuition	4,584,841	-	4,584,841	-	4,584,841	4,756,174
Non-Resident Tuition	145,603	-	145,603	-	145,603	211,789
TPEG - Credit (set aside)*	530,092	-	530,092	-	530,092	499,566
State Funded Continuing Education Courses	663,611	-	663,611	-	663,611	656,108
TPEG - Non-Credit (set aside)*	56,204	-	56,204	-	56,204	41,915
Non-State Funded Continuing Education	-	-	-	-	-	39,290
Total Tuition	<u>9,013,288</u>	<u>-</u>	<u>9,013,288</u>	<u>-</u>	<u>9,013,288</u>	<u>9,242,077</u>
Fees						
General Institutional Service Fee	-	-	-	1,982,451	1,982,451	951,566
Building Use Fee	-	-	-	-	-	(26)
Laboratory Fee	840,758	-	840,758	-	840,758	721,590
Other Fees	193,467	-	193,467	7,450	200,917	245,290
Total Fees	<u>1,034,225</u>	<u>-</u>	<u>1,034,225</u>	<u>1,989,901</u>	<u>3,024,126</u>	<u>1,918,420</u>
Scholarship Allowances and Discounts						
Local Scholarships	(403,519)	-	(403,519)	(61,068)	(464,587)	(444,434)
Auxiliary Scholarships	(250,923)	-	(250,923)	(47,845)	(298,767)	(251,832)
Remissions and Exemptions-State	(292,912)	-	(292,912)	(1,918)	(294,830)	(272,102)
Remissions and Exemptions-Local	(7,230)	-	(7,230)	-	(7,230)	(5,939)
TPEG Allowances	(519,221)	-	(519,221)	(17,469)	(536,690)	(535,027)
Other State Grants	(283,551)	-	(283,551)	(48,803)	(332,354)	(249,617)
Title IV Federal Grants	(3,177,105)	-	(3,177,105)	(706,101)	(3,883,206)	(3,147,970)
Other Federal Grants	(36,935)	-	(36,935)	-	(36,935)	(96,226)
Total Scholarship Allowances	<u>(4,971,396)</u>	<u>-</u>	<u>(4,971,396)</u>	<u>(883,204)</u>	<u>(5,854,600)</u>	<u>(5,003,147)</u>
Total Net Tuition and Fees	<u>5,076,117</u>	<u>-</u>	<u>5,076,117</u>	<u>1,106,697</u>	<u>6,182,814</u>	<u>6,157,350</u>
Additional Operating Revenues						
Federal Grants and Contracts	57,768	1,582,213	1,639,981	-	1,639,981	1,476,582
State Grants and Contracts	5,400	766,400	771,800	-	771,800	1,044,053
Non-Governmental Grants and Contracts	633,475	2,513,711	3,147,186	-	3,147,186	886,134
Investment Income (Program Restricted)	-	256,412	256,412	-	256,412	251,105
Other Operating Revenues	180,530	-	180,530	11,435	191,965	486,394
Total Additional Operating Revenues	<u>877,173</u>	<u>5,118,736</u>	<u>5,995,909</u>	<u>11,435</u>	<u>6,007,344</u>	<u>4,144,268</u>
Auxiliary Enterprises						
Residential Life	-	-	-	603,086	603,086	520,403
Scholarship Allowances and Discounts	-	-	-	(472,336)	(472,336)	(411,505)
Net Resident Life	-	-	-	130,750	130,750	108,898
Bookstore	-	-	-	1,999,690	1,999,690	2,298,332
Scholarship Allowances and Discounts	-	-	-	(1,204,020)	(1,204,020)	(1,321,266)
Net Bookstore	-	-	-	795,670	795,670	977,066
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>926,420</u>	<u>926,420</u>	<u>1,085,964</u>
Total Operating Revenues	<u>\$ 5,953,290</u>	<u>\$ 5,118,736</u>	<u>\$ 11,072,026</u>	<u>\$ 2,044,552</u>	<u>\$ 13,116,578</u>	<u>\$ 11,387,582</u>
					(Exhibit 2)	(Exhibit 2)

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

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2018
With Memorandum Totals for the Year Ended August 31, 2017

	Operating Expenses				Totals	
	Salaries and Wages	State Benefits	Local Benefits	Other Expenses	Current Year	Prior Year
Unrestricted - Educational Activities						
Instruction	\$ 8,446,049	\$ -	\$ 1,708,036	\$ 713,428	\$ 10,867,513	\$ 11,238,432
Public Service	42,150	-	5,320	7,848	55,318	40,783
Academic Support	1,747,216	-	356,542	1,147,487	3,251,245	2,891,234
Student Services	1,016,890	-	205,645	275,743	1,498,278	1,349,999
Institutional Support	1,591,892	-	321,972	1,784,672	3,698,536	3,276,948
Operation and Maintenance of Plant	730,124	-	147,652	<161,001>	716,775	2,916,729
Total Unrestricted Educational Activities	13,574,321	-	2,745,167	3,768,177	20,087,665	21,714,125
Restricted - Educational Activities						
Instruction	271,009	1,324,832	20,434	198,177	1,814,452	1,663,078
Public Service	845,203	4,111	130,113	268,989	1,248,416	1,266,064
Academic Support	9,661	276,559	-	-	286,220	220,425
Student Services	142,392	159,502	24,444	117,345	443,683	490,759
Institutional Support	9,101	249,741	-	2,812	261,654	188,814
Operation and Maintenance of Plant	7,313	114,531	-	1,971,805	2,093,649	111,592
Scholarships and Fellowships	-	-	-	3,286,415	3,286,415	3,302,629
Total Restricted Educational Activities	1,284,679	2,129,276	174,991	5,845,543	9,434,489	7,243,361
Total Educational Activities	14,859,000	2,129,276	2,920,158	9,613,720	29,522,154	28,957,486
Auxiliary Enterprises	556,795	-	236,563	3,568,560	4,361,919	4,231,109
Depreciation Expense-Buildings and Improvements	-	-	-	2,110,401	2,110,401	1,624,020
Depreciation Expense-Equipment and Furniture	-	-	-	-	-	478,372
Total Operating Expenses	<u>\$ 15,415,795</u>	<u>\$ 2,129,276</u>	<u>\$ 3,156,721</u>	<u>\$ 15,292,681</u>	<u>\$ 35,994,474</u> (Exhibit 2)	<u>\$ 35,290,987</u> (Exhibit 2)

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE C
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2018
With Memorandum Totals for the Year Ended August 31, 2017

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				Memorandum Only	
				Current Year	Prior Year
Non-Operating Revenues					
State Appropriations					
Educational and General State Support	\$ 6,147,622	\$ -	\$ -	\$ 6,147,622	\$ 6,308,548
State Group Insurance	-	1,819,454	-	1,819,454	1,317,008
State Retirement Matching	-	309,822	-	309,822	412,217
Special Appropriations	1,320,146	-	-	1,320,146	1,089,358
Other State Support	13,993	-	-	13,993	13,105
Total State Appropriations	<u>7,481,761</u>	<u>2,129,276</u>	<u>-</u>	<u>9,611,037</u>	<u>9,140,236</u>
Maintenance Ad Valorem Taxes	5,781,607	-	-	5,781,607	5,532,767
Debt Service Ad Valorem Taxes	-	1,710,873	-	1,710,873	1,813,343
Federal Revenue, Non-Operating	-	8,719,323	-	8,719,323	8,054,554
Gifts	5,378	712,150	12,242	729,770	676,775
Investment Income	62,105	225,281	3,839	291,225	274,721
Other Non-Operating Revenues	<u>70,359</u>	<u>31,922</u>	<u>159,507</u>	<u>261,789</u>	<u>307,922</u>
Total Non-Operating Revenues	13,401,210	13,528,825	175,588	27,105,623	25,800,318
Non-Operating Expenses					
Interest on Capital Related Debt	-	622,695	-	622,695	664,948
Disposal of Capital Assets, net	768	-	-	768	8,216
Investment Expenses	<u>-</u>	<u>23,767</u>	<u>-</u>	<u>23,767</u>	<u>2,771</u>
Total Non-Operating Expenses	768	646,462	-	647,230	675,935
Net Non-Operating Revenues	<u>\$ 13,400,442</u>	<u>\$ 12,882,363</u>	<u>\$ 175,588</u>	<u>\$ 26,458,393</u> (Exhibit 2)	<u>\$ 25,124,383</u> (Exhibit 2)

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE D
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 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	\$ (20,523,018)	\$ -	\$ -	\$ -	\$ (20,523,018)	\$ (20,523,018)	\$ -
Restricted	-	2,251,702	-	-	2,251,702	-	2,251,702
Auxiliary Enterprises	1,747,215	-	-	-	1,747,215	1,747,215	-
Loan	382,847	-	-	-	382,847	-	382,847
Endowment:							
Quasi:							
Unrestricted	1,489,214	-	-	-	1,489,214	-	1,489,214
Endowment:							
True	-	-	6,569,435	-	6,569,435	-	6,569,435
Plant:							
Unexpended	3,511,396	-	-	-	3,511,396	-	3,511,396
Debt Service	-	483,134	-	-	483,134	-	483,134
Investment in Plant	-	-	-	24,422,334	24,422,334	-	24,422,334
Total Net Position, August 31, 2018	(13,392,346)	2,734,836	6,569,435	24,422,334	20,334,259 (Exhibit 1)	(18,775,803)	39,110,062
Cumulative Effect of Change in Accounting Principle	(24,538,476)				(24,538,476) (Exhibit 2)	(24,538,476)	
Total Net Position, August 31, 2017	10,895,899	2,533,469	6,299,182	21,476,019	41,204,569 (Exhibit 1)	4,381,174	36,823,395
Net Increase (Decrease) in Net Position	\$ 250,231	\$ 201,367	\$ 270,253	\$ 2,946,315	\$ 3,668,166 (Exhibit 2)	\$ 1,381,499	\$ 2,286,667

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2018

Federal Grantor/Cluster/Program Title/ Pass-Through Grantor/ Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipients Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. DEPARTMENT OF EDUCATION					
Direct Programs:					
Student Financial Assistance Cluster					
Federal Supplemental Education Opportunity Grants	84.007	\$ 116,386		116,386	
Federal Work-Study Program	84.033	85,083		85,083	
Federal Pell Grant Program	84.063	8,517,854		8,517,854	
Total Student Financial Assistance Cluster		<u>8,719,323</u>		<u>8,719,323</u>	
Pass-Through From:					
Texas Workforce Commission					
Adult Education and Literacy 1716AEL001	84.002		724,327	724,327	68,760
Adult Education and Literacy 1718ALA000	84.002		131,819	131,819	13,732
			<u>856,146</u>	<u>856,146</u>	<u>82,492</u>
LCOT East Texas Consortium					
Adult Education and Literacy 0816AEL002	84.002		8,137	8,137	
Adult Education and Literacy 0818ALA000	84.002		525	525	
			<u>8,662</u>	<u>8,662</u>	
Total CFDA 84.002			864,808	864,808	82,492
Texas Higher Education Coordinating Board					
Carl Perkins Vocational Education-Basic 184207	84.048		507,105	507,105	
Stephen F. Austin State University					
East Texas Gear Up For Success 11-094-12-051	84.334		5,717	5,717	
East Texas Gear Up For Success 11-094-12-051	84.334		75,658	75,658	
			<u>81,375</u>	<u>81,375</u>	
Total U.S. Department of Education		<u>8,719,323</u>	<u>1,453,288</u>	<u>10,172,611</u>	<u>82,492</u>
U.S. DEPARTMENT OF DEFENSE					
Direct Programs:					
Procurement Technical Assistance for					
Small Business Firms SP4800-17-2-1785	12.002	35,261		35,261	
Procurement Technical Assistance for					
Small Business Firms SP4800-18-2-1885	12.002	70,127		70,127	
		<u>105,388</u>		<u>105,388</u>	
U.S. SMALL BUSINESS ADMINISTRATION					
Pass-Through From:					
University of Houston					
Small Business Development Center R-17-0026-53801	59.037		12,017	12,017	
Small Business Development Center R-18-0045-53801	59.037		79,542	79,542	
Total U.S. Small Business Administration			<u>91,559</u>	<u>91,559</u>	

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE E (Continued)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2018

Federal Grantor/Cluster/Program Title/ Pass-Through Grantor/ Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipients Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Pass-Through From:					
Texas Workforce Commission					
TANF Cluster					
Adult Education and Literacy for TANF Recipients	1716AEL001 93.558		73,778	73,778	7,486
Adult Education and Literacy for TANF Recipients	1718ALA000 93.558		5,946	5,946	
Total TANF Cluster			79,724	79,724	7,486
Total U.S. Department of Health and Human Services		-	79,724	79,724	7,486
Total Expenditures of Federal Awards		\$ 8,824,711	\$ 1,624,571	\$ 10,449,282	\$ 89,978

NOTE 1: Federal Awards Reconciliation

Other Operating Revenues - Federal Grants and Contracts - per Schedule A	\$ 1,582,213
Add: Indirect/Administrative Cost Recoveries - per Schedule A	57,768
Add: Non-Operating Revenues - Federal Revenue, Non-operating - per Schedule C	<u>8,719,323</u>
Total Federal Revenues per Schedule A and C	\$ 10,359,304
Reconciling items:	
Add: Funds passed Through to Others	<u>89,978</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 10,449,282</u>

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

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

NOTE 3: Basis of Presentation

This Schedule includes the federal award activity of the College. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform Guidance) Because the Schedule presents only a selected portion of the operations of the College, they are not intended to and do not represent the financial position, changes in net position, or cash flows of the College.

NOTE 4: Relationship to Federal Financial Reports

Amounts reflected in the financial reports filed with grantor agencies for the programs and in the schedule of expenditures of federal awards may be different because of program year ends and accruals that will be reflected in the next report filed with the agencies.

NOTE 5: Amounts Passed Through by the College

A total amount of \$89,978 was passed through to Panola College by the College. Of this total, \$82,492 was from the Adult Education and Literacy Program, CFDA 84.002, and \$7,486 was from the Adult Education and Literacy Program for TANF Recipients, CFDA 93.558. The total amount was passed through the Texas Workforce Commission.

See independent auditor's report.

**ANGELINA COLLEGE
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2018**

<u>Grantor Agency/Program Title</u>	<u>Number</u>	<u>Expenditures</u>
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Direct Programs:		
Nursing Shortage Reduction Over 70 Program FY 2015		66,001
Texas College Work-Study Program		27,574
Texas Educational Opportunity Grant		408,867
TX National Guard Tuition Assistance		756
Certified Education Aide Program		12,271
		515,469
Pass-Through From:		
College of the Mainland		
Accelerate Texas Mentor	THECB15130	2,337
Total Texas Higher Education Coordinating Board		517,806
TEXAS WORKFORCE COMMISSION		
Direct Programs:		
Skills for Small Business	1716SSD000	1,513
Skills for Small Business	1718SSD000	3,696
State Adult Education and Literacy	1716AEL001	124,197
State Adult Education and Literacy	1718ALA000	18,178
Skills Development Fund	1718SDF000	106,764
		254,348
Pass-Through From:		
LCOT East Texas Consortium		
State Adult Education and Literacy	0816AEL002	9,925
Total Texas Workforce Commission		264,273
Total Expenditures of State Awards		\$ 782,079

NOTE 1: State Awards Reconciliation

Additional Operating Revenues-State Grants and Contracts-per Schedule A	\$ 766,400
Add: Indirect Cost Recoveries - per Schedule A	5,400
Total State Revenues per Schedule A	771,800
Reconciling items:	
Add: Amounts Passed Through by the College	10,279
Total State Awards per Schedule of Expenditures of State Awards	\$ 782,079

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

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

NOTE 3: Basis of Presentation

This Schedule includes the state award activity of the College. The information in this schedule is presented in accordance with the State of Texas Single Audit Circular (TSAC). Because the Schedule presents only a selected portion of the operations of the College, they are not intended to and do not represent the financial position, changes in net position, or cash flows of the College.

NOTE 4: Amounts Passed Through by the College

An amount of \$10,279 was passed through to Panola College, a sub-recipient, by the College. This amount was from the State Adult Education and Literacy Program passed through the Texas Workforce Commission.

See independent auditor's report.

Angelina College

**STATISTICAL SECTION
(UNAUDITED)**

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2018 and 2017**

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

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

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

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

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

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

	For the Fiscal Year Ended August 31,				
	2018	2017	2016	2015	2014
Net Investment in Capital Assets	\$ 24,422,334	\$ 21,476,019	\$ 21,579,054	\$ 22,100,514	\$ 20,842,469
Restricted - Expendable	2,734,836	2,533,469	2,334,024	2,389,060	2,221,331
Restricted - Nonexpendable	6,569,435	6,299,182	5,529,017	5,211,046	5,332,837
Unrestricted	(13,392,346)	10,895,899	10,017,397	8,219,343	11,547,076
Total Net Position	<u>\$ 20,334,259</u>	<u>\$ 41,204,569</u>	<u>\$ 39,459,492</u>	<u>\$ 37,919,963</u>	<u>\$ 39,943,713</u>

	For the Fiscal Year Ended August 31,				
	2013	2012	2011	2010	2009
Net Investment in Capital Assets	\$ 21,182,819	\$ 19,852,472	\$ 18,329,853	\$ 17,808,653	\$ 17,162,195
Restricted - Expendable	2,205,320	2,138,476	2,012,956	2,023,521	2,164,189
Restricted - Nonexpendable	4,764,495	4,222,327	3,453,266	3,163,172	2,893,184
Unrestricted	9,384,031	10,151,810	10,167,908	8,966,937	8,472,941
Total Net Position	<u>\$ 37,536,665</u>	<u>\$ 36,365,085</u>	<u>\$ 33,963,983</u>	<u>\$ 31,962,283</u>	<u>\$ 30,692,509</u>

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

In FY2018, net position as of the beginning of the year was restated (reduced) by \$24,538,476 for the cumulative effect of applying GASB Statement No. 75.

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

	For the Year Ended August 31,				
	2018	2017	2016	2015	2014
Tuition and Fees (Net of Discounts)	\$ 6,182,814	\$ 6,157,350	\$ 5,947,776	\$ 4,993,701	\$ 5,156,839
Federal Grants and Contracts	1,639,981	1,476,582	1,698,421	1,670,839	1,384,761
State Grants and Contracts	771,800	1,044,053	919,265	1,709,566	891,000
Non-Governmental Grants and Contracts	3,147,186	886,134	718,228	748,048	725,996
Sales and Services of Educational Activities	-	-	-	400	1,200
Investment Income - Program Restricted	256,412	251,105	225,867	195,998	177,278
Auxiliary Enterprises	926,420	1,085,964	1,291,358	1,264,501	1,542,215
Other Operating Revenues	191,965	486,394	54,781	108,460	68,168
Total Operating Revenues	<u>13,116,578</u>	<u>11,387,582</u>	<u>10,855,696</u>	<u>10,691,513</u>	<u>9,947,457</u>
State Appropriations	9,611,037	9,140,236	9,121,348	9,243,039	9,186,314
Ad Valorem Taxes	7,492,480	7,346,110	7,074,492	6,834,975	6,880,934
Federal Revenue, Non-Operating	8,719,323	8,054,554	8,460,303	9,101,905	10,064,276
Gifts	729,770	676,775	710,798	520,048	501,553
Investment Income	291,225	274,721	283,080	106,997	420,081
Other Non-Operating Revenues	261,788	307,922	288,166	346,585	324,970
Total Non-Operating Revenues	<u>27,105,623</u>	<u>25,800,318</u>	<u>25,938,187</u>	<u>26,153,549</u>	<u>27,378,128</u>
Capital Contributions	-	-	-	-	-
Additions to Permanent Endowments	87,669	524,099	59,180	67,989	175,031
Total Other Revenues	<u>87,669</u>	<u>524,099</u>	<u>59,180</u>	<u>67,989</u>	<u>175,031</u>
Total Revenues	<u>\$ 40,309,870</u>	<u>\$ 37,711,999</u>	<u>\$ 36,853,063</u>	<u>\$ 36,913,051</u>	<u>\$ 37,500,616</u>

	For the Year Ended August 31,				
	2018	2017	2016	2015	2014
Tuition and Fees (Net of Discounts)	15.33%	16.34%	16.13%	13.52%	13.75%
Federal Grants and Contracts	4.07%	3.92%	4.61%	4.53%	3.69%
State Grants and Contracts	1.91%	2.77%	2.49%	4.63%	2.38%
Non-Governmental Grants and Contracts	7.81%	2.35%	1.95%	2.03%	1.94%
Sales and Services of Educational Activities	0.00%	0.00%	0.00%	0.00%	0.00%
Investment Income - Program Restricted	0.64%	0.67%	0.61%	0.53%	0.47%
Auxiliary Enterprises	2.30%	2.88%	3.50%	3.43%	4.11%
Other Operating Revenues	0.48%	1.29%	0.15%	0.29%	0.18%
Total Operating Revenues	<u>32.54%</u>	<u>30.20%</u>	<u>29.46%</u>	<u>28.96%</u>	<u>26.52%</u>
State Appropriations	23.84%	24.23%	24.74%	25.04%	24.49%
Ad Valorem Taxes	18.59%	19.48%	19.20%	18.52%	18.35%
Federal Revenue, Non-Operating	21.63%	21.36%	22.96%	24.66%	26.84%
Gifts	1.81%	1.79%	1.93%	1.41%	1.34%
Investment Income	0.72%	0.73%	0.77%	0.29%	1.12%
Other Non-Operating Revenues	0.65%	0.82%	0.78%	0.94%	0.87%
Total Non-Operating Revenues	<u>67.24%</u>	<u>68.41%</u>	<u>70.38%</u>	<u>70.85%</u>	<u>73.01%</u>
Capital Contributions	0.00%	0.00%	0.00%	0.00%	0.00%
Additions to Permanent Endowments	0.22%	1.39%	0.16%	0.18%	0.47%
Total Other Revenues	<u>0.22%</u>	<u>1.39%</u>	<u>0.16%</u>	<u>0.18%</u>	<u>0.47%</u>
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

	For the Year Ended August 31,				
	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	\$ 4,590,713	\$ 4,533,203	\$ 4,343,311	\$ 3,994,219	\$ 4,232,590
Federal Grants and Contracts	1,341,682	1,146,921	1,356,620	1,310,236	1,259,075
State Grants and Contracts	684,680	716,095	1,175,621	901,557	718,226
Non-Governmental Grants and Contracts	867,413	515,531	683,267	344,500	467,499
Sales and Services of Educational Activities	3,500	3,600	4,375	8,750	14,310
Investment Income - Program Restricted	162,838	165,272	222,094	215,003	217,862
Auxiliary Enterprises	835,168	1,434,693	1,614,141	1,877,653	2,388,254
Other Operating Revenues	60,673	116,219	224,431	144,107	173,980
Total Operating Revenues	<u>8,546,667</u>	<u>8,631,534</u>	<u>9,623,860</u>	<u>8,796,025</u>	<u>9,471,796</u>
State Appropriations	8,589,835	9,091,735	9,732,668	9,824,030	10,431,792
Ad Valorem Taxes	6,412,418	6,217,240	5,855,381	5,483,542	4,722,495
Federal Revenue, Non-Operating	10,205,465	11,603,694	11,593,356	10,542,716	5,719,908
Gifts	473,274	435,491	549,749	588,142	449,827
Investment Income	229,787	224,543	167,726	163,500	44,875
Other Non-Operating Revenues	288,339	292,396	302,999	281,248	260,610
Total Non-Operating Revenues	<u>26,199,118</u>	<u>27,865,099</u>	<u>28,201,879</u>	<u>26,883,178</u>	<u>21,629,507</u>
Capital Contributions	-	8,081	230,000	47,500	-
Additions to Permanent Endowments	263,213	574,591	146,012	27,096	64,090
Total Other Revenues	<u>263,213</u>	<u>582,672</u>	<u>376,012</u>	<u>74,596</u>	<u>64,090</u>
Total Revenues	<u>\$ 35,008,998</u>	<u>\$ 37,079,305</u>	<u>\$ 38,201,751</u>	<u>\$ 35,753,799</u>	<u>\$ 31,165,393</u>

	For the Year Ended August 31,				
	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	13.09%	12.23%	11.37%	11.18%	13.59%
Federal Grants and Contracts	3.83%	3.09%	3.55%	3.67%	4.04%
State Grants and Contracts	1.96%	1.93%	3.08%	2.53%	2.30%
Non-Governmental Grants and Contracts	2.48%	1.39%	1.79%	0.96%	1.50%
Sales and Services of Educational Activities	0.01%	0.01%	0.01%	0.02%	0.05%
Investment Income - Program Restricted	0.47%	0.45%	0.58%	0.60%	0.70%
Auxiliary Enterprises	2.39%	3.87%	4.23%	5.25%	7.66%
Other Operating Revenues	0.17%	0.31%	0.59%	0.40%	0.56%
Total Operating Revenues	<u>24.40%</u>	<u>23.28%</u>	<u>25.20%</u>	<u>24.61%</u>	<u>30.40%</u>
State Appropriations	24.54%	24.52%	25.47%	27.47%	33.47%
Ad Valorem Taxes	18.32%	16.77%	15.33%	15.34%	15.15%
Federal Revenue, Non-Operating	29.15%	31.29%	30.35%	29.48%	18.35%
Gifts	1.35%	1.17%	1.44%	1.64%	1.44%
Investment Income	0.66%	0.61%	0.44%	0.46%	0.14%
Other Non-Operating Revenues	0.82%	0.79%	0.79%	0.79%	0.84%
Total Non-Operating Revenues	<u>74.85%</u>	<u>75.15%</u>	<u>73.82%</u>	<u>75.18%</u>	<u>69.39%</u>
Capital Contributions	0.00%	0.02%	0.60%	0.13%	0.00%
Additions to Permanent Endowments	0.75%	1.55%	0.38%	0.08%	0.21%
Total Other Revenues	<u>0.75%</u>	<u>1.57%</u>	<u>0.98%</u>	<u>0.21%</u>	<u>0.21%</u>
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

	For the Year Ended August 31,				
	2018	2017	2016	2015	2014
Instruction	\$ 12,681,965	\$ 12,901,510	\$ 12,808,913	\$ 12,877,472	\$ 12,384,578
Public Service	1,303,734	1,306,847	1,363,120	1,151,647	814,632
Academic Support	3,537,465	3,111,659	2,991,252	3,008,866	2,995,188
Student Services	1,941,961	1,840,758	1,773,556	1,583,332	1,710,417
Institutional Support	3,960,190	3,465,762	3,005,739	2,954,274	2,754,948
Operation and Maintenance of Plant	2,810,424	3,028,321	2,792,393	2,664,350	2,914,569
Scholarships and Fellowships	3,286,415	3,302,629	3,328,425	3,562,585	3,965,488
Auxiliary Enterprises	4,361,919	4,231,109	4,379,873	4,433,118	4,678,071
Depreciation	2,110,401	2,102,392	2,105,071	2,077,154	2,003,171
Total Operating Expenses	<u>35,994,474</u>	<u>35,290,987</u>	<u>34,548,342</u>	<u>34,312,798</u>	<u>34,221,062</u>
Interest on Capital Related Debt	622,695	664,948	752,245	797,712	859,256
Loss on Disposal of Capital Assets	768	8,216	8,604	1,500	13,250
Investment Expenses	23,767	2,771	4,343	273,537	-
Total Non-Operating Expenses	<u>647,230</u>	<u>675,935</u>	<u>765,192</u>	<u>1,072,749</u>	<u>872,506</u>
Total Expenses	<u>\$ 36,641,704</u>	<u>\$ 35,966,922</u>	<u>\$ 35,313,534</u>	<u>\$ 35,385,547</u>	<u>\$ 35,093,568</u>

	For the Year Ended August 31,				
	2018	2017	2016	2015	2014
Instruction	34.61%	35.87%	36.27%	36.40%	35.30%
Public Service	3.56%	3.63%	3.86%	3.25%	2.32%
Academic Support	9.65%	8.65%	8.47%	8.50%	8.53%
Student Services	5.30%	5.12%	5.02%	4.47%	4.87%
Institutional Support	10.81%	9.64%	8.51%	8.35%	7.85%
Operation and Maintenance of Plant	7.67%	8.42%	7.91%	7.53%	8.31%
Scholarships and Fellowships	8.97%	9.18%	9.43%	10.07%	11.30%
Auxiliary Enterprises	11.90%	11.76%	12.40%	12.53%	13.33%
Depreciation	5.76%	5.85%	5.96%	5.87%	5.71%
Total Operating Expenses	<u>98.23%</u>	<u>98.11%</u>	<u>97.83%</u>	<u>96.97%</u>	<u>97.52%</u>
Interest on Capital Related Debt	1.71%	1.86%	2.14%	2.26%	2.44%
Loss on Disposal of Capital Assets	0.00%	0.02%	0.02%	0.00%	0.04%
Investment Expenses	0.06%	0.01%	0.01%	0.77%	0.00%
Total Non-Operating Expenses	<u>1.77%</u>	<u>1.89%</u>	<u>2.17%</u>	<u>3.03%</u>	<u>2.48%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Change in Net Position	<u>\$ 3,668,166</u>	<u>\$ 1,745,077</u>	<u>\$ 1,539,529</u>	<u>\$ 1,527,504</u>	<u>\$ 2,407,048</u>
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ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 3 (Continued)
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	For the Year Ended August 31,				
	2013	2012	2011	2010	2009
Instruction	\$ 12,232,520	\$ 11,604,842	\$ 12,452,764	\$ 11,486,873	\$ 10,938,945
Public Service	836,757	893,358	938,407	895,122	952,490
Academic Support	2,655,407	2,697,103	2,520,179	2,441,377	2,117,408
Student Services	1,712,312	1,654,914	1,645,553	1,558,416	1,460,460
Institutional Support	2,473,328	2,536,414	2,333,905	2,260,856	2,286,355
Operation and Maintenance of Plant	2,667,988	2,396,103	2,387,384	2,359,547	2,222,365
Scholarships and Fellowships	4,292,090	4,933,758	5,684,608	5,321,444	5,318,158
Auxiliary Enterprises	4,105,847	5,112,241	5,569,091	5,393,595	2,953,991
Depreciation	1,952,293	1,886,764	1,648,776	1,543,802	1,277,504
Total Operating Expenses	<u>32,928,542</u>	<u>33,715,497</u>	<u>35,180,667</u>	<u>33,261,032</u>	<u>29,527,676</u>
Interest on Capital Related Debt	906,277	955,838	1,013,374	1,091,578	1,056,627
Loss on Disposal of Capital Assets	2,599	6,868	6,010	131,415	2,028
Investment Expenses	-	-	-	-	-
Total Non-Operating Expenses	<u>908,876</u>	<u>962,706</u>	<u>1,019,384</u>	<u>1,222,993</u>	<u>1,058,655</u>
Total Expenses	<u>\$ 33,837,418</u>	<u>\$ 34,678,203</u>	<u>\$ 36,200,051</u>	<u>\$ 34,484,025</u>	<u>\$ 30,586,331</u>

	For the Year Ended August 31,				
	2013	2012	2011	2010	2009
Instruction	36.17%	33.45%	34.41%	33.30%	35.77%
Public Service	2.47%	2.58%	2.59%	2.60%	3.11%
Academic Support	7.85%	7.78%	6.96%	7.08%	6.92%
Student Services	5.06%	4.77%	4.55%	4.52%	4.77%
Institutional Support	7.31%	7.31%	6.45%	6.56%	7.48%
Operation and Maintenance of Plant	7.88%	6.91%	6.59%	6.84%	7.27%
Scholarships and Fellowships	12.68%	14.23%	15.70%	15.43%	17.39%
Auxiliary Enterprises	12.13%	14.74%	15.38%	15.64%	9.66%
Depreciation	5.77%	5.44%	4.55%	4.48%	4.18%
Total Operating Expenses	<u>97.32%</u>	<u>97.21%</u>	<u>97.18%</u>	<u>96.45%</u>	<u>96.55%</u>
Interest on Capital Related Debt	2.67%	2.77%	2.80%	3.17%	3.44%
Loss on Disposal of Capital Assets	0.01%	0.02%	0.02%	0.38%	0.01%
Investment Expenses	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	<u>2.68%</u>	<u>2.79%</u>	<u>2.82%</u>	<u>3.55%</u>	<u>3.45%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Change in Net Position	<u>\$ 1,171,580</u>	<u>\$ 2,401,102</u>	<u>\$ 2,001,700</u>	<u>\$ 1,269,774</u>	<u>\$ 579,062</u>
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**ANGELINA COLLEGE
STATISTICAL SUPPLEMENT 4
TUITION AND FEES
LAST TEN ACADEMIC YEARS
(UNAUDITED)**

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Building Use Fee	General Institutional Service Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2017	\$67	\$110	\$0	\$17	\$1,008	\$1,632	10.53%	14.29%
2016	66	109	0	10	912	1,428	2.70%	2.59%
2015	62	104	4	8	888	1,392	8.82%	7.41%
2014	56	96	4	8	816	1,296	4.62%	2.86%
2013	56	96	4	5	780	1,260	10.17%	17.98%
2012	50	80	4	5	708	1,068	3.51%	7.23%
2011	48	74	4	5	684	996	16.33%	16.90%
2010	40	62	4	5	588	852	11.36%	7.58%
2009	35	57	4	5	528	792	7.98%	8.64%
2008	33	53	4	5	489	729	7.95%	8.97%

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

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

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

Academic Year (Fall)	Non-Resident Tuition Out-of-State	Building Use Fee	General Institutional Service Fee	Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
2017	\$155	\$0	\$26	\$2,172	9.70%
2016	155	0	10	1,980	1.85%
2015	150	4	8	1,944	6.58%
2014	140	4	8	1,824	2.01%
2013	140	4	5	1,788	15.50%
2012	120	4	5	1,548	13.16%
2011	105	4	5	1,368	16.33%
2010	89	4	5	1,176	5.38%
1009	84	4	5	1,116	8.45%
2008	78	4	5	1,029	10.29%

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

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

Fiscal Year	Assessed Valuation of Property	Less Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2017-18	\$ 4,721,511,656	\$ 596,563,050	4,124,948,606	87.36%	0.13970	0.04130	0.181000
2016-17	4,668,069,513	599,627,224	4,068,442,289	87.15%	0.13496	0.04420	0.179162
2015-16	4,708,708,162	631,483,447	4,077,224,715	86.59%	0.12744	0.04446	0.171900
2014-15	4,601,903,748	612,973,001	3,988,930,747	86.68%	0.12610	0.04580	0.171900
2013-14	4,476,114,582	583,621,752	3,892,492,830	86.96%	0.12392	0.04676	0.170680
2012-13	4,319,178,725	560,918,897	3,758,259,828	87.01%	0.12240	0.04828	0.170680
2011-12	4,263,436,076	563,673,416	3,699,762,660	86.78%	0.11880	0.04820	0.167000
2010-11	4,188,567,447	551,873,718	3,636,693,729	86.82%	0.11000	0.04900	0.159000
2009-10	4,058,206,848	492,191,065	3,566,015,783	87.87%	0.10350	0.05170	0.155200
2008-09	3,582,902,535	238,537,528	3,344,365,007	93.34%	0.10180	0.03570	0.137500

Source: Angelina County Central Appraisal District

Note: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

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

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			State Appropriation per Contact Hour
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	
2017-18	\$ 7,467,768	3,329	\$ 2,243	1,247,571	592,088	1,839,659	4.06
2016-17	7,411,011	3,392	2,185	1,259,410	667,806	1,927,216	3.85
2015-16	7,399,885	3,437	2,153	1,279,890	647,842	1,927,732	3.84
2014-15	7,618,142	3,493	2,181	1,325,249	634,468	1,959,717	3.89
2013-14	7,629,539	3,712	2,055	1,431,388	668,688	2,100,076	3.63
2012-13	7,095,995	3,720	1,908	1,429,977	661,364	2,091,341	3.39
2011-12	7,651,628	3,981	1,922	1,565,846	679,626	2,245,472	3.41
2010-11	7,776,673	4,152	1,873	1,633,081	737,204	2,370,285	3.28
2009-10	7,864,085	4,035	1,949	1,602,944	651,814	2,254,758	3.49
2008-09	8,407,217	3,476	2,419	1,366,313	581,064	1,947,377	4.32

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

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
		2017-18	2016-17	2015-16	2014-15	2013-14
Abitibi Consolidated Corp.	Manufacturing	\$ -	\$ -	\$ -	\$ -	\$ -
American Color Graphics Inc.	Manufacturing	-	-	-	-	-
Aspen Power LLC	Energy	-	-	-	11,259	12,508
BBL Real Estate Holding LTD	Retail	-	-	-	-	-
Black Stone Minerals	Oil & Gas	10,110	-	-	-	-
BP American Production Company	Oil & Gas	60,216	-	-	-	-
Brookshire Brothers Inc.	Groceries	28,576	29,388	30,847	31,889	28,664
BVMC Lufkin LLC	Retail	13,000	13,000	13,449	13,550	-
Consolidated Comm of Texas	Utility	29,562	33,155	43,281	44,702	40,973
Crown Pine Timber 1 LP	Agricultural	19,417	19,215	18,214	14,518	14,108
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	-	-
Energy Transfer Fuel	Oil & Gas	-	-	-	-	-
Georgia Pacific Corp.	Manufacturing	47,641	57,803	54,871	69,060	55,673
Hexion Inc.	Manufacturing	14,861	14,703	14,997	11,793	9,868
Keystone Southloop of Lufkin LLC	Retail	-	-	-	-	12,814
Lockheed Martin	Areospace	10,397	-	-	-	-
Loving Honda	Retail	-	-	11,390	-	-
Lowe's Home Centers Inc.	Retail	-	9,965	-	-	10,584
Lufkin GKD Partners LP	Retail	14,332	14,846	15,188	15,459	15,347
Lufkin Industries	Manufacturing	40,477	49,140	95,744	141,554	136,632
Nabors Drilling USA LP	Oil & Gas	-	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	-	-
Oncor Electric Delivery Co.	Utility Distribution	81,881	67,974	65,035	62,863	62,775
Pilgrim Industries Inc.	Food	21,217	22,691	24,121	26,223	20,205
Pineywoods Health Care Systems LP	Medical	25,088	26,280	25,922	26,847	28,521
Quad/Graphics Marketing	Printing	-	11,244	12,495	-	-
SND Operating LLC	Oil & Gas	-	-	-	10,647	9,933
Temple-Inland FPC	Manufacturing	-	-	-	-	-
TIN Inc.	Manufacturing	-	-	-	-	-
Trans Canada Keystone Pipeline	Oil & Gas	47,753	52,409	45,491	54,238	52,209
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	18,941	17,837	19,694	15,691	14,244
Wal-Mart Real Estate #140	Retail	10,899	11,045	11,120	11,774	11,947
West Texas LPG LLP	Oil & Gas	-	10,064	10,799	-	-
Totals		\$ 494,368	\$ 460,759	\$ 512,658	\$ 562,067	\$ 537,005
Total Taxable Assessed Value		\$ 4,124,949	\$ 4,068,442	\$ 4,077,225	\$ 3,988,931	\$ 3,892,493

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2017-18	2016-17	2015-16	2014-15	2013-14
Abitibi Consolidated Corp.	Manufacturing	-	-	-	-	-
American Color Graphics Inc.	Manufacturing	-	-	-	-	-
Aspen Power LLC	Energy	-	-	-	0.28%	0.32%
BBL Real Estate Holding LTD	Retail	-	-	-	-	-
BP American Production Company	Oil & Gas	0.25%	-	-	-	-
Black Stone Minerals	Oil & Gas	1.46%	-	-	-	-
Brookshire Brothers Inc.	Groceries	0.69%	0.72%	0.76%	0.80%	0.74%
BVMC Lufkin LLC	Retail	0.32%	0.32%	0.33%	0.34%	-
Consolidated Comm of Texas	Utility	0.72%	0.81%	1.06%	1.12%	1.05%
Crown Pine Timber 1 LP	Agricultural	0.47%	0.47%	0.45%	0.36%	0.36%
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	-	-
Energy Transfer Fuel	Oil & Gas	-	-	-	-	-
Georgia Pacific Chemicals LLC	Manufacturing	1.15%	1.42%	1.35%	1.73%	1.43%
Hexion Inc.	Manufacturing	0.36%	0.36%	0.37%	0.30%	0.25%
Keystone Southloop of Lufkin LLC	Retail	-	-	-	-	0.33%
Lockheed Martin	Areospace	0.25%	-	-	-	-
Loving Honda	Retail	-	-	0.28%	-	-
Lowe's Home Centers Inc.	Retail	-	0.24%	-	-	0.27%
Lufkin GKD Partners LP	Retail	0.35%	0.36%	0.37%	0.39%	0.39%
Lufkin Industries	Manufacturing	0.98%	1.21%	2.35%	3.55%	3.51%
Nabors Drilling USA LP	Oil & Gas	-	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	-	-
Oncor Electric Delivery Co.	Utility Distribution	1.99%	1.67%	1.60%	1.58%	1.61%
Pilgrim Industries Inc.	Food	0.51%	0.56%	0.59%	0.66%	0.52%
Pineywoods Health Care Systems LP	Medical	0.61%	0.65%	0.64%	0.67%	0.73%
Quad/Graphics Marketing	Printing	-	0.28%	0.31%	-	-
SND Operating LLC	Oil & Gas	-	-	-	0.27%	0.26%
Temple-Inland FPC	Manufacturing	-	-	-	-	-
TIN Inc.	Manufacturing	-	-	-	-	-
Trans Canada Keystone Pipeline	Oil & Gas	1.16%	1.29%	1.12%	1.36%	1.34%
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	0.46%	0.44%	0.48%	0.39%	0.37%
Wal-Mart Real Estate #140	Retail	0.26%	0.27%	0.27%	0.30%	0.31%
West Texas LPG LLP	Oil & Gas	-	0.25%	0.26%	-	-
Totals		11.99%	11.35%	12.58%	14.08%	13.81%

Source: Angelina County Central Appraisal District

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
		2012-13	2011-12	2010-11	2009-10	2008-09
Abitibi Consolidated Corp.	Manufacturing	\$ -	\$ -	\$ -	\$ -	\$ 14,098
American Color Graphics Inc.	Manufacturing	10,695	-	10,825	8,821	8,631
Aspen Power LLC	Energy	14,545	20,300	35,034	-	-
BBL Real Estate Holding LTD	Retail	9,821	-	11,589	11,910	11,661
Black Stone Minerals	Oil & Gas	-	-	-	-	-
BP American Production Company	Oil & Gas	-	-	-	-	-
Brookshire Brothers Inc.	Groceries	29,991	30,308	29,467	30,492	32,806
BVMC Lufkin LLC	Retail	-	-	-	-	-
Consolidated Comm of Texas	Utility	46,935	47,534	47,843	50,685	67,933
Crown Pine Timber 1 LP	Agricultural	14,207	12,965	14,950	16,325	19,857
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	32,385	29,273
Energy Transfer Fuel	Oil & Gas	-	-	-	9,187	9,494
Georgia Pacific Chemicals LLC	Manufacturing	21,221	19,446	11,633	11,567	11,507
Hexion Inc.	Manufacturing	-	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	12,827	13,216	13,382	13,609	13,946
Lockheed Martin	Areospace	-	-	-	-	-
Loving Honda	Retail	-	-	-	-	-
Lowe's Home Centers Inc.	Retail	10,484	11,697	11,606	11,324	11,766
Lufkin GKD Partners LP	Retail	15,465	16,050	18,219	18,203	22,444
Lufkin Industries	Manufacturing	125,511	112,810	97,249	96,042	105,346
Nabors Drilling USA LP	Oil & Gas	-	14,019	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	11,411	10,284
Oncor Electric Delivery Co.	Utility Distribution	61,837	58,132	56,983	57,314	58,029
Pilgrim Industries Inc.	Food	22,624	24,666	17,822	14,410	15,412
Pineywoods Health Care Systems LP	Medical	28,118	31,468	33,059	34,320	38,365
Quad/Graphics Marketing	Printing	-	-	-	-	-
SND Operating LLC	Oil & Gas	-	11,564	21,152	-	-
Temple-Inland FPC	Manufacturing	35,270	33,501	33,680	25,021	28,110
TIN Inc.	Manufacturing	-	16,840	18,741	31,174	34,229
Trans Canada Keystone Pipeline	Oil & Gas	19,505	-	-	-	-
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	12,736	11,423	-	-	-
Wal-Mart Real Estate #140	Retail	11,950	12,102	12,326	12,279	11,999
West Texas LPG LLP	Oil & Gas	-	-	-	-	-
Totals		\$ 503,742	\$ 498,041	\$ 495,560	\$ 496,479	\$ 555,190
Total Taxable Assessed Value		\$ 3,758,260	\$ 3,699,763	\$ 3,636,694	\$ 3,566,016	\$ 3,344,365

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2012-13	2011-12	2010-11	2009-10	2008-09
Abitibi Consolidated Corp.	Manufacturing	-	-	-	-	0.42%
American Color Graphics Inc.	Manufacturing	0.28%	-	0.30%	0.25%	0.26%
Aspen Power LLC	Energy	0.39%	0.55%	0.96%	-	-
BBL Real Estate Holding LTD	Retail	0.26%	-	0.32%	0.33%	0.35%
Black Stone Minerals	Oil & Gas	-	-	-	-	-
BP American Production Company	Oil & Gas	-	-	-	-	-
Brookshire Brothers Inc.	Groceries	0.80%	0.82%	0.81%	0.86%	0.98%
BVMC Lufkin LLC	Retail	-	-	-	-	-
Consolidated Comm of Texas	Utility	1.25%	1.28%	1.32%	1.42%	2.03%
Crown Pine Timber 1 LP	Agricultural	0.38%	0.35%	0.41%	0.46%	0.59%
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	0.91%	0.88%
Energy Transfer Fuel	Oil & Gas	-	-	-	0.26%	0.28%
Georgia Pacific Chemicals LLC	Manufacturing	0.56%	0.53%	0.32%	0.32%	0.34%
Hexion Inc.	Manufacturing	-	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	0.34%	0.36%	0.37%	0.38%	0.42%
Lockheed Martin	Areospace	-	-	-	-	-
Loving Honda	Retail	-	-	-	-	-
Lowe's Home Centers Inc.	Retail	0.28%	0.32%	0.32%	0.32%	0.35%
Lufkin GKD Partners LP	Retail	0.41%	0.43%	0.50%	0.51%	0.67%
Lufkin Industries	Manufacturing	3.34%	3.05%	2.67%	2.69%	3.15%
Nabors Drilling USA LP	Oil & Gas	-	0.38%	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	0.32%	0.31%
Oncor Electric Delivery Co.	Utility Distribution	1.65%	1.57%	1.57%	1.61%	1.74%
Pilgrim Industries Inc.	Food	0.60%	0.67%	0.49%	0.40%	0.46%
Pineywoods Health Care Systems LP	Medical	0.75%	0.85%	0.91%	0.96%	1.15%
Quad/Graphics Marketing	Printing	-	-	-	-	-
SND Operating LLC	Oil & Gas	-	0.31%	0.58%	-	-
Temple-Inland FPC	Manufacturing	0.94%	0.91%	0.93%	0.70%	0.84%
TIN Inc.	Manufacturing	-	0.46%	0.52%	0.87%	1.02%
Trans Canada Keystone Pipeline	Oil & Gas	0.52%	-	-	-	-
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	0.34%	0.31%	-	-	-
Wal-Mart Real Estate #140	Retail	0.32%	0.33%	0.34%	0.34%	0.36%
West Texas LPG LLP	Oil & Gas	-	-	-	-	-
Totals		13.42%	13.47%	13.62%	13.92%	16.61%

Source: Angelina County Central Appraisal District

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

(amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage (c/b)	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2018	\$ 7,466	\$ 4	\$ 7,470	\$ 7,258	97.16%	\$ -	\$ -	\$ 7,258	97.16%
2017	7,290	1	7,291	7,099	97.37%	(4)	73	7,099	97.37%
2016	7,008	17	7,025	6,837	97.32%	74	26	6,937	98.75%
2015	6,857	(32)	6,825	6,655	97.51%	97	12	6,764	99.11%
2014	6,644	(22)	6,622	6,434	97.16%	127	10	6,571	99.22%
2013	6,415	(15)	6,400	6,197	96.82%	162	6	6,365	99.45%
2012	6,179	15	6,194	5,961	96.24%	200	4	6,165	99.53%
2011	5,782	1	5,783	5,620	97.18%	136	3	5,759	99.58%
2010	5,534	(29)	5,505	5,332	96.87%	150	2	5,484	99.62%
2009	4,599	(19)	4,580	4,448	97.11%	117	1	4,566	99.69%

Source: Local Tax Assessor/Collector and District records.

Notes:

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

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

	For the Year Ended August 31 (amounts expressed in thousands)				
	2018	2017	2016	2015	2014
General Bonded Debt					
Limited Tax Bonds	\$ 13,908	\$ 15,110	\$ 16,282	\$ 17,384	\$ 18,459
Less: Funds Restricted for Debt Service	(483)	(540)	(486)	(769)	(747)
Net General Bonded Debt	<u>\$ 13,425</u>	<u>\$ 14,570</u>	<u>\$ 15,796</u>	<u>\$ 16,615</u>	<u>\$ 17,712</u>
Other Debt					
Revenue Bonds	\$ -	\$ -	\$ -	\$ 265	\$ 520
Maintenance Tax Notes	-	-	-	-	-
Long-Term Loans	-	-	-	-	-
Total Outstanding Debt	<u>\$ 13,425</u>	<u>\$ 14,570</u>	<u>\$ 15,796</u>	<u>\$ 16,880</u>	<u>\$ 18,232</u>
General Bonded Debt Ratios					
Per Capita	\$ 153	\$ 166	\$ 179	\$ 189	\$ 203
Per FTSE	4,033	4,295	4,596	4,757	4,772
As a Percentage of Taxable Assessed Value	0.33%	0.36%	0.39%	0.42%	0.46%
Total Outstanding Debt Ratios					
Per Capita	\$ 153	\$ 166	\$ 179	\$ 192	\$ 209
Per FTSE	4,033	4,295	4,596	4,833	4,912
As a Percentage of Taxable Assessed Value	0.33%	0.36%	0.39%	0.42%	0.47%
Angelina County Population (Supplement 12)	87,805	87,791	88,255	87,750	87,441
Student - (FTSE) (Supplement 6)	3,329	3,392	3,437	3,493	3,712
County Taxable Assessed Valuation	4,124,948,606	4,051,734,200	4,077,224,715	3,988,930,747	3,892,492,830

	For the Year Ended August 31 (amounts expressed in thousands)				
	2013	2012	2011	2010	2009
General Bonded Debt					
Limited Tax Bonds	\$ 19,533	\$ 20,529	\$ 21,458	\$ 22,363	\$ 23,212
Less: Funds Restricted for Debt Service	(1,168)	(1,196)	(1,226)	(1,446)	(1,457)
Net General Bonded Debt	<u>\$ 18,365</u>	<u>\$ 19,333</u>	<u>\$ 20,232</u>	<u>\$ 20,917</u>	<u>\$ 21,755</u>
Other Debt					
Revenue Bonds	\$ 760	\$ 985	\$ 1,200	\$ 1,400	\$ 1,590
Maintenance Tax Notes	-	-	-	190	370
Long-Term Loans	-	-	-	-	-
Total Outstanding Debt	<u>\$ 19,125</u>	<u>\$ 20,318</u>	<u>\$ 21,432</u>	<u>\$ 22,507</u>	<u>\$ 23,715</u>
General Bonded Debt Ratios					
Per Capita	\$ 210	\$ 221	\$ 233	\$ 250	\$ 262
Per FTSE	4,937	4,856	4,873	5,184	6,258
As a Percentage of Taxable Assessed Value	0.49%	0.52%	0.56%	0.59%	0.65%
Total Outstanding Debt Ratios					
Per Capita	\$ 218	\$ 232	\$ 247	\$ 269	\$ 286
Per FTSE	5,141	5,104	5,162	5,578	6,822
As a Percentage of Taxable Assessed Value	0.51%	0.55%	0.59%	0.63%	0.71%

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

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

	For the Year Ended August 31 (amount expressed in thousands)				
	2018	2017	2016	2015	2014
Taxable Assessed Value	\$ 4,124,949	\$ 4,068,442	\$ 4,077,225	\$ 3,988,931	\$ 3,892,493
General Obligation Bonds					
Statutory Tax Levy Limit for Debt Service	\$ 20,625	\$ 20,342	\$ 20,386	\$ 19,945	\$ 19,462
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-
Total Net General Obligation Debt	20,625	20,342	20,386	19,945	19,462
Less Current Year Debt Service Requirements	1,774	1,755	1,832	1,787	1,826
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 18,851	\$ 18,587	\$ 18,554	\$ 18,158	\$ 17,636
Net Current Requirements as a % of Statutory Limit	8.60%	8.63%	8.99%	8.96%	9.38%

	For the Year Ended August 31 (amount expressed in thousands)				
	2013	2012	2011	2010	2009
Taxable Assessed Value	\$ 3,758,260	\$ 3,699,763	\$ 3,636,694	\$ 3,566,016	\$ 3,344,365
General Obligation Bonds					
Statutory Tax Levy Limit for Debt Service	\$ 18,791	\$ 18,499	\$ 18,183	\$ 17,830	\$ 16,722
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-
Total Net General Obligation Debt	18,791	18,499	18,183	17,830	16,722
Less Current Year Debt Service Requirements	1,803	1,782	1,787	1,541	1,392
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 16,988	\$ 16,717	\$ 16,396	\$ 16,289	\$ 15,330
Net Current Requirements as a % of Statutory Limit	9.59%	9.63%	9.83%	8.65%	8.33%

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

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

REVENUE BONDS

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)			Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Building			Principal	Interest	Total	
	Use	Total					
Tuition	Fees	Total	Principal	Interest	Total	Ratio	
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
2017	-	(26)	(26)	-	-	-	0.00
2016	-	176	176	265	14	279	0.63
2015	-	388	388	255	27	282	1.38
2014	-	416	416	240	40	280	1.49
2013	-	415	415	225	51	276	1.50
2012	-	449	449	215	62	277	1.62
2011	-	468	468	200	72	272	1.72
2010	-	447	447	190	81	271	1.65
2009	-	385	385	180	89	269	1.43

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

Calendar Year	District Population	District Personal Income	District Personal Income Per Capita	District Unemployment
2017	*	*	*	4.4%
2016	87,791	*	*	6.0%
2015	88,255	3,470,912,000	39,328	5.6%
2014	87,750	3,258,337,000	37,132	5.2%
2013	87,441	3,157,642,000	36,112	6.3%
2012	87,597	3,010,988,000	34,373	6.7%
2011	87,669	2,930,199,000	33,423	7.7%
2010	86,986	2,844,111,000	32,696	8.3%
2009	86,029	2,910,790,000	33,835	8.3%
2008	83,038	2,807,182,628	33,806	4.9%

* Data not available as of reporting date.

Source:

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

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

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

Employer	2018		2017		2016		2015		2014	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Lufkin Independent School District	1,537	4.50%	1,537	4.41%	1,537	4.45%	1,537	4.36%	1,548	4.28%
Pilgrim's	1,300	3.81%	1,300	3.73%	1,300	3.77%	1,300	3.69%	1,494	4.13%
Brookshire Brothers, LTC	1,100	3.22%	1,100	3.16%	1,100	3.19%	1,100	3.12%	1,277	3.53%
Lufkin State Supported Living Center	1,182	3.46%	1,100	3.16%	1,100	3.19%	1,100	3.12%	1,166	3.23%
Memorial Health/CHI St Lukes	1,346	3.94%	1,075	3.09%	1,100	3.19%	1,119	3.17%	1,119	3.10%
Angelina College	590	1.73%	661	1.90%	676	1.96%	698	1.98%	675	1.87%
Woodland Heights Medical Center	580	1.70%	580	1.66%	580	1.68%	565	1.60%	550	1.52%
Temple-Inland/Georgia Pacific	545	1.60%	545	1.56%	545	1.58%	545	1.55%	480	1.33%
City of Lufkin	456	1.34%	458	1.31%	458	1.33%	-	-	-	-
Wal-Mart Supercenter	423	1.24%	450	1.29%	450	1.30%	450	1.28%	450	1.25%
Lufkin Industries Inc./GE	-	-	-	-	350	1.01%	800	2.27%	1,745	4.83%
Citation Corporation	-	-	-	-	-	-	-	-	-	-
Other Angelina County Employers	-	-	26,039	74.73%	25,319	73.36%	26,050	73.86%	25,634	70.93%
Total	9,059	26.54%	34,845	100.00%	34,515	100.02%	35,264	100.00%	36,138	100.00%
Angelina County Summary										
Number Employed	34,133	95.61%	34,845	95.45%	34,515	94.01%	35,264	94.36%	36,138	94.79%
Number Unemployed	1,569	4.39%	1,660	4.55%	2,198	5.99%	2,106	5.64%	1,986	5.21%
Total Available Labor Force	35,702	100.00%	36,505	100.00%	36,713	100.00%	37,370	100.00%	38,124	100.00%

Employer	2013		2012		2011		2010		2009	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Lufkin Independent School District	1,500	4.39%	1,340	3.85%	1,500	4.09%	1,381	3.82%	1,491	3.92%
Pilgrim's	1,466	4.29%	1,250	3.59%	1,466	4.00%	1,668	4.62%	1,500	3.95%
Lufkin Industries Inc./GE	1,132	3.32%	1,223	3.51%	1,430	3.90%	1,379	3.82%	581	1.53%
Brookshire Brothers, LTC	1,132	3.32%	1,178	3.38%	1,396	3.81%	1,051	2.91%	1,051	2.77%
Lufkin State Supported Living Center	1,119	3.28%	1,083	3.11%	1,132	3.09%	1,125	3.12%	975	2.57%
Memorial Health/CHI St Lukes	689	2.02%	697	2.00%	1,119	3.05%	1,107	3.07%	1,057	2.78%
Angelina College	526	1.54%	526	1.51%	706	1.93%	662	1.83%	605	1.59%
Temple-Inland/Georgia Pacific	554	1.62%	502	1.44%	554	1.51%	539	1.49%	1,007	2.65%
Wal-Mart Supercenter	-	-	-	-	525	1.43%	505	1.40%	510	1.34%
Woodland Heights Medical Center	525	1.54%	525	1.51%	500	1.36%	634	1.76%	630	1.66%
City of Lufkin	1,745	5.11%	1,824	5.23%	-	-	-	-	-	-
Citation Corporation	-	-	-	-	-	-	-	-	-	-
Other Angelina County Employers	27,007	79.12%	27,034	77.59%	26,324	71.83%	26,056	72.15%	28,603	75.24%
Total	37,395	109.56%	37,182	106.71%	36,652	100.00%	36,107	100.00%	38,010	100.00%
Angelina County Summary										
Number Employed	37,395	93.35%	37,182	92.27%	36,652	91.74%	36,107	91.51%	38,010	91.08%
Number Unemployed	2,664	6.65%	3,114	7.73%	3,301	8.26%	3,349	8.49%	3,722	8.92%
Total Available Labor Force	40,059	100.00%	40,296	100.00%	39,953	100.00%	39,456	100.00%	41,732	100.00%

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

Source:

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

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Faculty					
Full-Time	123	117	121	120	121
Part-Time	214	224	237	249	212
Total	337	341	358	369	333
Percent					
Full-Time	36.5%	34.3%	33.8%	32.5%	36.3%
Part-Time	63.5%	65.7%	66.2%	67.5%	63.7%
Staff and Administrators					
Full-Time	156	145	143	143	140
Part-Time	168	175	175	186	202
Total	324	320	318	329	342
Percent					
Full-Time	48.1%	45.3%	45.0%	43.5%	40.9%
Part-Time	51.9%	54.7%	55.0%	56.5%	59.1%
FTSE per Full-time Faculty	42.9	44.6	43.9	43.6	42.5
FTSE per Full-Time Staff Member	33.8	36.0	37.1	36.6	36.8
Average Annual Faculty Salary	\$ 50,100	\$ 50,872	\$ 51,881	\$ 51,681	\$ 48,866

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

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

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

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Faculty					
Full-Time	119	119	129	118	116
Part-Time	286	289	269	278	242
Total	405	408	398	396	358
Percent					
Full-Time	29.4%	29.2%	32.4%	29.8%	32.4%
Part-Time	70.6%	70.8%	67.6%	70.2%	67.6%
Staff and Administrators					
Full-Time	133	135	129	125	124
Part-Time	151	154	179	141	123
Total	284	289	308	266	247
Percent					
Full-Time	46.8%	46.7%	41.9%	47.0%	50.2%
Part-Time	53.2%	53.3%	58.1%	53.0%	49.8%
FTSE per Full-time Faculty	46.2	45.5	45.2	50.0	46.4
FTSE per Full-Time Staff Member	41.3	40.1	45.2	47.2	43.4
Average Annual Faculty Salary	\$ 48,793	\$ 47,045	\$ 48,191	\$ 47,848	\$ 47,441

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

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

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

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

<u>Student Classification</u>	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	4,306	79.55%	4,616	79.09%	4,649	78.74%	4,362	80.98%	3,922	79.81%
31-60 hours	1,106	20.43%	1,219	20.89%	1,248	21.14%	1,007	18.70%	968	19.70%
> 60 hours	1	0.02%	1	0.02%	7	0.12%	17	0.32%	24	0.49%
Total	5,413	100.00%	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%

<u>Semester Hour Load</u>	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3 semester hours	47	0.87%	33	0.57%	37	0.63%	24	0.45%	38	0.78%
3-5 semester hours	993	18.34%	1,057	18.11%	1,035	17.53%	868	16.12%	860	17.50%
6-8 semester hours	1,514	27.97%	1,505	25.79%	1,480	25.06%	1,377	25.56%	1,409	28.67%
9-11 semester hours	779	14.39%	886	15.18%	849	14.38%	774	14.37%	667	13.57%
12-14 semester hours	1,768	32.66%	2,039	34.94%	2,138	36.21%	2,018	37.47%	1,599	32.54%
15-17 semester hours	257	4.75%	265	4.54%	285	4.83%	250	4.64%	276	5.62%
18 & over semester hours	55	1.02%	51	0.87%	80	1.36%	75	1.39%	65	1.32%
Total	5,413	100.00%	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%

Average course load	8.8	9.0	9.3	9.0	9.3
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<u>Tuition Status</u>	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	2,476	45.75%	2,603	44.60%	2,694	45.63%	2,442	45.34%	2,145	43.65%
Texas Resident (Out-of-District)	2,848	52.61%	3,149	53.96%	3,115	52.76%	2,797	51.93%	2,618	53.28%
Non-Resident Tuition	89	1.64%	84	1.44%	95	1.61%	147	2.73%	151	3.07%
Total	5,413	100.00%	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%

Source: CBM001

**ANGELINA 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 Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Angelina Transfer Students	% of all Angelina Transfer Students
Stephen F. Austin State University	362	34	35	431	48.05%
Texas A&M University	98	3	7	108	12.04%
Sam Houston State University	79	4	12	95	10.59%
Lamar University	40	1	7	48	5.35%
Texas State University	37	1	4	42	4.68%
The University of Texas at Tyler	25	1	4	30	3.34%
University of North Texas	17	2	1	20	2.23%
The University of Texas at Austin	17	1	0	18	2.01%
University of Houston	17	1	0	18	2.01%
The University of Texas of the Permian Basin	13	1	0	14	1.56%
Texas Tech University	10	3	0	13	1.45%
Prairie View A&M University	9	0	1	10	1.11%
The University of Texas at Arlington	3	0	5	8	0.89%
Texas Woman's University	5	1	1	7	0.78%
The University of Texas at San Antonio	4	1	0	5	0.56%
Texas A&M University - Corpus Christi	5	0	0	5	0.56%
Texas Southern University	2	0	2	4	0.45%
Texas A&M University at Galveston	4	0	0	4	0.45%
Tarleton State University	4	0	0	4	0.45%
Texas A&M University - Texarkana	2	0	1	3	0.33%
Midwestern State University	3	0	0	3	0.33%
University of Houston - Downtown	2	0	0	2	0.22%
Texas A&M University at Commerce	1	0	1	2	0.22%
West Texas A&M University	1	0	0	1	0.11%
Angelo State University	1	0	0	1	0.11%
The University of Texas at Dallas	1	0	0	1	0.11%
Totals	<u>762</u>	<u>54</u>	<u>81</u>	<u>897</u>	<u>100.00%</u>

Source:

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

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Academic Buildings	12	12	12	12	12	12	13	14	13	12
Square footage (in thousands)	271	271	271	271	271	271	278	287	256	245
Administrative and Support Buildings	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	19	19	19	19	19	19	19	19	19	19
Athletic Facilities	7	7	7	7	7	7	7	7	7	4
Square footage (in thousands)	53	53	53	53	53	53	53	53	53	50
Baseball Field	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Fitness Center	1	1	1	1	1	1	1	1	1	1
Softball Field	1	1	1	1	1	1	1	1	1	-
Field House	1	1	1	1	1	1	1	1	1	-
Concession/Restrooms	1	1	1	1	1	1	1	1	1	-
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	12	12	12	12	12	12	12	12	12	12
Average daily customers	390	390	390	390	390	375	425	425	425	425
Dormitories	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	20	20	20	20	20	20	20	20	20	20
Number of Beds	112	112	112	112	112	112	112	112	112	112
Library	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	18	18	18	18	18	18	18	18	18	18
Number of Volumes	37,428	38,272	39,706	39,635	39,068	38,757	38,115	41,254	42,854	43,886
Off Campus Facilities	7	8	8	8	8	8	6	4	3	2
Square footage (in thousands)	88	91	91	91	91	91	70	55	39	29
Other Housing - President's House	-	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	-	4	4	4	4	4	4	4	4	4
Other Housing	-	-	-	-	-	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-	-	-	-	-	-
Plant facilities	3	3	3	3	3	3	2	2	2	2
Square footage (in thousands)	22	22	22	22	22	22	15	6	6	6
Transportation										
Cars	4	3	3	3	3	2	2	5	4	3
Light Trucks/Vans	9	9	9	9	9	11	11	11	12	11
Buses	-	-	-	-	-	-	-	-	-	-
Fire Truck	-	1	1	1	1	1	1	1	1	1

Source: Angelina College Physical Plant Department



Angelina College

SINGLE AUDIT SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2018 and 2017**



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

Board of Trustees
Angelina College
Lufkin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Angelina College as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise Angelina College's basic financial statements and have issued our report thereon dated December 12, 2018.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Public Funds Investment Act

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

Purpose of this Report

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

Alexander, Lankford & Hiers, Inc.

ALEXANDER, LANKFORD & HIERS, INC.
Certified Public Accountants

Lufkin, Texas
December 12, 2018

Glenda J. Hiers, CPA
Richard A. Rudel, CPA
Yvette Sidnell, CPA
Jennifer L. Webster, CPA
Susan L. Murrell, CPA



ALEXANDER LANKFORD & HIERS, INC.
Certified Public Accountants, A Professional Corporation

4000 S. Medford Drive
Lufkin, Texas 75901

Wilbur E. Alexander, CPA
(1940-2009)
Ted A. Lankford, CPA
(Retired)

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

Board of Trustees
Angelina College
Lufkin, Texas

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Report on Compliance for Each Major Federal and State Program - Continued

Opinion on Each Major Federal and State Program

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the *State of Texas Single Audit Circular* and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal or state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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

Report on Internal Control Over Compliance - Continued

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

Alexander, Lankford & Hiers, Inc.

ALEXANDER, LANKFORD & HIERS, INC.
Certified Public Accountants

Lufkin, Texas
December 12, 2018

**ANGELINA COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AUGUST 31, 2018**

A. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal or State Program or Cluster*</u>
	Federal:
	Student Financial Assistance Cluster
84.002	Adult Education and Literacy
	State:
N/A	Texas Educational Opportunity Grant

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

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

Auditee qualified as low-risk auditee? X Yes No

See independent auditor's report.

ANGELINA COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
AUGUST 31, 2018

B. Financial Statements Findings

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

None

C. Federal and State Awards Findings and Questioned Costs

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

Federal programs: None

State programs:

TEXAS HIGHER EDUCATION COORDINATING BOARD

2018-001 Texas Educational Opportunity Grant (TEOG)

Criteria: The matching requirement for TEOG is found in the Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter M, Rule 22.260 (b)(4) which states that “An approved institution may not charge a person receiving a Texas Educational Opportunity Grant through that institution, an amount of tuition and required fees in excess of the amount of the Texas Educational Opportunity Grant award received by the person. Nor may it deny admission to or enrollment in the institution based on a person's eligibility to receive or actual receipt of a Texas Educational Opportunity Grant award. If an institution's tuition and fee charges exceed the Texas Educational Opportunity Grant award amount, it may address the shortfall in one of two ways:

(A) It may use other available sources of financial aid, other than a loan or Pell grant to cover any difference in the amount of a Texas Educational Opportunity Grant award and the student's actual amount of tuition and required fees at the institution; or

(B) it may waive the excess charges for the student. However, if a waiver is used, the institution may not report the recipient's tuition and fees in a way that would increase the general revenue appropriations to the institution”.

Condition: The College did not comply with the TEOG matching requirement since it applied Pell grants for tuition and required fees that exceeded the TEOG award amount.

Cause, Effect and Context: The College failed to determine whether each student's tuition and required fees in excess of the TEOG award amount were covered by appropriate other available sources of financial aid, other than a Pell grant. The College is liable to students for the amount of Pell grants that were inappropriately applied as matching funds. In our sample of 37 students, we identified 15 students with Pell grants applied for excess tuition and required fees. The total population of students receiving TEOG awards for the year ended August 31, 2018 was 178.

ANGELINA COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
AUGUST 31, 2018

C. Federal and State Awards Findings and Questioned Costs - Continued

State programs - Continued:

TEXAS HIGHER EDUCATION COORDINATING BOARD - Continued

2018-001 Texas Educational Opportunity Grant (TEOG) - Continued

Recommendation: We recommend that the College comply with the TEOG matching requirement by using available sources other than Pell grants for excess tuition and required fees. We also recommend that appropriate action be taken to address the liability to students for inappropriately applied Pell grants.

Views of Responsible Officials and Planned Corrective Actions: We agree with this finding, and have reviewed past and current year awarding to assess and correct the requirement to provide an institutional match for any tuition and fee costs not covered by the Texas Educational Opportunity Grant (TEOG). We reviewed back to the 2015-16 award year, and for 2015-16 and 2016-17, all recipients' tuition and fees were covered by the TEOG grant, so no matching was required. During 2017-18, we did not take into consideration the increase in tuition and the change to a staggered General Service Fee, which caused students to use Pell Grant funds vs. institutional funds to cover the portion of tuition and fees not paid by the TEOG grant. For the 2017-18 and 2018-19 year, we will generate an Estimate of Student Account statement for each recipient and apply institutional funds to any charges that exceeded the TEOG award. Going forward, we will update our Policies and Procedures manual to review each student's bill between the Census Date and the time that refunds are issued, and apply institutional funds provided under the Texas Public Educational Grant (TPEG) or other available institutional funds to any charges that exceed the TEOG award.

**ANGELINA COLLEGE
SCHEDULE OF CORRECTIVE ACTION
AUGUST 31, 2018**

Texas Higher Education Coordinating Board
2018-001 Texas Educational Opportunity Grant (TEOG)

Corrective Action Planned: For the 2017-18 and 2018-19 year, we will generate an Estimate of Student Account statement for each recipient and apply institutional funds to any charges that exceeded the TEOG award. Going forward, we will update our Policies and Procedures manual to review each student's bill between the Census Date and the time that refunds are issued, and apply institutional funds provided under the Texas Public Educational Grant (TPEG) or other available institutional funds to any charges that exceed the TEOG award.

Anticipated Completion Date: January 2019

Person Responsible for Corrective Action: Susan Jones, Director of Student Financial Aid

**ANGELINA COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AUGUST 31, 2018**

There were no prior year audit findings.