

ANGELINA COUNTY
JUNIOR COLLEGE DISTRICT

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
AUGUST 31, 2013 AND 2012



PREPARED BY:

BUSINESS SERVICES DEPARTMENT

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 Auditors' Report.....	11	
Management's Discussion and Analysis (Required Supplementary Information).....	13	
Basic Financial Statements:		<u>EXHIBITS</u>
Statements of Net Position	23	1
Statements of Revenues, Expenses, and Changes in Net Position.....	25	2
Statements of Cash Flows	27	3
Notes to Financial Statements	29	
Supplemental Financial Information:		<u>SCHEDULES</u>
Schedule of Operating Revenues	49	A
Schedule of Operating Expenses by Object.....	50	B
Schedule of Non-Operating Revenues and Expenses.....	51	C
Schedule of Net Position by Source and Availability	52	D
Statistical Section (Unaudited):		
Statistical Section Objectives.....	55	
SS1 – Net Position by Component.....	56	
SS2– Revenues by Source.....	57	
SS3 – Program Expenses by Function	59	
SS4 – Tuition and Fees.....	61	
SS5 – Assessed Value and Taxable Assessed Value of Property	63	
SS6 – State Appropriation per FTSE and Contact Hour	64	
SS7 – Principal Taxpayers	65	

ANGELINA COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

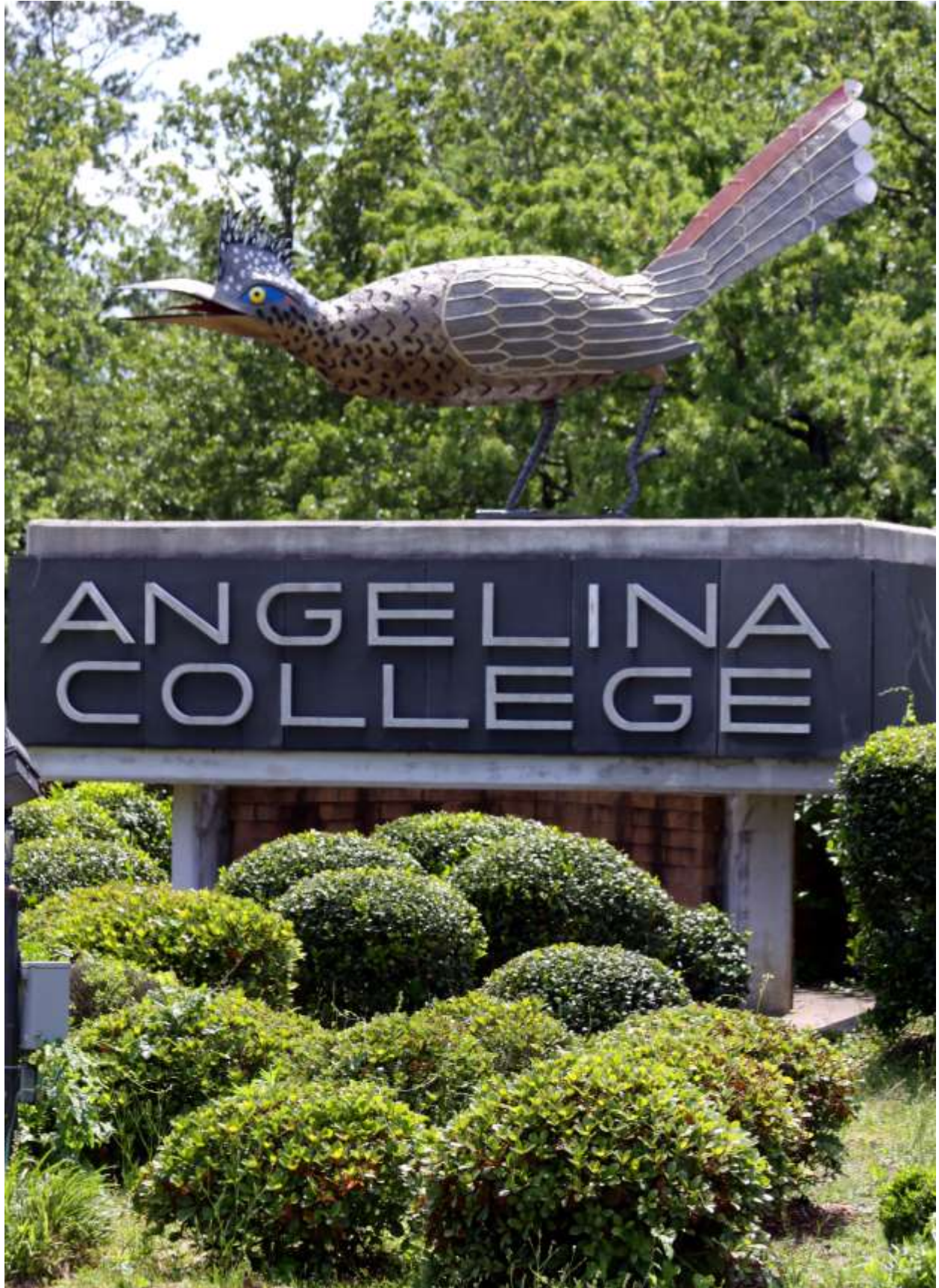
	<u>PAGE</u>
SS8 – Property Tax Levies and Collections	67
SS9 – Ratios of Outstanding Debt	68
SS10 – Legal Debt Margin Information	69
SS11 – Pledged Revenue Coverage.....	70
SS12 – Demographic and Economic Statistics – Taxing District	71
SS13 – Principal Employers	72
SS14 – Faculty, Staff, and Administrators Statistics.....	73
SS15 – Enrollment Details	75
SS16 – Student Profile	77
SS17 – Transfers to Senior Institutions	79
SS18 – Capital Asset Information	80

Single Audit Section:

Independent Auditors’ 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>	83
Independent Auditors’ Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and the <i>State of Texas Single Audit Circular</i>	85

SCHEDULES

Schedule of Expenditures of Federal Awards.....	87	E
Schedule of Expenditures of State Awards.....	89	F
Schedule of Findings and Questioned Costs.....	90	
Schedule of Corrective Action	92	
Summary Schedule of Prior Audit Findings.....	93	



**Angelina County
Junior College District**

INTRODUCTORY SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2013 and 2012**



Angelina College

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

December 9, 2013

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 County Junior College District (the College) for the fiscal year ended August 31, 2013. 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 CAFR is organized into four sections: introductory, financial, statistical, and single audit. The introductory section includes the transmittal letter and organizational data. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A), the basic financial statements and supplemental financial information. The MD&A is designed to provide a narrative overview and analysis of the financial activities of the College and should be read in conjunction with the transmittal letter. The statistical section includes unaudited financial and demographic information.

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 Axley & Rode, LLP 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 auditors' report on MD&A, the basic financial statements, and other supplemental financial information is included within the financial section of this report. The independent auditors' 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 the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations 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 evaluated the adequacy of the internal controls, as well as adherence to applicable laws, and did not identify any material weaknesses in

internal control or any significant violations of applicable laws and regulations. The report can be found within the single audit section of this report.

PROFILE OF DISTRICT

Angelina County Junior College District 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 Commission on Colleges of the Southern Association of Colleges and Schools to award the following degrees: Associate in Arts, Associate in Science, and Associate in Applied Science. The College's seven educational divisions (Business, Community Services, Fine Arts, Health Careers, Liberal Arts, Science & Mathematics, and Technology & Workforce) offer over 65 different areas of study. Course work includes not only credit-type courses, but also certificate programs in multiple areas to provide for the educational needs of the local communities.

The College is governed by a seven member, locally elected Board of Trustees and services 12 counties in East Texas encompassing over 10,200 square miles. The service area, as defined by the Texas Legislature, includes all of Angelina, Houston, Nacogdoches, Polk, Sabine, San Augustine, Trinity, and Tyler counties. Also included are parts of Cherokee (Wells & Alto ISDs), Newton (Burkeville & Newton ISDs), Jasper (Colmesneil & Jasper ISDs), and San Jacinto (Shepard & Coldspring-Oakhurst Consolidated ISDs) counties. The parts 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 200 wooded acres in Lufkin, Texas. Classes are also offered at various off-campus teaching centers including the Career and Technical Center in Crockett, the Higher Education & Technology Center in Jasper, the Nacogdoches Center, the Polk County Center in Livingston, the Sabine Area Career Center in Pineland, and several area high schools. In addition, 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 5,400 credit students and almost 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 reaching their full potential".

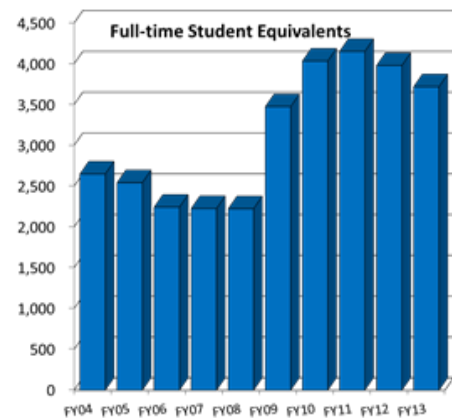
This mission is exemplified by these seven goals as stated in our college catalog:

- *GOAL I - ACCESS:* Angelina College will promote, deliver, and expand educational opportunities and services. The College will provide physical, economic, and academic opportunities for post-secondary education and lifelong learning.
- *GOAL II - QUALITY INSTRUCTIONAL OUTCOMES:* Angelina College will emphasize quality instruction, rate of students transferring to four-year institutions, degree and certificate completion, job placement, and personal growth through value added to student lives.

- *GOAL III – PARTNERSHIPS, QUALITY OF LIFE:* Angelina College will build community partnerships that improve economic development, promote educational opportunities through articulation with other educational institutions, and improve the quality of life for the residents of East Texas.
- *GOAL IV – LEARNING ENVIRONMENT:* Angelina College will maintain a learning environment designed to enhance intellectual, social, and physical development.
- *GOAL V - RESOURCE MANAGEMENT:* Resources and fiscal matters of Angelina College will be managed in a sound and prudent manner while enhancing educational offerings and the physical environment to meet student and community needs.
- *GOAL VI - PERSONNEL LEADERSHIP:* Angelina College will provide leadership for our service area through a diverse, competent, dedicated faculty and staff who reflect the educational expectations of our community.
- *GOAL VII - IMAGE:* Angelina College will project a positive image to its students and the community.

FINANCIAL CONDITION

While the population of the College’s service area has grown slightly over the last ten years, the full-time student equivalent enrollment has grown by almost forty percent. Public two-year community colleges throughout the state of Texas have also experienced similar growth patterns. Our enrollment is expected to remain stable or continue to grow, but at a slower pace, 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 each of the last ten years and is anticipated to continue to increase slightly in the upcoming years.

One of the challenges community colleges are facing is being able to meet growing educational demands under the continued pressure of reduced state funding. Cost saving measures, additional tuition (student growth or increased tuition rates) and increased property tax revenue have enabled the College to balance these demands against decreases in state appropriations but it is a growing 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. Projects completed this year include a renovation of the Administration building and replacement of the horseshoe parking lot. Future projects include an upgrade of the heating and air conditioning system.

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 County Junior College District for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2012. This was the second year that the College has achieved this prestigious award.

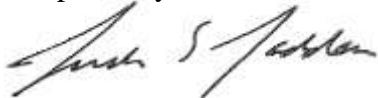
We believe that our current CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

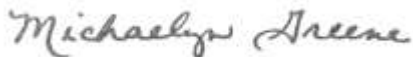
We would like to express our appreciation to the staff of the business office for their hard work in preparing this report and to the accounting firm of Axley & Rode, LLP for their timely completion of the audit.

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,



Joseph E. Madden
Vice President of Business Services



Michaelyn Greene
Controller





Government Finance Officers Association

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

Presented to

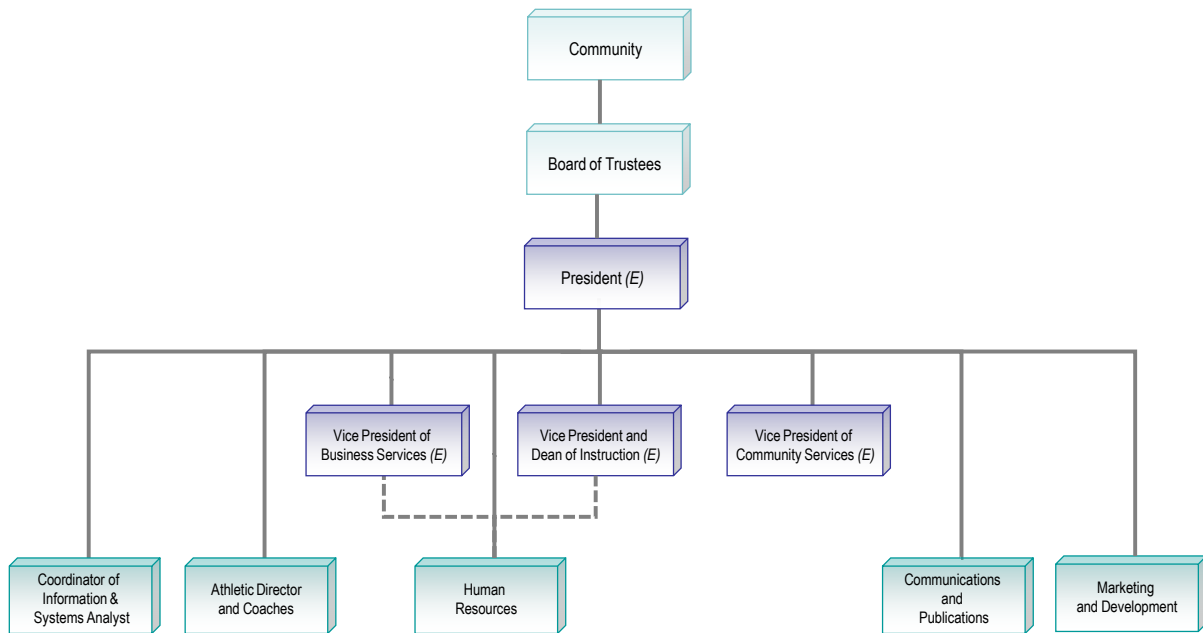
**Angelina County
Junior College District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2012

Executive Director/CEO

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
ORGANIZATIONAL CHART
For the Fiscal Year Ending August 31, 2013



(E) Member of Executive Council

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 PRINCIPAL OFFICIALS
 For the Fiscal Year Ending August 31, 2013

BOARD OF TRUSTEES

		TITLE	TERM EXPIRES
Joe Deason	Lufkin, Texas	President	2014
Tim Stacy	Lufkin, Texas	Vice-President	2016
Robert L. Poland, Jr.	Lufkin, Texas	Secretary	2018
Trey Henderson	Lufkin, Texas	Member	2014
Dr. Billy G. Kistler, M.D.	Lufkin, Texas	Member	2016
H.J. Shands, III	Lufkin, Texas	Member	2014
Ellen Clarke Temple	Lufkin, Texas	Member	2018

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. Larry M. Phillips	President
Dr. Patricia M. McKenzie	Vice President and Dean of Instruction and Admissions
Joseph E. Madden	Vice President of Business Services
Dr. Frederick W. Kanke, Jr.	Vice President of Community Services
Michaelyn Greene	Controller



**Angelina County
Junior College District**

FINANCIAL SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2013 and 2012**

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Angelina County Junior College District
Lufkin, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Angelina County Junior College District ("the College"), as of and for the years ended August 31, 2013 and 2012, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College as of August 31, 2013 and 2012, and the respective changes in financial position, thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 13 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section, supplemental financial information, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and Expenditures of State Awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular* and are not a required part of the basic financial statements.

The supplemental financial 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 supplemental financial information is 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 9, 2013, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report on page 83 and 84 is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
December 9, 2013

**Angelina County Junior College District
Management's Discussion and Analysis
August 31, 2013**

The management of Angelina County Junior College District (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, 2013 and 2012. The information presented should be read in conjunction with additional information we have furnished in our letter of transmittal, which can be found at the front of 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), current liabilities (obligations which must be met within the current year), and noncurrent liabilities (obligations which are not to be settled in the current year), with the difference 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 (e.g. accrued compensable absences).

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 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 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.

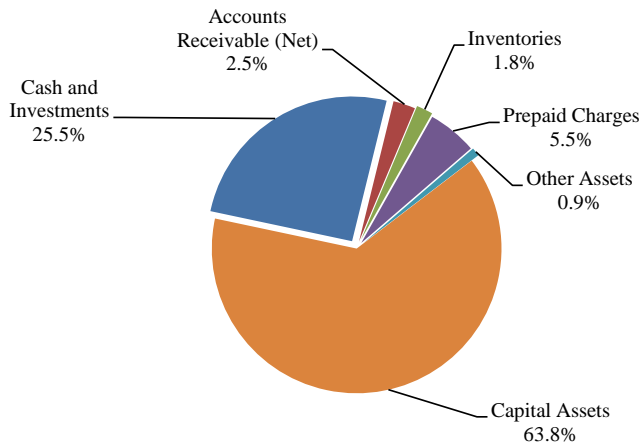
**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2013**

Comparative Financial Information and Analysis

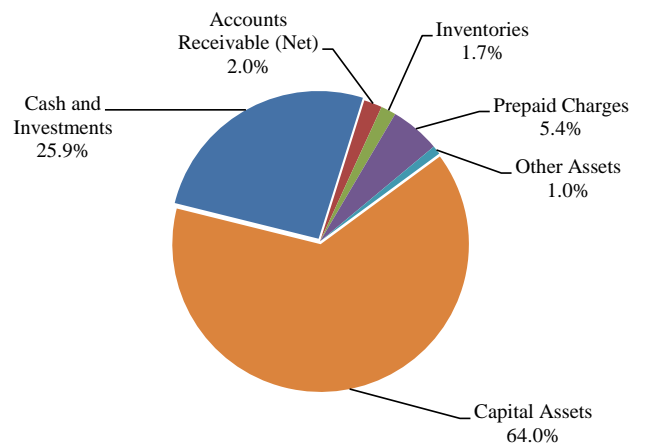
Comparison of Current to Prior Years' Net Position

	2013	2012	\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2011	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
Assets							
Cash and Investments	\$ 16,627,965	\$ 16,735,435	\$ (107,470)	(0.64%)	\$ 16,881,814	\$ (146,379)	(0.87%)
Accounts Receivable (Net)	1,612,542	1,279,020	333,522	26.08%	1,803,768	(524,748)	(29.09%)
Inventories	1,198,266	1,067,703	130,563	12.23%	777,369	290,334	37.35%
Prepaid Charges	3,593,883	3,518,979	74,904	2.13%	3,943,473	(424,494)	(10.76%)
Other Assets	611,581	614,783	(3,202)	(0.52%)	548,371	66,412	12.11%
Capital Assets	41,476,274	41,366,402	109,872	0.27%	40,649,313	717,089	1.76%
Total Assets	65,120,511	64,582,322	538,189	0.83%	64,604,108	(21,786)	(0.03%)
Liabilities							
Current Liabilities	7,868,673	7,157,514	711,159	9.94%	8,339,251	(1,181,737)	(14.17%)
Noncurrent Liabilities	19,244,595	20,556,572	(1,311,977)	(6.38%)	21,765,649	(1,209,077)	(5.55%)
Total Liabilities	27,113,268	27,714,086	(600,818)	(2.17%)	30,104,900	(2,390,814)	(7.94%)
Net Position							
Invested in Capital Assets, Net of Related Debt	21,182,819	19,852,472	1,330,347	6.70%	18,329,853	1,522,619	8.31%
Restricted	7,440,393	6,863,954	576,439	8.40%	6,001,447	862,507	14.37%
Unrestricted	9,384,031	10,151,810	(767,779)	(7.56%)	10,167,908	(16,098)	(0.16%)
Total Net Position	\$ 38,007,243	\$ 36,868,236	\$ 1,139,007	3.09%	\$ 34,499,208	\$ 2,369,028	6.87%

Year Ending 2013 - Assets



Year Ending 2012 - Assets



**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2013**

Accounts Receivable (Net) increased by \$333,522 (26%) in FY13 due to a later than normal start for classes as well as receivables relating to the startup of the Polk County Center in Livingston being included in FY13. Accounts Receivable (Net) decreased by \$524,748 (29%) in FY12 primarily from the reduction in receivables related to Federal Grants and Contracts-Operating. Several grants completed during the fiscal year including the Carl Perkins Vocational Education-Leadership grant and the HRSA Health Care and Other Facilities grant. In addition, the Carl Perkins Tech Prep Program's funding significantly decreased, reducing receivables as well. Receivables relating to the start-up of the Crockett Center were included in the FY11 balance.

Bookstore Inventories increased \$130,563 (12%) in FY13 due to the later than normal September 2013 start of classes. Bookstore Inventories increased \$290,334 (37%) in FY12 to accommodate anticipated enrollment growth that did not occur.

Title IV Grant expenses as well as scholarship expenses for the Fall 2013 semester have been deferred. Although the fluctuation for FY13 was minimal, the decrease in Prepaid Charges in FY12 of \$424,494 (11%) was the result of a decrease in enrollment for Fall 2012.

Capital Assets compose 64% of the College's total assets. The \$41,476,274 invested in capital assets includes land, buildings, furniture and equipment, and improvements and is the largest single component of net position. The College uses these capital assets to provide services to students, faculty, and staff. The College's investment in capital assets is reported net of accumulated depreciation. A portion of the capital assets was acquired with debt, some of which is still outstanding. It should be noted that resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The increase in Current Liabilities of \$711,159 (10%) in FY13 is due in part to the accrual of pay applications completing the renovation of the Administration Building and the replacement of the horseshoe parking lot at August 31, 2013. The decrease in Current Liabilities of \$1,181,737 (14%) between FY 2011 and FY 2012 is due primarily to payment of pay applications for the construction of the new Health Careers Building, renovations to the Health Careers II Building, and renovations to the Social & Behavioral Sciences Building. These pay applications were accrued at August 31, 2011. Liabilities for equipment to furnish these building projects were also included in Current Liabilities at the end of FY11.

Tuition and fees of \$4,773,771 for the Fall 2013 semester and federal, state, and local grant receipts of \$387,991 have been deferred and are included in Current Liabilities. Unearned tuition and fees increased from \$4,344,439 in FY12 due to an increase in tuition rates and this also contributed to the increase in Current Liabilities.

Noncurrent Liabilities decreased \$1,311,977 (6%) in FY13 and \$1,209,077 (6%) in FY12 as a result of payments on long-term indebtedness.

The assets of the College exceeded its liabilities at the close of the most recent fiscal year by \$38,007,243 (Net Position), an increase of \$1,139,007 from the prior fiscal year. Of total Net Position, \$9,384,031 is classified as Unrestricted and may be used to meet the College's day-to-day obligations.

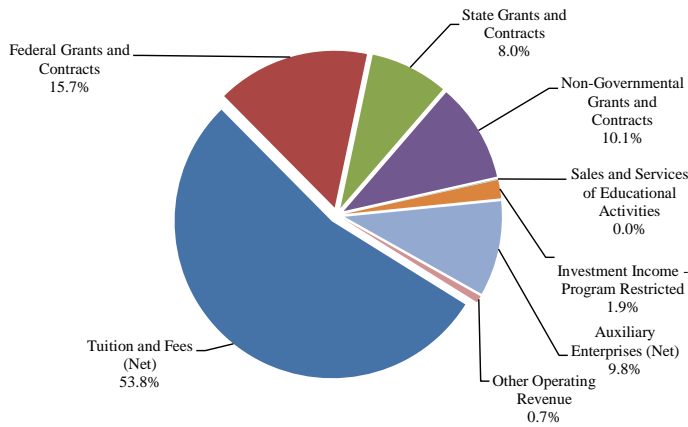
**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2013**

Analysis of Significant Changes in Operations

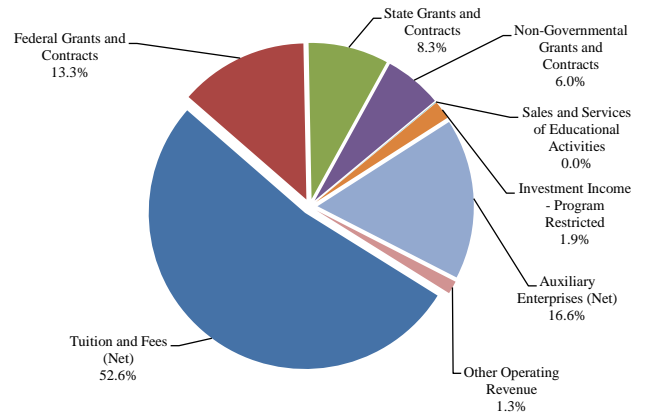
	2013	2012	\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2011	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
Operating Revenues							
Tuition and Fees (Net)	\$ 4,590,713	\$ 4,533,203	\$ 57,510	1.27%	\$ 4,343,311	\$ 189,892	4.37%
Federal Grants and Contracts	1,341,682	1,146,921	194,761	16.98%	1,356,620	(209,699)	(15.46%)
State Grants and Contracts	684,680	716,095	(31,415)	(4.39%)	1,175,621	(459,526)	(39.09%)
Non-Governmental Grants and Contracts	867,413	515,531	351,882	68.26%	683,267	(167,736)	(24.55%)
Sales and Services of Educational Activities	3,500	3,600	(100)	(2.78%)	4,375	(775)	(17.71%)
Investment Income - Program Restricted	162,838	165,272	(2,434)	(1.47%)	222,094	(56,822)	(25.58%)
Auxiliary Enterprises (Net)	835,168	1,434,693	(599,525)	(41.79%)	1,614,141	(179,448)	(11.12%)
Other Operating Revenue	60,673	116,219	(55,546)	(47.79%)	224,431	(108,212)	(48.22%)
Total Operating Revenue	<u>8,546,667</u>	<u>8,631,534</u>	<u>(84,867)</u>	<u>(0.98%)</u>	<u>9,623,860</u>	<u>(992,326)</u>	<u>(10.31%)</u>
Operating Expenses							
Instruction	12,232,520	11,604,842	627,678	5.41%	12,452,764	(847,922)	(6.81%)
Public Service	836,757	893,358	(56,601)	(6.34%)	938,407	(45,049)	(4.80%)
Academic Support	2,655,407	2,697,103	(41,696)	(1.55%)	2,520,179	176,924	7.02%
Student Services	1,712,312	1,654,914	57,398	3.47%	1,645,553	9,361	0.57%
Institutional Support	2,473,328	2,536,414	(63,086)	(2.49%)	2,333,905	202,509	8.68%
Operation and Maintenance of Plant	2,667,988	2,396,103	271,885	11.35%	2,387,384	8,719	0.37%
Scholarships and Fellowships	4,292,090	4,933,758	(641,668)	(13.01%)	5,684,608	(750,850)	(13.21%)
Auxiliary Enterprises	4,105,847	5,112,241	(1,006,394)	(19.69%)	5,569,091	(456,850)	(8.20%)
Depreciation	1,952,293	1,886,764	65,529	3.47%	1,648,776	237,988	14.43%
Total Operating Expenses	<u>32,928,542</u>	<u>33,715,497</u>	<u>(786,955)</u>	<u>(2.33%)</u>	<u>35,180,667</u>	<u>(1,465,170)</u>	<u>(4.16%)</u>
Net Operating Loss	(24,381,875)	(25,083,963)	702,088	(2.80%)	(25,556,807)	472,844	(1.85%)
Non-Operating Revenues							
State Appropriations	8,589,835	9,091,735	(501,900)	(5.52%)	9,732,668	(640,933)	(6.59%)
Maintenance Ad Valorem Taxes	4,602,104	4,425,665	176,439	3.99%	4,058,716	366,949	9.04%
Debt Service Ad Valorem Taxes	1,810,314	1,791,575	18,739	1.05%	1,796,665	(5,090)	(0.28%)
Federal Revenue, Non-Operating	10,205,465	11,603,694	(1,398,229)	(12.05%)	11,593,356	10,338	0.09%
Gifts	473,274	435,491	37,783	8.68%	549,749	(114,258)	(20.78%)
Investment Income (Net)	229,787	224,543	5,244	2.34%	167,726	56,817	33.87%
Other Non-Operating Revenues	247,864	258,211	(10,347)	(4.01%)	257,637	574	0.22%
Total Non-Operating Revenues	<u>26,158,643</u>	<u>27,830,914</u>	<u>(1,672,271)</u>	<u>(6.01%)</u>	<u>28,156,517</u>	<u>(325,603)</u>	<u>(1.16%)</u>
Non-Operating Expenses							
Interest on Capital Related Debt	898,375	953,727	(55,352)	(5.80%)	1,001,592	(47,865)	(4.78%)
Disposal of Capital Asset (Net)	2,599	6,868	(4,269)	(62.16%)	6,010	858	14.28%
Total Non-Operating Expenses	<u>900,974</u>	<u>960,595</u>	<u>(59,621)</u>	<u>(6.21%)</u>	<u>1,007,602</u>	<u>(47,007)</u>	<u>(4.67%)</u>
Income Before Other Revenues	875,794	1,786,356	(910,562)	(50.97%)	1,592,108	194,248	12.20%
Other Revenues							
Capital Contributions	-	8,081	(8,081)	(100.00%)	230,000	(221,919)	(96.49%)
Additions to Permanent Endowments	263,213	574,591	(311,378)	(54.19%)	146,012	428,579	293.52%
Total Other Revenues	<u>263,213</u>	<u>582,672</u>	<u>(319,459)</u>	<u>(54.83%)</u>	<u>376,012</u>	<u>206,660</u>	<u>54.96%</u>
Increase in Net Position	1,139,007	2,369,028	(1,230,021)	(51.92%)	1,968,120	400,908	20.37%
Beginning Net Position	<u>36,868,236</u>	<u>34,499,208</u>	<u>2,369,028</u>	<u>6.87%</u>	<u>32,531,088</u>	<u>1,968,120</u>	<u>6.05%</u>
Ending Net Position	<u>\$ 38,007,243</u>	<u>\$ 36,868,236</u>	<u>\$ 1,139,007</u>	<u>3.09%</u>	<u>\$ 34,499,208</u>	<u>\$ 2,369,028</u>	<u>6.87%</u>

Angelina County Junior College District Management's Discussion and Analysis - Continued August 31, 2013

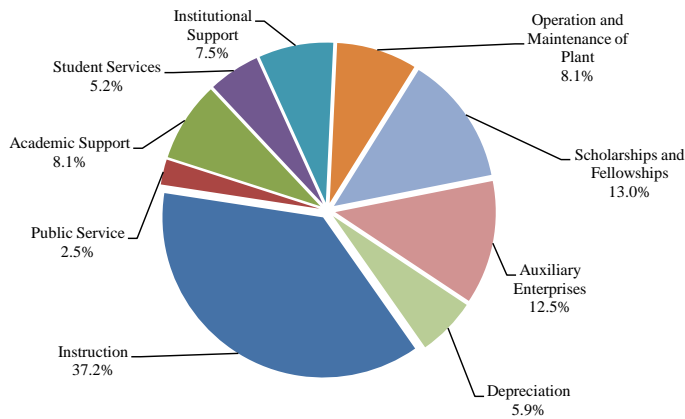
Operating Revenues – 2013



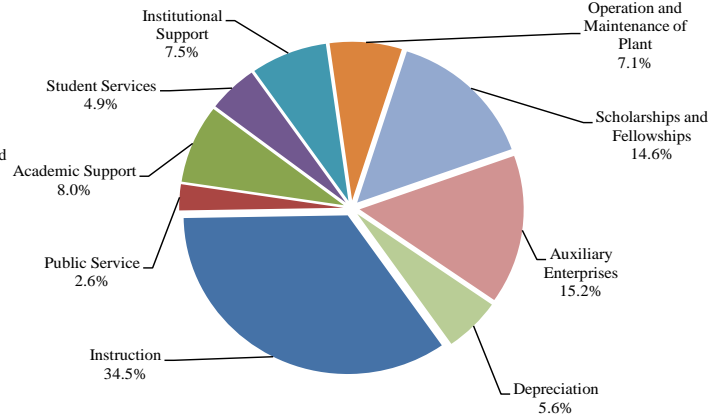
Operating Revenues - 2012



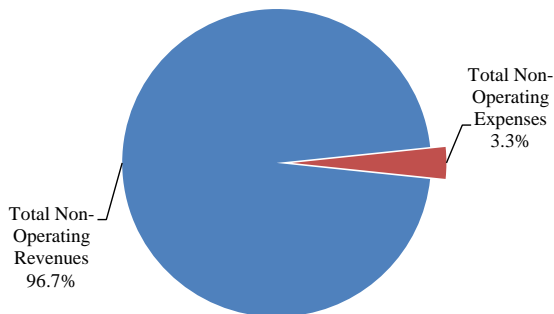
Operating Expenses - 2013



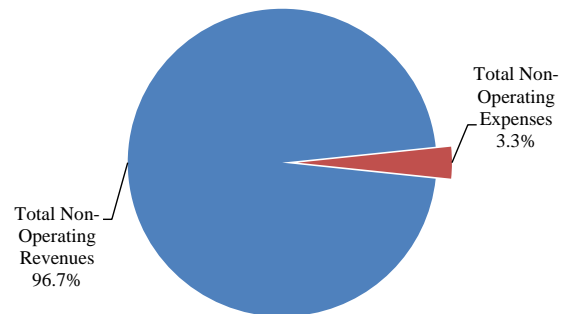
Operating Expenses - 2012



Non-Operating Revenues and Expenses - 2013



Non-Operating Revenues and Expenses - 2012



**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2013**

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 if they are not for capital purposes and are considered a contract for services.

Net Tuition and Fees increased \$57,510 (1%) in FY13 and \$189,892 (4%) in FY12 primarily due to tuition rate increases, which were partially offset by decreases in enrollment. The \$194,761 (17%) increase in Federal Grants and Contracts in FY13 was related to a new Child Care Training grant. The completion of the Carl Perkins Vocational Education-Leadership grant, and the HRSA Health Care and Other Facilities grant coupled with a decrease in the Carl Perkins Tech Prep Program funding contributed to the \$209,699 (15%) decrease in Federal Grants and Contracts in FY12. State Grants and Contracts were relatively stable in FY13 but an overall decrease in state funding resulted in a \$459,526 (39%) reduction in State Grants and Contracts for FY12. A private foundation's donation of land helped increase Non-Governmental Grants and Contracts by \$351,882 (68%) in FY13. Non-Governmental Grants and Contracts decreased by \$167,736 (25%) in FY12 because FY11 included a large private foundation donation to purchase equipment for the new Health Careers Building and to renovate an older Health Careers Building. The Auxiliary Enterprises (Net) decreased \$599,525 (42%) in FY13 mostly from decreased bookstore sales. Other contributing factors were decreases in student enrollment and the College moved the first week of classes from the end of August to the beginning of September resulting in a significant number of sales being delayed until the next fiscal year. The Auxiliary Enterprises (Net) also decreased \$179,448 (11%) in FY12 due to the bookstore discontinuing the sale of computers within their product line. This discontinuance helped lower auxiliary bad debt expenses.

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College. Instructional costs increased \$627,678 (5%) in FY13 mostly due to increased instructional salaries, benefits, and additional instructional grants. Instructional costs decreased \$847,922 (7%) in FY12 primarily from fewer instructional equipment purchases paid from grants and contracts. Scholarships and Fellowships decreased \$641,668 (13%) in FY13 and \$750,850 (13%) in FY12 because increased tuition allowances from higher tuition rates decreased the amount of grants and scholarships disbursed to students. The Auxiliary Enterprises expenses decreased \$1,006,394 (20%) in FY13 and \$456,850 (8%) in FY12 from decreased cost of goods sold and general overall auxiliary cost saving measures.

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 decreased by \$501,900 (6%) in FY13 and \$640,933 (7%) in FY12 as a result of state budget cuts. During FY13, the College also paid an additional \$141,493 for Teacher Retirement System of Texas (TRS) benefits. This obligation had been in dispute with the State of Texas at August 31, 2012. Maintenance Ad Valorem Tax revenue increased \$176,439 (4%) in FY13 and \$366,949 (9%) in FY12 as a result of changes in property valuations as well as an increased tax rate. Federal Revenue, Non-operating decreased \$1,398,229 (12%) during FY13 due to fewer Pell eligible recipients.

**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2013**

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.

Capital or endowment donations to the College can fluctuate greatly from year to year. These variations led to a decrease in Other Revenue of \$319,459 (55%) in FY13 but an increase in Other Revenue of \$206,660 or 55% in FY12.

Analysis of Cash Flows

	2013	2012	\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2011	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
Net Cash Used by							
Operating Activities	\$ (20,629,486)	\$ (22,289,722)	\$ 1,660,236	(7.45%)	\$ (21,339,676)	\$ (950,046)	4.45%
Net Cash Provided by Non-							
Capital Financing Activities	22,597,688	24,751,270	(2,153,582)	(8.70%)	23,846,267	905,003	3.80%
Net Cash Used by Capital							
Financing Activities	(2,324,728)	(2,861,752)	537,024	(18.77%)	(6,304,094)	3,442,342	(54.60%)
Net Cash Provided by							
Investing Activities	84,950	(36,252)	121,202	(334.33%)	1,491,270	(1,527,522)	(102.43%)
Increase (Decrease) in							
Cash and Cash Equivalents	(271,576)	(436,456)	164,880	(37.78%)	(2,306,233)	1,869,777	(81.07%)
Cash and Cash Equivalents at							
September 1	9,674,656	10,111,112	(436,456)	(4.32%)	12,417,345	(2,306,233)	(18.57%)
Cash and Cash Equivalents at							
August 31	<u>\$ 9,403,080</u>	<u>\$ 9,674,656</u>	<u>\$ (271,576)</u>	<u>(2.81%)</u>	<u>\$ 10,111,112</u>	<u>\$ (436,456)</u>	<u>(4.32%)</u>

Overall, the College's year-end cash balance of \$9,403,080 decreased by \$271,576 (3%) from last year's balance of \$9,674,656.

Capital Assets and Long-Term Debt

**Fixed Assets
(Net of Accumulated Depreciation)**

	Year Ending		\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2011	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
	2013	2012	Year	Year	Year	Before	Before
Buildings and Improvements	\$ 33,168,451	\$ 33,378,313	\$ (209,862)	(0.63%)	\$ 33,911,677	\$ (533,364)	(1.57%)
Land and Land Improvements	6,312,187	5,835,370	476,817	8.17%	4,389,804	1,445,566	32.93%
Library Books	281,095	284,539	(3,444)	(1.21%)	287,231	(2,692)	(0.94%)
Furniture, Machinery, and							
Equipment	1,714,541	1,865,605	(151,064)	(8.10%)	2,060,601	(194,996)	(9.46%)
Construction in Process	-	2,575	(2,575)	-	-	2,575	-
Total	<u>\$ 41,476,274</u>	<u>\$ 41,366,402</u>	<u>\$ 109,872</u>	<u>0.27%</u>	<u>\$ 40,649,313</u>	<u>\$ 717,089</u>	<u>1.76%</u>

**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2013**

During FY13, the College expended \$30,318 on library books and materials, and \$266,909 on furniture, machinery, and equipment. The College also capitalized \$920,494 for building improvements and \$515,884 for land improvements, which mostly related to renovation of the Administration Building and replacement of the horseshoe parking lot. Land increased \$228,626 and Buildings increased \$105,109 due to the acquisition of the Red Barn property.

During FY12, the College expended \$30,957 on library books and materials, and \$268,639 on furniture, machinery, and equipment. The College also capitalized \$675,192 for building improvements and \$1,641,803 for land improvements, which mostly related to renovation of the Central Facilities Building, replacement of the south parking lot, and the building of a central pedestrian "mall".

The College had \$41.5 and \$41.4 million invested in capital assets, net of accumulated depreciation of \$29.7 and \$27.8 million for FY13 and FY12, respectively. The largest single component of capital assets is buildings totaling \$29,557,563 for FY13 and \$30,470,399 for FY12 net of accumulated depreciation. Depreciation charges totaled \$1,952,293 for FY13 and \$1,886,764 for FY12.

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

Detailed information about the College's capital assets can be found in Note 7 – Capital Assets on pages 35-36. In addition, detailed information about the College's long-term debt can be found in Note 8 – Long-Term Liabilities, Note 9 – Debt Obligations, and Note 10 – Bonds and Notes Payable found on pages 37-39.

Other Conditions and Factors

The Polk County Higher Education and Technology Foundation completed construction of a multipurpose training and commerce center in Livingston, Texas in July 2013. The College took occupancy of approximately 16,000 square feet of the facility and began offering classes at the Angelina College Polk County Center starting with the Fall 2013 semester.

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, 2013 and 2012**

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 1
STATEMENTS OF NET POSITION
August 31, 2013 and 2012

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 4,914,442	\$ 5,355,888
Short-Term Investments	-	300,000
Accounts Receivable (Net)	1,612,542	1,279,020
Prepaid Expenses	141,003	111,632
Inventories	1,198,266	1,067,703
Prepaid Charges	3,593,883	3,518,979
Total Current Assets	<u>11,460,136</u>	<u>11,633,222</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalents	4,488,638	4,318,768
Restricted Short-Term Investments	200,000	1,275,000
Endowment Investments	5,749,885	5,285,779
Other Noncurrent Investments	1,275,000	200,000
Bond Issuance Cost	470,578	503,151
Capital Assets (Net) (See Note 7)	41,476,274	41,366,402
Total Noncurrent Assets	<u>53,660,375</u>	<u>52,949,100</u>
Total Assets	<u>65,120,511</u>	<u>64,582,322</u>
Liabilities		
Current Liabilities		
Accounts Payable	905,459	635,136
Accrued Liabilities	362,266	195,995
Accrued Compensable Absences-Current Portion	32,848	32,483
Funds Held for Others	91,632	97,581
Unearned Revenues	5,161,762	4,975,844
Bonds Payable - Current Portion	1,314,706	1,220,475
Total Current Liabilities	<u>7,868,673</u>	<u>7,157,514</u>
Noncurrent Liabilities		
Deposits	16,500	17,800
Accrued Compensable Absences	249,346	245,317
Bonds Payable	18,978,749	20,293,455
Total Noncurrent Liabilities	<u>19,244,595</u>	<u>20,556,572</u>
Total Liabilities	<u>27,113,268</u>	<u>27,714,086</u>

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 1 (Continued)
STATEMENTS OF NET POSITION
August 31, 2013 and 2012

	<u>Current Year</u>	<u>Prior Year</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	21,182,819	19,852,472
Restricted		
Nonexpendable		
Student Aid	4,764,495	4,222,327
Expendable		
Student Aid	1,365,393	1,288,692
Debt Service	1,167,880	1,195,620
Other	142,625	157,315
Unrestricted	9,384,031	10,151,810
Total Net Position (Schedule D)	<u>\$ 38,007,243</u>	<u>\$ 36,868,236</u>

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 2
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
August 31, 2013 and 2012

	<u>Current Year</u>	<u>Prior Year</u>
Operating Revenues		
Tuition and Fees (Net of Discounts of \$5,001,826 and \$5,225,037, respectively)	\$ 4,590,713	\$ 4,533,203
Federal Grants and Contracts	1,341,682	1,146,921
State Grants and Contracts	684,680	716,095
Non-Governmental Grants and Contracts	867,413	515,531
Sales and Services of Educational Activities	3,500	3,600
Investment Income - Program Restricted	162,838	165,272
Auxiliary Enterprises (Net of Discounts of \$2,395,338 and \$2,827,345, respectively)	835,168	1,434,693
Other Operating Revenues	60,673	116,219
Total Operating Revenues (Schedule A)	<u>8,546,667</u>	<u>8,631,534</u>
Operating Expenses		
Instruction	12,232,520	11,604,842
Public Service	836,757	893,358
Academic Support	2,655,407	2,697,103
Student Services	1,712,312	1,654,914
Institutional Support	2,473,328	2,536,414
Operation and Maintenance of Plant	2,667,988	2,396,103
Scholarships and Fellowships	4,292,090	4,933,758
Auxiliary Enterprises	4,105,847	5,112,241
Depreciation	1,952,293	1,886,764
Total Operating Expenses (Schedule B)	<u>32,928,542</u>	<u>33,715,497</u>
Operating Loss	<u>(24,381,875)</u>	<u>(25,083,963)</u>
Non-Operating Revenues (Expenses)		
State Appropriations	8,589,835	9,091,735
Maintenance Ad Valorem Taxes	4,602,104	4,425,665
Debt Service Ad Valorem Taxes	1,810,314	1,791,575
Federal Revenue, Non-Operating	10,205,465	11,603,694
Gifts	473,274	435,491
Investment Income (Net of Investment Expenses)	229,787	224,543
Interest on Capital Related Debt	(898,375)	(953,727)
Disposal of Capital Assets, net	(2,599)	(6,868)
Other Non-Operating Revenues	247,864	258,211
Total Non-Operating Revenue (Expenses) (Schedule C)	<u>25,257,669</u>	<u>26,870,319</u>
Income Before Other Revenues	875,794	1,786,356

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 2 (Continued)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
August 31, 2013 and 2012

	<u>Current Year</u>	<u>Prior Year</u>
Other Revenues		
Capital Contributions	-	8,081
Additions to Permanent Endowments	<u>263,213</u>	<u>574,591</u>
Total Other Revenues	<u>263,213</u>	<u>582,672</u>
Increase (Decrease) in Net Position	1,139,007	2,369,028
Net Position		
Net Position - Beginning of Year	<u>36,868,236</u>	<u>34,499,208</u>
Net Position - End of Year	<u>\$ 38,007,243</u>	<u>\$ 36,868,236</u>

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 3
STATEMENTS OF CASH FLOWS
August 31, 2013 and 2012

	<u>Current Year</u>	<u>Prior Year</u>
Cash Flows from Operating Activities		
Receipts from Students and Other Customers	\$ 5,335,218	\$ 5,438,467
Receipts from Grants and Contracts	1,749,004	2,416,945
Investment Income, Program Restricted	162,838	165,272
Collection of Loans to Students and Employees	(44,112)	(21,999)
Other Receipts	343,341	392,963
Payments to or on Behalf of Employees	(16,852,964)	(16,826,193)
Payments to Suppliers for Goods or Services	(6,668,859)	(9,014,024)
Payments of Scholarships	(4,615,008)	(4,838,728)
Other Cash (Payments) Receipts	(38,944)	(2,425)
Net Cash Provided (Used) by Operating Activities	<u>(20,629,486)</u>	<u>(22,289,722)</u>
Cash Flows from Noncapital Financing Activities		
Receipts from State Appropriations	7,240,829	7,807,740
Ad Valorem Tax Revenues	4,624,679	4,408,497
Receipts from Non-Operating Federal Revenue	10,133,761	11,668,290
Payments for Collection of Taxes	(125,388)	(122,228)
Gifts and Grants (Other Than Capital)	729,755	989,060
Student Organization and Other Agency Transactions	(5,948)	(89)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>22,597,688</u>	<u>24,751,270</u>
Cash Flows from Capital and Related Financing Activities		
Capital Contracts, Grants and Gifts	-	8,082
Ad Valorem Tax Revenue	1,819,582	1,785,704
Purchases of Capital Assets	(2,058,034)	(2,589,699)
Payment on Capital Debt and Leases	(2,086,276)	(2,065,839)
Net Cash Provided (Used) by Capital Financing Activities	<u>(2,324,728)</u>	<u>(2,861,752)</u>
Cash Flows from Investing Activities		
Proceeds from Sale and Maturity of Investments	2,609,155	3,016,659
Investment Earnings	122,917	54,355
Purchases of Investments	(2,647,122)	(3,107,266)
Net Cash Provided (Used) by Investing Activities	<u>84,950</u>	<u>(36,252)</u>
Increase (Decrease) in Cash and Cash Equivalents	(271,576)	(436,456)
Cash and Cash Equivalents - September 1	9,674,656	10,111,112
Cash and Cash Equivalents - August 31	<u>\$ 9,403,080</u>	<u>\$ 9,674,656</u>

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 3 (Continued)
STATEMENTS OF CASH FLOWS
August 31, 2013 and 2012

	Current Year	Prior Year
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (24,381,875)	\$ (25,083,963)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	1,952,293	1,886,764
Bad Debt Expense	148,989	413,094
Tax Collection Fee	125,388	122,228
Payments made directly by state for benefits	1,349,006	1,283,995
Other Non-Operating Revenue	247,864	258,212
Changes in Assets and Liabilities		
Interest Receivable	(19,269)	(29,281)
Ad Valorem Taxes Receivable	(31,843)	23,038
Federal Receivable - Non-operating	71,705	(64,596)
Accounts Receivable (Net)	(482,512)	111,654
Inventories	(130,563)	(290,334)
Prepaid Expenses	(29,371)	(98,486)
Prepaid Charges	(74,904)	424,493
Accounts Payable	270,323	(966,298)
Accrued Liabilities	166,271	(323,804)
Unearned Revenue	185,918	33,851
Deposits	(1,300)	(10)
Accrued Compensable Absences	4,394	9,721
Net Cash Provided (Used) by Operating Activities	\$ (20,629,486)	\$ (22,289,722)

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

Angelina County Junior College District
Notes to Financial Statements
August 31, 2013

1. Reporting Entity

The Angelina County Junior College District (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 County Junior College District is considered a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 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 the Angelina County Junior College District 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 are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code 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.

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

2. Summary of Significant Accounting Policies - Continued

Basis of Accounting

The financial statements of Angelina County Junior College District 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.

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.

Investments

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have 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, or fair value at the date of donation. Renovations to buildings and land improvements that significantly increase the

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

2. Summary of Significant Accounting Policies - Continued

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.

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

Unearned Revenues

Tuition, fees, and other revenues received and related to periods after August 31, 2013 or 2012, respectively, have been deferred to the subsequent year.

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

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

2. Summary of Significant Accounting Policies - Continued

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.

Prior Year Reclassifications/Restatements

Certain reclassifications have been made to the prior year presentation on the Statement of Cash Flows (Exhibit 3). Footnote 4 and Footnote 18 have had a restatement of prior year amounts.

Subsequent Events

Management has evaluated subsequent events through December 09, 2013, the date the statements were available to be issued.

3. Authorized Investments

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

4. Deposits and Investments

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

Cash and Deposits

	August 31, 2013	August 31, 2012
Bank Deposits		
Demand Deposits and Money		
Market Mutual Funds	\$ 9,111,100	\$ 9,417,837
Certificates of Deposit - Short-term	500,425	1,924,663
Certificates of Deposit - Long-term	2,722,703	1,034,901
	12,334,228	12,377,401
Cash and Cash Equivalents		
Petty Cash on Hand	17,800	14,300
Total Cash and Deposits	\$ 12,352,028	\$ 12,391,701

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

4. Deposits and Investments - Continued

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Fair Value August 31, 2013	Fair Value August 31, 2012
U.S. Government Agencies	\$ 896,289	\$ 849,969
Mutual Funds	2,599,451	2,626,100
Corporate Bonds	469,300	589,498
Annuity	36,717	35,648
Total Cash and Bank Deposits	12,352,028	12,391,701
Total Endowment Bank Deposits	274,180	242,519
Total Cash, Deposits, and Investments	<u>\$ 16,627,965</u>	<u>\$ 16,735,435</u>
Current (Exhibit 1)		
Cash and Cash Equivalents	\$ 4,914,442	\$ 5,355,888
Short-Term Investments	-	300,000
Noncurrent (Exhibit 1)		
Restricted Cash and Cash Equivalents	4,488,638	4,318,768
Restricted Short-Term Investments	200,000	1,275,000
Endowment Investments	5,749,885	5,285,779
Other Noncurrent Investments	1,275,000	200,000
Total Current and Noncurrent Cash and Investments	<u>\$ 16,627,965</u>	<u>\$ 16,735,435</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 shown in the table below.

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1 to 5	5 or More
U.S. Government Securities	\$ 896,289	\$ 101,612	\$ 506,833	\$ 287,844
Certificates of Deposit	3,223,128	500,425	2,251,103	471,600
Corporate Bonds	469,300	118,126	137,789	213,385
Annuity	36,717	-	36,717	-
Total	<u>\$ 4,625,434</u>	<u>\$ 720,163</u>	<u>\$ 2,932,442</u>	<u>\$ 972,829</u>

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013

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 mutual funds and investment pools must be rated at least AAA. 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. The College's investments in money market mutual funds are rated Aaa-mf/AAAm at August 31, 2013 by Moody's Investors Service, Inc. and Standard & Poor's Corporation, respectively. As of August 31, 2013, 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, 2013, 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, 2013.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss that occurs due to the lack of diversification. The College's investment policy does not place a limit on the amount the College may invest in any one issuer. At August 31, 2013, no single investment comprised more than 5% of the College's investments, excluding non-negotiable certificates of deposit. At August 31, 2012, more than 5% of the College's investments, excluding non-negotiable certificates of deposit, were in Federal Home Loan Mortgage Corporation and were 5.97% of total investments.

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, 2013 and 2012, the bank balances of the College's deposits were \$7,399,110 and \$7,968,200, respectively. Of these balances, the amounts covered by FDIC insurance were \$1,024,031 and \$992,519 at August 31, 2013 and 2012, respectively. The remaining balances at August 31, 2013 and 2012 of \$6,314,930 and \$6,975,681 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 County Junior College District did not invest in derivative products during fiscal year 2013 or 2012.

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

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

6. Endowments - Continued

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.

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. For the years ended August 31, 2013 and 2012, endowment interest, dividend earnings, and capital gains and losses totaled \$248,444 and \$158,446, respectively. Unrealized gains for the years ended August 31, 2013 and August 31, 2012 totaled \$126,139 and \$199,469 respectively. For the years ended August 31, 2013 and 2012, scholarship distributions from current-year endowment interest earnings totaled \$159,996 and \$159,994, respectively. The fair value of endowment assets at August 31, 2013 and 2012 was \$6,024,065 and 5,528,298, respectively. Endowment net position is classified as restricted nonexpendable student aid in the Statement of Net Position.

7. Capital Assets

Capital assets activity for the year ended August 31, 2013 was as follows:

	Balance September 1, 2012	Increase	Decrease	Balance August 31, 2013
Not Depreciated				
Land	\$ 1,545,373	\$ 228,626	\$ -	\$ 1,773,999
Construction in Process	2,575	-	2,575	-
Total Not Depreciated	<u>1,547,948</u>	<u>228,626</u>	<u>2,575</u>	<u>1,773,999</u>
Other Capital Assets				
Buildings	50,792,153	105,109	-	50,897,262
Land Improvements	6,746,229	515,884	-	7,262,113
Building Improvements	4,348,428	920,494	-	5,268,922
Library Books	1,056,008	30,318	5,138	1,081,188
Furniture, Machinery, Vehicles, and Other Equipment	2,875,345	120,717	37,482	2,958,580
Telecommunications and Peripheral Equipment	1,824,510	146,192	57,306	1,913,396
Total Capital Assets	<u>67,642,673</u>	<u>1,838,714</u>	<u>99,926</u>	<u>69,381,461</u>
Accumulated Depreciation				
Buildings	20,321,754	1,017,945	-	21,339,699
Land Improvements	2,456,232	267,693	-	2,723,925
Building Improvements	1,440,514	217,520	-	1,658,034
Library Books	771,469	33,762	5,138	800,093
Furniture, Machinery, Vehicles, and Other Equipment	1,525,605	206,904	34,882	1,697,627
Telecommunications and Peripheral Equipment	1,308,645	208,469	57,306	1,459,808
Total Accumulated Depreciation	<u>27,824,219</u>	<u>1,952,293</u>	<u>97,326</u>	<u>29,679,186</u>
Net Capital Assets	<u>\$ 41,366,402</u>	<u>\$ 115,047</u>	<u>\$ 5,175</u>	<u>\$ 41,476,274</u>

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013

7. Capital Assets - Continued

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

Capital assets activity for the year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Increase	Decrease	Balance August 31, 2012
Not Depreciated				
Land	\$ 1,545,373	\$ -	\$ -	\$ 1,545,373
Construction in Process	-	2,575	-	2,575
Total Not Depreciated	<u>1,545,373</u>	<u>2,575</u>	<u>-</u>	<u>1,547,948</u>
Other Capital Assets				
Buildings	50,792,153	-	-	50,792,153
Land Improvements	5,104,426	1,641,803	-	6,746,229
Building Improvements	3,681,682	675,192	8,446	4,348,428
Library Books	1,098,498	30,957	73,447	1,056,008
Furniture, Machinery, Vehicles, and Other Equipment	3,187,774	68,939	381,368	2,875,345
Telecommunications and Peripheral Equipment	1,689,683	199,700	64,873	1,824,510
Total Other Capital Assets	<u>65,554,216</u>	<u>2,616,591</u>	<u>528,134</u>	<u>67,642,673</u>
Accumulated Depreciation				
Buildings	19,305,911	1,015,843	-	20,321,754
Land Improvements	2,259,995	196,237	-	2,456,232
Building Improvements	1,256,247	184,267	-	1,440,514
Library Books	811,267	33,649	73,447	771,469
Furniture, Machinery, Vehicles, and Other Equipment	1,688,421	211,685	374,501	1,525,605
Telecommunications and Peripheral Equipment	1,128,435	245,083	64,873	1,308,645
Total Accumulated Depreciation	<u>26,450,276</u>	<u>1,886,764</u>	<u>512,821</u>	<u>27,824,219</u>
Net Capital Assets	<u>\$ 40,649,313</u>	<u>\$ 732,402</u>	<u>\$ 15,313</u>	<u>\$ 41,366,402</u>

The decrease of \$8,446 in Building Improvements is a result of an over-accrual of cost to complete a renovation project, which was capitalized in fiscal year 2011.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013

8. Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2013 was as follows:

	Balance September 1, 2012	Additions	Reductions	Balance August 31, 2013	Current Portion
Bonds and Notes					
Series 1995 Revenue Bonds	\$ 985,000	\$ -	\$ 225,000	\$ 760,000	\$ 240,000
Series 2004 Tax Refunding Bonds	2,344,849	-	293,649	2,051,200	308,202
Series 2005 Advance Refunding Bonds	2,610,209	-	234,246	2,375,963	266,419
Series 2008 Limited Tax Bonds	9,404,219	-	273,733	9,130,486	304,087
Series 2009 Limited Tax Bonds	6,169,653	-	193,847	5,975,806	195,998
Total Bonds and Notes	<u>21,513,930</u>	<u>-</u>	<u>1,220,475</u>	<u>20,293,455</u>	<u>1,314,706</u>
Other Liabilities					
Accrued Compensable Absences	277,800	227,233	222,839	282,194	32,848
Deposits Payable	17,800	15,300	16,600	16,500	-
Total Liabilities	21,809,530	<u>\$ 242,533</u>	<u>\$ 1,459,914</u>	20,592,149	<u>\$ 1,347,554</u>
Current Portion	<u>(1,252,958)</u>			<u>(1,347,554)</u>	
Total Noncurrent Portion	<u>\$ 20,556,572</u>			<u>\$ 19,244,595</u>	

Long-term liability activity for the year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Additions	Reductions	Balance August 31, 2012	Current Portion
Bonds and Notes					
Series 1995 Revenue Bonds	\$ 1,200,000	\$ -	\$ 215,000	\$ 985,000	\$ 225,000
Series 2004 Tax Refunding Bonds	2,624,849	-	280,000	2,344,849	293,649
Series 2005 Advance Refunding Bonds	2,825,800	-	215,591	2,610,209	234,246
Series 2008 Limited Tax Bonds	9,674,649	-	270,430	9,404,219	273,733
Series 2009 Limited Tax Bonds	6,332,816	-	163,163	6,169,653	193,847
Total Bonds and Notes	<u>22,658,114</u>	<u>-</u>	<u>1,144,184</u>	<u>21,513,930</u>	<u>1,220,475</u>
Other Liabilities					
Accrued Compensable Absences	268,080	224,000	214,280	277,800	32,483
Deposits Payable	17,810	14,400	14,410	17,800	-
Total Liabilities	22,944,004	<u>\$ 238,400</u>	<u>\$ 1,372,874</u>	21,809,530	<u>\$ 1,252,958</u>
Current Portion	<u>(1,178,355)</u>			<u>(1,252,958)</u>	
Total Noncurrent Portion	<u>\$ 21,765,649</u>			<u>\$ 20,556,572</u>	

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

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
2014	\$ 1,314,706	\$ 845,850	\$ 2,160,556
2015	1,329,363	789,220	2,118,583
2016	1,431,862	730,875	2,162,737
2017	1,173,013	668,963	1,841,976
2018	1,194,981	620,063	1,815,044
2019-2023	4,384,116	2,466,010	6,850,126
2024-2028	3,723,798	1,724,218	5,448,016
2029-2033	4,676,739	835,994	5,512,733
2034	1,064,877	37,600	1,102,477
Total	<u>\$ 20,293,455</u>	<u>\$ 8,718,793</u>	<u>\$ 29,012,248</u>

10. Bonds and Notes Payable

Bonds and notes are payable semi-annually with annual obligations varying from \$1,076,063 to \$2,110,875, with interest rates from 3.00% to 7.00%. The final installment is due in 2034.

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

	August 31, 2013	August 31, 2012
Revenue Bonds, Series 1995.		
<ul style="list-style-type: none"> • To construct a Student Activities Center. • Issued December 1, 1995, matures fiscal 2016. • \$3,000,000 was authorized and issued. • Source of revenue for debt service - building use fees (100% pledged), transfer of tuition. • Interest rate of 5.00% to 7.00%. • Coverage ratio of pledged revenues to debt service requirements was 1.50 in 2013 and 1.62 in 2012 • Outstanding balance: 	\$ 760,000	\$ 985,000
Limited Tax Refunding Bonds, Series 2004.		
<ul style="list-style-type: none"> • To refund the series 1994 limited tax bonds that provided funds for construction of a Community Service building and a Workforce Development Center. • Issued July 15, 2004, matures fiscal 2019. • \$4,275,000 was authorized and issued. • Source of revenue for debt service – ad valorem taxes. • Interest rate of 3.50% to 5.00%. • Outstanding balance: 	2,051,200	2,344,849

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

10. Bonds and Notes Payable – Continued

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Limited Tax Refunding Bonds, Series 2005.		
<ul style="list-style-type: none"> • To refund 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 November 1, 2005, matures fiscal 2021. • \$3,699,997 was authorized and issued. • Source of revenue for debt service – ad valorem taxes. • Interest rate of 3.00% to 4.00%. • Outstanding balance: 	2,375,963	2,610,209
Limited Tax Bonds, Series 2008.		
<ul style="list-style-type: none"> • 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: 	9,130,486	9,404,219
Limited Tax Bonds, Series 2009.		
<ul style="list-style-type: none"> • 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: 	<u>5,975,806</u>	<u>6,169,653</u>
Total Bonds Payable	<u>\$ 20,293,455</u>	<u>\$ 21,513,930</u>

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013

11. Unearned Revenues

Tuition and fees of \$4,773,771 and \$4,344,439 and federal, state, and local grants of \$387,991 and \$631,405 have been reported as unearned revenues at August 31, 2013 and 2012, respectively.

12. Pending Lawsuits and Claims

On August 31, 2013 and 2012, no claims involving the College were pending.

13. Employees' Retirement Plan

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

Teacher Retirement System of Texas (TRS)

Plan Description - Angelina County Junior College District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec 67, and Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information, which can be obtained from www.trs.state.tx.us under the TRS Publications heading.

Funding policy - Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4 percent for fiscal years 2013, 2012, and 2011. The state contribution rate was 6.4 percent for fiscal year 2013. The state contribution rate was 6.0 percent for fiscal year 2012 and was 6.644 percent for 2011. In certain instances the reporting district is required to make all or a portion of the state's contribution.

During fiscal year 2013, the college was required to pay an additional \$141,493 for fiscal year 2012 benefits. This obligation had been in dispute with the State of Texas at August 31, 2012 and is included in the 2013 amount for Angelina College contributions in this footnote.

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

13. Employees' Retirement Plan - Continued

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

Fiscal Year Ended August 31,	On-Behalf State Contribution	Angelina College Contribution	Employee Contribution	Total Contribution	Covered Payroll	Total College Payroll
2013	\$ 249,152	\$ 335,581	\$ 443,240	\$1,027,973	\$6,925,631	\$ 14,683,296
2012	201,001	74,938	438,721	714,660	6,855,018	14,545,855
2011	385,480	95,410	450,714	931,604	7,042,403	14,857,643

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 and 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 the employees is 6.65 percent for fiscal years 2013, 2012, and 2011. The state contributions are 6.0 percent for 2013 and 2012, and 6.40 percent for 2011. The College contributed 2.50 percent for fiscal years 2013 and 2012, and 2.10 percent for fiscal year 2011 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
2013	\$ 240,000	\$ 107,063	\$ 346,026	\$ 693,089	\$5,203,402	\$ 14,683,296
2012	267,336	68,735	333,599	669,670	5,016,521	14,545,855
2011	292,143	67,832	339,487	699,462	5,105,067	14,857,643

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013

13. 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, 2013, 2012, and 2011 were \$156,634, \$157,617, and \$163,289, respectively, which equaled the required contributions each year.

14. Compensable Absences

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

The College recognized the accrued liability for the unpaid annual leave in the amounts of \$282,194 and \$277,800 for fiscal years ended August 31, 2013 and 2012, respectively. The liability is shown in the Statement of Net Position split between current and noncurrent in the amounts of \$32,848 and \$249,346, respectively for August 31, 2013 and \$32,483 and \$245,317 respectively for August 31, 2012.

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.

15. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized as funds are expended and are presented on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Funds received but not yet expended are reported as Current Unearned Revenue

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

15. Contract and Grant Awards - Continued

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 2013 and 2012 for which monies have not been received nor funds expended totaled \$2,302,713 and \$2,132,922. Of these amounts, \$1,516,859 and \$1,143,006 were from Federal Contract and Grant Awards; \$634,504 and \$838,566 were from State Contract and Grant Awards; and \$151,350 and \$151,350 were from Private Contract and Grant Awards for the fiscal years ended 2013 and 2012, respectively.

16. Disaggregation of Receivables and Payables Balances

Receivables were as follows:

	August 31, 2013	August 31, 2012
Students and Other Customers	\$ 2,672,967	\$ 2,462,019
Allowance for Doubtful Accounts	(2,087,815)	(1,969,492)
Federal Grants and Contracts - Operating	436,076	304,034
Federal Grants and Contracts - Non-operating	124,869	53,164
Other Grants and Contracts	49,710	69,945
Loans to Students	199,582	154,288
Allowance for Doubtful Accounts	(176,150)	(145,484)
Taxes Receivable	655,790	603,853
Allowance for Uncollectible Taxes	(480,804)	(397,024)
Interest Receivable	28,181	47,450
Other Receivables	190,136	96,267
	<u>\$ 1,612,542</u>	<u>\$ 1,279,020</u>
Total Receivables		

Payables and accrued liabilities were as follows:

	August 31, 2013	August 31, 2012
Vendors	\$ 895,538	\$ 615,660
Students	9,921	19,476
Total Payables	<u>\$ 905,459</u>	<u>\$ 635,136</u>
Salaries and benefits	\$ 278,756	\$ 70,409
Sales taxes	80,859	119,804
Other	2,651	5,782
Total Accrued Liabilities	<u>\$ 362,266</u>	<u>\$ 195,995</u>

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

17. 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	Liability Balance at Fiscal Year End
2013	\$ 1,889	\$ (391)	\$ 35	\$ 1,463
2012	1,982	(2)	91	1,889

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.

18. 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, 2013	August 31, 2012	August 31, 2011
State's monthly contribution per full-time employee	\$ 470 - 1,369	\$ 438 - 1,276	\$ 413 - 808
State's contribution for retired participants	\$ 651,058	\$ 565,287	\$ 473,304
Number of retired participants	110	105	98
State's contribution for active participants	\$ 208,796	\$ 250,371	\$ 786,033
Number of active participants	240	251	258
State's total contribution	\$ 859,854	\$ 815,658	\$ 1,259,337
Number of total participants	350	356	356

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

19. 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, 2013	August 31, 2012
Assessed Valuation of the College	\$ 4,319,178,725	\$ 4,263,436,076
Less: Exemptions	555,044,657	558,686,746
Less: Abatements	5,874,240	4,986,670
Net Assessed Valuation of the College	<u>\$ 3,758,259,828</u>	<u>\$ 3,699,762,660</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, 2013	\$ 0.1224	\$ 0.0483	\$ 0.1707
- FYE August 31, 2012	\$ 0.1188	\$ 0.0482	\$ 0.1670

Taxes levied for the year ended August 31, 2013 were \$6,400,382 (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-2013	Current Operations	Debt Service	Total
Current Taxes	\$ 4,448,037	\$ 1,748,906	\$ 6,196,943
Delinquent Taxes	78,001	31,719	109,720
Penalties and Interest	76,066	29,689	105,755
Total Tax Revenues	<u>\$ 4,602,104</u>	<u>\$ 1,810,314</u>	<u>\$ 6,412,418</u>

Taxes levied for the year ended August 31, 2012 were \$6,194,333 (which includes any penalty and interest assessed if applicable).

Tax Revenues-2012	Current Operations	Debt Service	Total
Current Taxes	\$ 4,242,856	\$ 1,718,425	\$ 5,961,281
Delinquent Taxes	107,655	43,506	151,161
Penalties and Interest	75,154	29,644	104,798
Total Tax Revenues	<u>\$ 4,425,665</u>	<u>\$ 1,791,575</u>	<u>\$ 6,217,240</u>

Tax collections for the year ended August 31, 2013 and 2012 were 96% and 96%, respectively of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013

20. 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, 2013 and 2012.

21. Risk Management

The College is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2013, the College participated in a public entity risk sharing pool through the Texas Association of School Boards to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

22. 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 \$464,472 and \$450,360 in non-monetary transactions representing the value of the use of these off-campus facilities for the years ended August 31, 2013 and 2012, 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 \$116,478 and \$116,478 in non-monetary transactions representing the value of the donation of the facilities for the years ended August 31, 2013 and 2012, respectively. A corresponding amount is also included in non-operating revenues.

23. Post-Employment Benefits Other than Pensions

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

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

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2013**

23. Post-Employment Benefits Other than Pensions - Continued

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

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

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years.

The College's contributions to SRHP for the years ended August 31, 2013, 2012, and 2011, were \$71,104, \$64,792, and \$85,904, respectively, which equaled the required contributions each year.

**SUPPLEMENTAL FINANCIAL
INFORMATION**

**For the Fiscal Years Ended
August 31, 2013 and 2012**

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2013
With Memorandum Totals for the Year Ended August 31, 2012

			Total		Totals	
	Unrestricted	Restricted	Educational Activities	Auxiliary Enterprises	Current Year	Prior Year
Tuition						
State Funded Credit Courses						
In-District Resident Tuition	\$ 2,355,660	\$ -	\$ 2,355,660	\$ -	\$ 2,355,660	\$ 2,369,974
Out-of-District Resident Tuition	3,942,713	-	3,942,713	-	3,942,713	4,065,288
Non-Resident Tuition	258,874	-	258,874	-	258,874	219,229
TPEG - Credit (set aside)*	405,314	-	405,314	-	405,314	414,006
State Funded Continuing Education Courses	674,273	-	674,273	-	674,273	617,057
TPEG - Non-Credit (set aside)*	39,907	-	39,907	-	39,907	36,436
Non-State Funded Continuing Education	27,839	-	27,839	-	27,839	30,570
Total Tuition	<u>7,704,580</u>	<u>-</u>	<u>7,704,580</u>	<u>-</u>	<u>7,704,580</u>	<u>7,752,560</u>
Fees						
Student Service Fee	-	-	-	519,135	519,135	560,997
Building Use Fee	-	415,314	415,314	-	415,314	448,668
Laboratory Fee	563,949	-	563,949	-	563,949	565,225
Other Fees	212,286	-	212,286	177,275	389,561	430,790
Total Fees	<u>776,235</u>	<u>415,314</u>	<u>1,191,549</u>	<u>696,410</u>	<u>1,887,959</u>	<u>2,005,680</u>
Scholarship Allowances and Discounts						
Local Scholarships	(344,454)	-	(344,454)	(18,172)	(362,626)	(414,387)
Auxiliary Scholarships	(177,542)	-	(177,542)	(7,830)	(185,372)	(184,989)
Remissions and Exemptions-State	(199,538)	-	(199,538)	-	(199,538)	(139,510)
Remissions and Exemptions-Local	(3,868)	-	(3,868)	-	(3,868)	(4,927)
TPEG Allowances	(287,715)	-	(287,715)	(13,447)	(301,162)	(195,656)
Other State Grants	(207,160)	-	(207,160)	(8,231)	(215,391)	(223,401)
Title IV Federal Grants	(3,441,755)	-	(3,441,755)	(292,114)	(3,733,869)	(4,062,167)
Total Scholarship Allowances	<u>(4,662,032)</u>	<u>-</u>	<u>(4,662,032)</u>	<u>(339,794)</u>	<u>(5,001,826)</u>	<u>(5,225,037)</u>
Total Net Tuition and Fees	<u>3,818,783</u>	<u>415,314</u>	<u>4,234,097</u>	<u>356,616</u>	<u>4,590,713</u>	<u>4,533,203</u>
Additional Operating Revenues						
Federal Grants and Contracts	65,701	1,275,981	1,341,682	-	1,341,682	1,146,921
State Grants and Contracts	5,902	678,778	684,680	-	684,680	716,095
Non-Governmental Grants and Contracts	789,551	77,862	867,413	-	867,413	515,531
Sales and Services of Educational Activities	3,500	-	3,500	-	3,500	3,600
Investment Income (Program Restricted)	-	162,838	162,838	-	162,838	165,272
Other Operating Revenues	(26,009)	67,793	41,784	18,889	60,673	116,219
Total Additional Operating Revenues	<u>838,645</u>	<u>2,263,252</u>	<u>3,101,897</u>	<u>18,889</u>	<u>3,120,786</u>	<u>2,663,638</u>
Auxiliary Enterprises						
Residential Life	-	-	-	499,298	499,298	522,900
Scholarship Allowances and Discounts	-	-	-	(401,638)	(401,638)	(392,272)
Net Resident Life	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,660</u>	<u>97,660</u>	<u>130,628</u>
Bookstore	-	-	-	2,731,208	2,731,208	3,739,138
Scholarship Allowances and Discounts	-	-	-	(1,993,700)	(1,993,700)	(2,435,073)
Net Bookstore	<u>-</u>	<u>-</u>	<u>-</u>	<u>737,508</u>	<u>737,508</u>	<u>1,304,065</u>
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>835,168</u>	<u>835,168</u>	<u>1,434,693</u>
Total Operating Revenues	<u>\$ 4,657,428</u>	<u>\$ 2,678,566</u>	<u>\$ 7,335,994</u>	<u>\$ 1,210,673</u>	<u>\$ 8,546,667</u>	<u>\$ 8,631,534</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$445,221 and \$450,442 respectively were set aside for Texas Public Education Grants (TPEG).

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2013
With Memorandum Totals for the Year Ended August 31, 2012

	Operating Expenses				Totals	
	Salaries and Wages	State Benefits	Local Benefits	Other Expenses	Current Year	Prior Year
Unrestricted - Educational Activities						
Instruction	\$ 8,695,403	\$ -	\$ 1,417,209	\$ 659,629	\$ 10,772,241	\$ 10,343,798
Public Service	21,694	-	3,536	9,431	34,661	42,169
Academic Support	1,482,748	-	250,008	733,152	2,465,908	2,527,738
Student Services	896,934	-	146,186	166,156	1,209,276	1,231,019
Institutional Support	1,089,447	-	177,562	1,070,016	2,337,025	2,417,085
Operation and Maintenance of Plant	838,822	-	128,370	1,606,333	2,573,525	2,305,427
Total Unrestricted Educational Activities	13,025,048	-	2,122,871	4,244,717	19,392,636	18,867,236
Restricted - Educational Activities						
Instruction	242,992	900,584	11,466	305,237	1,460,279	1,261,044
Public Service	567,779	2,247	85,947	146,123	802,096	851,189
Academic Support	30,628	158,871	-	-	189,499	169,365
Student Services	246,038	92,896	42,066	122,036	503,036	423,895
Institutional Support	23,469	112,834	-	-	136,303	119,329
Operation and Maintenance of Plant	12,889	81,574	-	-	94,463	90,676
Scholarships and Fellowships	-	-	-	4,292,090	4,292,090	4,933,758
Total Restricted Educational Activities	1,123,795	1,349,006	139,479	4,865,486	7,477,766	7,849,256
Total Educational Activities	14,148,843	1,349,006	2,262,350	9,110,203	26,870,402	26,716,492
Auxiliary Enterprises	534,453	-	122,626	3,448,768	4,105,847	5,112,241
Depreciation Expense-Buildings and Improvements	-	-	-	1,503,158	1,503,158	1,396,347
Depreciation Expense-Equipment and Furniture	-	-	-	449,135	449,135	490,417
Total Operating Expenses	<u>\$ 14,683,296</u>	<u>\$ 1,349,006</u>	<u>\$ 2,384,976</u>	<u>\$ 14,511,264</u>	<u>\$ 32,928,542</u> (Exhibit 2)	<u>\$ 33,715,497</u> (Exhibit 2)

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE C
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2013
With Memorandum Totals for the Year Ended August 31, 2012

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Totals</u>	
				<u>Memorandum Only</u>	
				<u>Current Year</u>	<u>Prior Year</u>
Non-Operating Revenues					
State Appropriations					
Educational and General State Support	\$ 7,095,995	\$ -	\$ -	\$ 7,095,995	\$ 7,651,628
State Group Insurance	-	859,854	-	859,854	815,658
State Retirement Matching	-	489,152	-	489,152	468,337
Other State Support	144,834	-	-	144,834	156,112
Total State Appropriations	<u>7,240,829</u>	<u>1,349,006</u>	<u>-</u>	<u>8,589,835</u>	<u>9,091,735</u>
Maintenance Ad Valorem Taxes	4,602,104	-	-	4,602,104	4,425,665
Debt Service Ad Valorem Taxes	-	1,810,314	-	1,810,314	1,791,575
Federal Revenue, Non-Operating	-	10,205,465	-	10,205,465	11,603,694
Gifts	6,732	466,542	-	473,274	435,491
Investment Income (Net of Investment Expenses)	12,051	215,139	2,597	229,787	224,543
Other Non-Operating Revenues	<u>35,646</u>	<u>40,568</u>	<u>171,650</u>	<u>247,864</u>	<u>258,211</u>
Total Non-Operating Revenues	11,897,362	14,087,034	174,247	26,158,643	27,830,914
Non-Operating Expenses					
Interest on Capital Related Debt	(40,475)	938,850	-	898,375	953,727
Disposal of Capital Assets, net	<u>2,599</u>	<u>-</u>	<u>-</u>	<u>2,599</u>	<u>6,868</u>
Total Non-Operating Expenses	(37,876)	938,850	-	900,974	960,595
Net Non-Operating Revenues	<u>\$ 11,935,238</u>	<u>\$ 13,148,184</u>	<u>\$ 174,247</u>	<u>\$ 25,257,669</u>	<u>\$ 26,870,319</u>
				(Exhibit 2)	(Exhibit 2)

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE D
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 2013
With Memorandum Totals for the Year Ended August 31, 2012

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 2,424,747	\$ -	\$ -	\$ -	\$ 2,424,747	\$ 2,424,747	\$ -
Restricted	-	1,508,018	-	-	1,508,018	-	1,508,018
Auxiliary Enterprises	2,132,619	-	-	-	2,132,619	2,132,619	-
Loan	344,078	-	-	-	344,078	-	344,078
Endowment:							
Quasi:							
Unrestricted	1,409,876	-	-	-	1,409,876	-	1,409,876
Endowment:							
True	-	-	4,764,495	-	4,764,495	-	4,764,495
Plant:							
Unexpended	3,072,711	-	-	-	3,072,711	-	3,072,711
Debt Service	-	1,167,880	-	-	1,167,880	-	1,167,880
Investment in Plant	-	-	-	21,182,819	21,182,819	-	21,182,819
Total Net Position, August 31, 2013	9,384,031	2,675,898	4,764,495	21,182,819	38,007,243 (Exhibit 1)	4,557,366	33,449,877
Total Net Position, August 31, 2012	10,151,810	2,641,627	4,222,327	19,852,472	36,868,236 (Exhibit 1)	4,269,174	32,599,062
Net Increase (Decrease) in Net Position	\$ (767,779)	\$ 34,271	\$ 542,168	\$ 1,330,347	\$ 1,139,007 (Exhibit 2)	\$ 288,192	\$ 850,815

See independent auditors' report.



**Angelina County
Junior College District**

**STATISTICAL SECTION
(UNAUDITED)**

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2013 and 2012**

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SECTION OBJECTIVES
(UNAUDITED)**

This part of Angelina County Junior College District'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 for the relevant year.

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

	For the Fiscal Year Ended August 31,				
	2013	2012	2011	2010	2009
Invested in Capital Assets, Net of Related Debt	\$ 21,182,819	\$ 19,852,472	\$ 18,329,853	\$ 17,808,653	\$ 17,162,195
Restricted - Expendable	2,675,898	2,641,627	2,548,181	2,592,326	2,770,796
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>\$ 38,007,243</u>	<u>\$ 36,868,236</u>	<u>\$ 34,499,208</u>	<u>\$ 32,531,088</u>	<u>\$ 31,299,116</u>

	For the Fiscal Year Ended August 31,				
	2008	2007	2006	2005	2004
Invested in Capital Assets, Net of Related Debt	\$ 17,104,444	\$ 15,631,874	\$ 15,150,691	\$ 15,302,661	\$ 15,119,394
Restricted - Expendable	2,665,589	2,521,888	2,467,975	1,954,095	1,900,011
Restricted - Nonexpendable	3,001,016	3,151,197	2,357,498	2,280,274	2,172,165
Unrestricted	7,799,155	6,635,185	5,958,470	4,505,326	4,047,019
Total Net Position	<u>\$ 30,570,204</u>	<u>\$ 27,940,144</u>	<u>\$ 25,934,634</u>	<u>\$ 24,042,356</u>	<u>\$ 23,238,589</u>

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 2
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	8,546,667	8,631,534	9,623,860	8,796,025	9,471,796
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	247,864	258,211	257,637	238,063	235,482
Total Non-Operating Revenues	26,158,643	27,830,914	28,156,517	26,839,993	21,604,379
Capital Contributions	-	8,081	230,000	47,500	-
Additions to Permanent Endowments	263,213	574,591	146,012	27,096	64,090
Extraordinary Items	-	-	-	-	-
Total Other Revenues	263,213	582,672	376,012	74,596	64,090
Total Revenues	\$ 34,968,523	\$ 37,045,120	\$ 38,156,389	\$ 35,710,614	\$ 31,140,265

	For the Year Ended August 31,				
	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	13.12%	12.24%	11.38%	11.19%	13.58%
Federal Grants and Contracts	3.84%	3.10%	3.56%	3.67%	4.04%
State Grants and Contracts	1.96%	1.93%	3.08%	2.52%	2.31%
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%	5.26%	7.67%
Other Operating Revenues	0.17%	0.31%	0.59%	0.40%	0.56%
Total Operating Revenues	24.44%	23.30%	25.22%	24.62%	30.41%
State Appropriations	24.57%	24.54%	25.51%	27.51%	33.50%
Ad Valorem Taxes	18.34%	16.78%	15.35%	15.36%	15.17%
Federal Revenue, Non-Operating	29.18%	31.32%	30.38%	29.52%	18.37%
Gifts	1.35%	1.18%	1.44%	1.65%	1.44%
Investment Income	0.66%	0.61%	0.44%	0.46%	0.14%
Other Non-Operating Revenues	0.71%	0.70%	0.68%	0.67%	0.76%
Total Non-Operating Revenues	74.81%	75.13%	73.80%	75.17%	69.38%
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%
Extraordinary Items	0.00%	0.00%	0.00%	0.00%	0.00%
Total Other Revenues	0.75%	1.57%	0.98%	0.21%	0.21%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

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

	For the Year Ended August 31,				
	2008	2007	2006	2005	2004
Tuition and Fees (Net of Discounts)	\$ 3,872,967	\$ 4,651,422	\$ 4,335,141	\$ 3,257,808	\$ 2,844,744
Federal Grants and Contracts	1,355,194	1,465,623	1,517,596	1,553,014	1,524,326
State Grants and Contracts	575,512	508,919	298,877	481,115	523,001
Non-Governmental Grants and Contracts	332,047	286,658	272,483	276,403	235,122
Sales and Services of Educational Activities	17,850	6,825	12,950	18,725	-
Investment Income - Program Restricted	212,514	196,762	161,038	102,551	87,934
Auxiliary Enterprises	1,381,737	2,304,925	2,108,606	1,461,134	1,428,776
Other Operating Revenues	172,646	98,478	99,020	75,221	96,098
Total Operating Revenues	7,920,467	9,519,612	8,805,711	7,225,971	6,740,001
State Appropriations	10,366,211	10,340,180	10,302,355	9,482,791	9,436,818
Ad Valorem Taxes	3,870,282	3,731,027	3,503,079	3,226,482	3,091,600
Federal Revenue, Non-Operating	4,922,339	4,982,062	4,242,115	6,534,324	6,850,148
Gifts	463,358	426,194	382,528	322,238	327,827
Investment Income	99,392	461,959	206,418	53,916	30,007
Other Non-Operating Revenues	236,343	246,254	229,480	105,709	99,529
Total Non-Operating Revenues	19,957,925	20,187,676	18,865,975	19,725,460	19,835,929
Capital Contributions	1,576,902	-	240,172	797,761	-
Additions to Permanent Endowments	93,634	648,691	87,467	146,890	393,543
Extraordinary Items	-	-	-	-	-
Total Other Revenues	1,670,536	648,691	327,639	944,651	393,543
Total Revenues	\$ 29,548,928	\$ 30,355,979	\$ 27,999,325	\$ 27,896,082	\$ 26,969,473

	For the Year Ended August 31,				
	2008	2007	2006	2005	2004
Tuition and Fees (Net of Discounts)	13.11%	15.33%	15.48%	11.68%	10.55%
Federal Grants and Contracts	4.59%	4.83%	5.42%	5.56%	5.65%
State Grants and Contracts	1.95%	1.68%	1.07%	1.72%	1.94%
Non-Governmental Grants and Contracts	1.12%	0.94%	0.97%	0.99%	0.87%
Sales and Services of Educational Activities	0.06%	0.02%	0.05%	0.07%	0.00%
Investment Income - Program Restricted	0.72%	0.65%	0.58%	0.37%	0.32%
Auxiliary Enterprises	4.68%	7.59%	7.53%	5.24%	5.30%
Other Operating Revenues	0.58%	0.32%	0.35%	0.27%	0.36%
Total Operating Revenues	26.81%	31.36%	31.45%	25.90%	24.99%
State Appropriations	35.07%	34.07%	36.79%	33.99%	34.99%
Ad Valorem Taxes	13.10%	12.29%	12.51%	11.57%	11.46%
Federal Revenue, Non-Operating	16.66%	16.41%	15.15%	23.42%	25.40%
Gifts	1.57%	1.40%	1.37%	1.16%	1.22%
Investment Income	0.34%	1.52%	0.74%	0.19%	0.11%
Other Non-Operating Revenues	0.80%	0.81%	0.82%	0.38%	0.37%
Total Non-Operating Revenues	67.54%	66.50%	67.38%	70.71%	73.55%
Capital Contributions	5.33%	0.00%	0.86%	2.86%	0.00%
Additions to Permanent Endowments	0.32%	2.14%	0.31%	0.53%	1.46%
Extraordinary Items	0.00%	0.00%	0.00%	0.00%	0.00%
Total Other Revenues	5.65%	2.14%	1.17%	3.39%	1.46%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 3
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	898,375	953,727	1,001,592	1,086,195	881,649
Loss on Disposal of Fixed Assets	2,599	6,868	6,010	131,415	2,028
Total Non-Operating Expenses	<u>900,974</u>	<u>960,595</u>	<u>1,007,602</u>	<u>1,217,610</u>	<u>883,677</u>
Total Expenses	<u>\$ 33,829,516</u>	<u>\$ 34,676,092</u>	<u>\$ 36,188,269</u>	<u>\$ 34,478,642</u>	<u>\$ 30,411,353</u>

	For the Year Ended August 31,				
	2013	2012	2011	2010	2009
Instruction	36.16%	33.46%	34.40%	33.32%	35.97%
Public Service	2.47%	2.58%	2.59%	2.60%	3.13%
Academic Support	7.85%	7.78%	6.96%	7.08%	6.96%
Student Services	5.06%	4.77%	4.55%	4.52%	4.80%
Institutional Support	7.31%	7.31%	6.45%	6.56%	7.52%
Operation and Maintenance of Plant	7.89%	6.91%	6.60%	6.84%	7.31%
Scholarships and Fellowships	12.69%	14.23%	15.71%	15.43%	17.49%
Auxiliary Enterprises	12.14%	14.74%	15.39%	15.64%	9.71%
Depreciation	5.77%	5.44%	4.56%	4.48%	4.20%
Total Operating Expenses	<u>97.34%</u>	<u>97.22%</u>	<u>97.21%</u>	<u>96.47%</u>	<u>97.09%</u>
Interest on Capital Related Debt	2.65%	2.76%	2.77%	3.15%	2.90%
Loss on Disposal of Fixed Assets	0.01%	0.02%	0.02%	0.38%	0.01%
Total Non-Operating Expenses	<u>2.66%</u>	<u>2.78%</u>	<u>2.79%</u>	<u>3.53%</u>	<u>2.91%</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>\$ 1,139,007</u>	<u>\$ 2,369,028</u>	<u>\$ 1,968,120</u>	<u>\$ 1,231,972</u>	<u>\$ 728,912</u>

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

	For the Year Ended August 31,				
	2008	2007	2006	2005	2004
Instruction	\$ 10,209,697	\$ 10,083,644	\$ 9,769,216	\$ 9,756,666	\$ 9,151,831
Public Service	930,064	958,980	969,758	929,900	970,057
Academic Support	2,150,222	2,132,574	2,121,016	2,066,005	1,899,775
Student Services	1,425,917	1,443,954	1,408,440	1,326,358	1,309,605
Institutional Support	2,250,869	2,082,862	1,818,627	1,771,312	1,579,402
Operation and Maintenance of Plant	2,118,858	2,103,785	2,130,309	1,938,447	1,641,426
Scholarships and Fellowships	4,100,908	4,969,889	3,811,481	5,107,214	5,621,757
Auxiliary Enterprises	1,930,804	2,812,996	2,488,475	1,573,432	1,443,723
Depreciation	1,260,739	1,203,454	1,198,516	1,166,854	1,126,438
Total Operating Expenses	<u>26,378,078</u>	<u>27,792,138</u>	<u>25,715,838</u>	<u>25,636,188</u>	<u>24,744,014</u>
Interest on Capital Related Debt	528,196	542,510	679,282	685,449	830,230
Loss on Disposal of Fixed Assets	12,594	15,821	7,594	6,574	13,750
Total Non-Operating Expenses	<u>540,790</u>	<u>558,331</u>	<u>686,876</u>	<u>692,023</u>	<u>843,980</u>
Total Expenses	<u>\$ 26,918,868</u>	<u>\$ 28,350,469</u>	<u>\$ 26,402,714</u>	<u>\$ 26,328,211</u>	<u>\$ 25,587,994</u>

	For the Year Ended August 31,				
	2008	2007	2006	2005	2004
Instruction	37.93%	35.57%	37.00%	37.06%	35.77%
Public Service	3.46%	3.38%	3.67%	3.53%	3.79%
Academic Support	7.99%	7.52%	8.03%	7.85%	7.43%
Student Services	5.30%	5.09%	5.33%	5.04%	5.12%
Institutional Support	8.36%	7.35%	6.89%	6.73%	6.17%
Operation and Maintenance of Plant	7.87%	7.42%	8.07%	7.36%	6.41%
Scholarships and Fellowships	15.23%	17.53%	14.44%	19.40%	21.97%
Auxiliary Enterprises	7.17%	9.93%	9.43%	5.97%	5.64%
Depreciation	4.68%	4.24%	4.54%	4.43%	4.40%
Total Operating Expenses	<u>97.99%</u>	<u>98.03%</u>	<u>97.40%</u>	<u>97.37%</u>	<u>96.70%</u>
Interest on Capital Related Debt	1.96%	1.91%	2.57%	2.61%	3.25%
Loss on Disposal of Fixed Assets	0.05%	0.06%	0.03%	0.02%	0.05%
Total Non-Operating Expenses	<u>2.01%</u>	<u>1.97%</u>	<u>2.60%</u>	<u>2.63%</u>	<u>3.30%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Change in Net Position	<u>\$ 2,630,060</u>	<u>\$ 2,005,510</u>	<u>\$ 1,596,611</u>	<u>\$ 1,567,871</u>	<u>\$ 1,381,479</u>
------------------------	---------------------	---------------------	---------------------	---------------------	---------------------

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
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	Student Services 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
2012	\$50	\$80	\$4	\$5	\$708	\$1,068	3.51%	7.23%
2011	48	74	4	5	684	996	16.33%	16.90%
2010	40	62	4	5	588	852	11.36%	7.58%
2009	35	57	4	5	528	792	7.98%	8.64%
2008	33	53	4	5	489	729	7.95%	8.97%
2007	30	48	4	5	453	669	0.00%	0.00%
2006	30	48	4	5	453	669	5.59%	5.69%
2005	28	45	4	5	429	633	9.16%	10.47%
2004	25	40	4	5	393	573	13.91%	20.13%
2003	21	32	4	5	345	477	12.75%	15.22%

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

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 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	Student Services Fee	Cost for 12 SCH Out-of-State	Increase from Prior Year Out- of-State
2012	\$120	\$4	\$5	\$1,548	13.16%
2011	105	4	5	1,368	16.33%
2010	89	4	5	1,176	5.38%
2009	84	4	5	1,116	8.45%
2008	78	4	5	1,029	10.29%
2007	70	4	5	933	0.00%
2006	70	4	5	933	6.87%
2005	65	4	5	873	7.38%
2004	60	4	5	813	13.39%
2003	52	4	5	717	13.81%

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

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
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)
2012-13	\$ 4,319,178,725	\$ 560,918,897	\$ 3,758,259,828	87.01%	0.12240	0.04828	0.170680
2011-12	4,263,436,076	563,673,416	3,699,762,660	86.78%	0.11880	0.04820	0.167000
2010-11	4,188,567,447	551,873,718	3,636,693,729	86.82%	0.11000	0.04900	0.159000
2009-10	4,058,206,848	492,191,065	3,566,015,783	87.87%	0.10350	0.05170	0.155200
2008-09	3,582,902,535	238,537,528	3,344,365,007	93.34%	0.10180	0.03570	0.137500
2007-08	3,473,591,068	290,798,782	3,182,792,286	91.63%	0.09700	0.02250	0.119500
2006-07	3,301,454,790	324,074,811	2,977,379,979	90.18%	0.09470	0.02430	0.119000
2005-06	3,278,809,127	366,236,487	2,912,572,640	88.83%	0.09090	0.02470	0.115600
2004-05	3,174,526,080	383,306,308	2,791,219,772	87.93%	0.08940	0.02600	0.115400
2003-04	3,051,548,692	423,983,680	2,627,565,012	86.11%	0.08450	0.02960	0.114100

Source: Angelina County Central Appraisal District

Note: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 6
 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	
2012-13	\$ 7,095,995	3,720	\$ 1,908	1,429,977	661,364	2,091,341	3.39
2011-12	7,651,628	3,981	1,922	1,565,846	679,626	2,245,472	3.41
2010-11	7,776,673	4,152	1,873	1,633,081	737,204	2,370,285	3.28
2009-10	7,864,085	4,035	1,949	1,602,944	651,814	2,254,758	3.49
2008-09	8,407,217	3,476	2,419	1,366,313	581,064	1,947,377	4.32
2007-08	8,407,214	2,225	3,779	1,319,837	617,518	1,937,355	4.34
2006-07	8,407,214	2,227	3,776	1,355,170	579,768	1,934,938	4.34
2005-06	8,407,214	2,244	3,747	1,382,338	572,003	1,954,341	4.30
2004-05	8,056,955	2,544	3,167	1,486,050	666,407	2,152,457	3.74
2003-04	8,057,088	2,650	3,041	1,502,670	642,664	2,145,334	3.76

Note: FTSE is defined as Semester Credit Hours divided by 30 plus Non-Semester Length Technical Contact Hours divided by 900.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 7
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
Brookshire Brothers Inc.	Groceries	29,991	30,308	29,467	30,492	32,806
Brookshire Brothers LTD	Groceries	-	-	-	-	-
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 Specialty Chemicals	Manufacturing	-	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	12,827	13,216	13,382	13,609	13,946
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
SND Operating LLC	Oil & Gas	-	11,564	21,152	-	-
Temple-Inland FPC	Manufacturing	35,270	33,501	33,680	25,021	28,110
Texas Foundries LTD	Manufacturing	-	-	-	-	-
TIN Inc.	Manufacturing	-	16,840	18,741	31,174	34,229
Trans Canada Keystone Pipeline	Oil & Gas	19,505	-	-	-	-
TXU Communications Telephone Co.	Utility	-	-	-	-	-
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
	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%
Brookshire Brothers Inc.	Groceries	0.80%	0.82%	0.81%	0.86%	0.98%
Brookshire Brothers LTD	Groceries	-	-	-	-	-
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 Specialty Chemicals	Manufacturing	-	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	0.34%	0.36%	0.37%	0.38%	0.42%
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%
SND Operating LLC	Oil & Gas	-	0.31%	0.58%	-	-
Temple-Inland FPC	Manufacturing	0.94%	0.91%	0.93%	0.70%	0.84%
Texas Foundries LTD	Manufacturing	-	-	-	-	-
TIN Inc.	Manufacturing	-	0.46%	0.52%	0.87%	1.02%
Trans Canada Keystone Pipeline	Oil & Gas	0.52%	-	-	-	-
TXU Communications Telephone Co.	Utility	-	-	-	-	-
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%
	Totals	13.41%	13.48%	13.64%	13.91%	16.60%

Source: Angelina County Central Appraisal District

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
		2007-08	2006-07	2005-06	2004-05	2003-04
Abitibi Consolidated Corp.	Manufacturing	\$ 20,860	\$ 30,487	\$ 52,200	\$ 24,824	\$ 35,412
American Color Graphics Inc.	Manufacturing	12,812	-	-	-	-
Aspen Power LLC	Energy	-	-	-	-	-
BBL Real Estate Holding LTD	Retail	11,873	-	-	-	-
Brookshire Brothers Inc.	Groceries	30,645	30,497	31,763	28,533	26,352
Brookshire Brothers LTD	Groceries	-	-	-	13,938	-
Consolidated Comm of Texas	Utility	44,600	56,275	50,025	45,748	-
Crown Pine Timber 1 LP	Agricultural	17,755	-	-	-	-
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	-	-
Energy Transfer Fuel	Oil & Gas	-	-	-	-	-
Georgia Pacific Chemicals LLC	Manufacturing	14,192	-	17,839	17,614	15,131
Hexion Specialty Chemicals	Manufacturing	12,337	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	11,573	-	-	-	-
Lowe's Home Centers Inc.	Retail	11,402	-	-	-	-
Lufkin GKD Partners LP	Retail	15,244	-	-	-	-
Lufkin Industries	Manufacturing	101,717	94,550	87,111	85,366	72,793
Nabors Drilling USA LP	Oil & Gas	-	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	-	-
Oncor Electric Delivery Co.	Utility Distribution	64,178	-	-	-	55,017
Pilgrim Industries Inc.	Food	20,925	21,478	23,265	24,966	14,440
Pineywoods Health Care Systems LP	Medical	38,985	17,486	16,013	-	13,967
SND Operating LLC	Oil & Gas	-	-	-	-	-
Temple-Inland FPC	Manufacturing	52,634	44,223	102,273	123,449	132,089
Texas Foundries LTD	Manufacturing	17,350	20,895	17,574	35,906	40,904
TIN Inc.	Manufacturing	34,145	67,297	-	-	-
Trans Canada Keystone Pipeline	Oil & Gas	-	-	-	-	-
TXU Communications Telephone Co.	Utility	-	-	-	-	54,161
TXU Electric Delivery Company	Utility	-	61,309	59,848	57,572	-
Union Pacific RR Co.	Transportation	-	-	-	-	-
Wal-Mart Real Estate #140	Retail	12,727	-	-	-	-
	Totals	\$ 545,954	\$ 444,497	\$ 457,911	\$ 457,916	\$ 460,266
Total Taxable Assessed Value		\$ 3,182,792	\$ 2,988,458	\$ 2,912,573	\$ 2,791,220	\$ 2,627,565

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2007-08	2006-07	2005-06	2004-05	2003-04
Abitibi Consolidated Corp.	Manufacturing	0.66%	1.02%	1.79%	0.89%	1.35%
American Color Graphics Inc.	Manufacturing	0.40%	-	-	-	-
Aspen Power LLC	Energy	-	-	-	-	-
BBL Real Estate Holding LTD	Retail	0.37%	-	-	-	-
Brookshire Brothers Inc.	Groceries	0.96%	1.02%	1.09%	1.02%	1.00%
Brookshire Brothers LTD	Groceries	-	-	-	0.50%	-
Consolidated Comm of Texas	Utility	1.40%	1.88%	1.72%	1.64%	-
Crown Pine Timber 1 LP	Agricultural	0.56%	-	-	-	-
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	-	-
Energy Transfer Fuel	Oil & Gas	-	-	-	-	-
Georgia Pacific Chemicals LLC	Manufacturing	0.45%	-	0.61%	0.63%	0.58%
Hexion Specialty Chemicals	Manufacturing	0.39%	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	0.36%	-	-	-	-
Lowe's Home Centers Inc.	Retail	0.36%	-	-	-	-
Lufkin GKD Partners LP	Retail	0.48%	-	-	-	-
Lufkin Industries	Manufacturing	3.20%	3.16%	2.99%	3.06%	2.77%
Nabors Drilling USA LP	Oil & Gas	-	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	-	-
Oncor Electric Delivery Co.	Utility Distribution	2.02%	-	-	-	2.09%
Pilgrim Industries Inc.	Food	0.66%	0.72%	0.80%	0.89%	0.55%
Pineywoods Health Care Systems LP	Medical	1.22%	0.59%	0.55%	-	0.53%
SND Operating LLC	Oil & Gas	-	-	-	-	-
Temple-Inland FPC	Manufacturing	1.65%	1.48%	3.51%	4.42%	5.03%
Texas Foundries LTD	Manufacturing	0.55%	0.70%	0.60%	1.29%	1.56%
TIN Inc.	Manufacturing	1.07%	2.25%	-	-	-
Trans Canada Keystone Pipeline	Oil & Gas	-	-	-	-	-
TXU Communications Telephone Co.	Utility	-	-	-	-	2.06%
TXU Electric Delivery Company	Utility	-	2.05%	2.05%	2.06%	-
Union Pacific RR Co.	Transportation	-	-	-	-	-
Wal-Mart Real Estate #140	Retail	0.40%	-	-	-	-
	Totals	17.16%	14.87%	15.71%	16.40%	17.52%

Source: Angelina County Central Appraisal District

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
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
2013	\$ 6,415	\$ (15)	\$ 6,400	\$ 6,197	96.82%	\$ -	\$ -	\$ 6,197	96.82%
2012	6,179	15	6,194	5,961	96.24%	(3)	79	6,037	97.46%
2011	5,782	1	5,783	5,620	97.18%	65	26	5,711	98.76%
2010	5,534	(29)	5,505	5,332	96.87%	111	17	5,460	99.18%
2009	4,599	(19)	4,580	4,448	97.11%	98	7	4,553	99.41%
2008	3,803	6	3,809	3,710	97.41%	75	5	3,790	99.50%
2007	3,543	(34)	3,509	3,409	97.16%	80	3	3,492	99.52%
2006	3,367	(20)	3,347	3,215	96.04%	114	2	3,331	99.52%
2005	3,221	(34)	3,187	3,061	96.04%	113	1	3,175	99.63%
2004	2,998	49	3,047	2,932	96.22%	101	1	3,034	99.55%

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

	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%

	For the Year Ended August 31 (amounts expressed in thousands)				
	2008	2007	2006	2005	2004
General Bonded Debt					
Limited Tax Bonds	\$ 17,057	\$ 7,345	\$ 7,788	\$ 8,042	\$ 8,390
Less: Funds Restricted for Debt Service	(1,279)	(1,228)	(1,224)	(1,151)	(1,073)
Net General Bonded Debt	<u>\$ 15,778</u>	<u>\$ 6,117</u>	<u>\$ 6,564</u>	<u>\$ 6,891</u>	<u>\$ 7,317</u>
Other Debt					
Revenue Bonds	\$ 1,770	\$ 1,945	\$ 2,110	\$ 2,265	\$ 2,415
Maintenance Tax Notes	545	710	870	1,020	1,165
Long-Term Loans	-	1,597	1,681	1,761	1,836
Total Outstanding Debt	<u>\$ 18,093</u>	<u>\$ 10,369</u>	<u>\$ 11,225</u>	<u>\$ 11,937</u>	<u>\$ 12,733</u>
General Bonded Debt Ratios					
Per Capita	\$ 191	\$ 70	\$ 76	\$ 81	\$ 87
Per FTSE	4,955	2,747	2,925	2,709	2,761
As a Percentage of Taxable Assessed Value	0.53%	0.21%	0.23%	0.25%	0.28%
Total Outstanding Debt Ratios					
Per Capita	\$ 219	\$ 118	\$ 130	\$ 140	\$ 151
Per FTSE	5,682	4,656	5,002	4,692	4,805
As a Percentage of Taxable Assessed Value	0.61%	0.35%	0.39%	0.43%	0.48%

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

	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%

	For the Year Ended August 31 (amount expressed in thousands)				
	2008	2007	2006	2005	2004
Taxable Assessed Value	\$ 3,182,792	\$ 2,977,380	\$ 2,912,573	\$ 2,791,220	\$ 2,627,565
General Obligation Bonds					
Statutory Tax Levy Limit for Debt Service	\$ 15,914	\$ 14,887	\$ 14,563	\$ 13,956	\$ 13,138
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-
Total Net General Obligation Debt	15,914	14,887	14,563	13,956	13,138
Less Current Year Debt Service Requirements	1,307	444	254	348	185
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 14,607	\$ 14,443	\$ 14,309	\$ 13,608	\$ 12,953
Net Current Requirements as a % of Statutory Limit	8.21%	2.98%	1.74%	2.49%	1.41%

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 COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 11
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

REVENUE BONDS

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)			Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Building			Principal	Interest	Total	
	Tuition	Fees	Total				
2013	\$ -	\$ 415	\$ 415	\$ 225	\$ 51	\$ 276	1.50
2012	-	449	449	215	62	277	1.62
2011	-	468	468	200	72	272	1.72
2010	-	447	447	190	81	271	1.65
2009	-	385	385	180	89	269	1.43
2008	54	381	435	175	97	272	1.60
2007	246	384	630	165	105	270	2.33
2006	243	388	631	155	115	270	2.34
2005	192	419	611	150	124	274	2.23
2004	254	420	674	140	132	272	2.48

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

Calendar Year	District Population	District Personal Income	District Personal Income Per Capita	District Unemployment Rate
2012	87,597	*	*	6.7%
2011	87,669	2,930,199,000	33,423	7.7%
2010	86,986	2,844,111,000	32,696	8.3%
2009	86,029	2,910,790,000	33,835	8.3%
2008	83,038	2,807,182,628	33,806	4.9%
2007	82,570	2,693,996,000	32,627	4.4%
2006	82,204	2,539,450,000	30,892	4.7%
2005	81,557	2,326,549,000	28,527	5.4%
2004	81,272	2,215,506,000	27,260	6.5%
2003	80,957	2,093,846,000	25,864	6.6%

* Data not available as of reporting date.

Source:

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

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 13
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR
(UNAUDITED)**

<u>Employer</u>	2013		2012		2011		2010		2009	
	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
Lufkin Industries Inc.	1,745	4.67%	1,824	4.91%	1,430	3.90%	1,379	3.82%	581	1.53%
Lufkin Independent School District	1,500	4.01%	1,340	3.60%	1,500	4.09%	1,381	3.82%	1,491	3.92%
Pilgrim's	1,466	3.92%	1,250	3.36%	1,466	4.00%	1,668	4.62%	1,500	3.95%
Brookshire Brothers, LTC	1,132	3.03%	1,223	3.29%	1,396	3.81%	1,051	2.91%	1,051	2.77%
Lufkin State Supported Living Center	1,132	3.03%	1,178	3.17%	1,132	3.09%	1,125	3.12%	975	2.57%
Memorial Health Systems of Texas	1,119	2.99%	1,083	2.91%	1,119	3.05%	1,107	3.07%	1,057	2.78%
Angelina College	689	1.84%	697	1.87%	706	1.93%	662	1.83%	605	1.59%
Temple-Inland/Georgia Pacific	554	1.48%	502	1.35%	554	1.51%	539	1.49%	1,007	2.65%
Woodland Heights Medical Center	526	1.41%	526	1.41%	500	1.36%	634	1.76%	630	1.66%
Wal-Mart Supercenter	525	1.40%	525	1.41%	525	1.43%	505	1.40%	510	1.34%
Citation Corporation	-	-	-	-	-	-	-	-	-	-
Other Angelina County Employers	27,007	72.22%	27,034	72.72%	26,324	71.83%	26,056	72.16%	28,603	75.24%
Total	37,395	100.00%	37,182	100.00%	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%

<u>Employer</u>	2008		2007		2006	
	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
Lufkin Industries Inc.	1,785	4.66%	1,900	4.89%	1,900	5.13%
Lufkin Independent School District	1,490	3.89%	1,495	3.85%	1,378	3.72%
Pilgrim's	1,500	3.92%	1,500	3.86%	1,500	4.05%
Brookshire Brothers, LTC	1,050	2.74%	1,052	2.71%	1,052	2.84%
Lufkin State Supported Living Center	890	2.32%	898	2.31%	909	2.45%
Memorial Health Systems of Texas	1,027	2.68%	1,038	2.67%	1,068	2.88%
Angelina College	609	1.59%	605	1.56%	642	1.73%
Temple-Inland/Georgia Pacific	1,004	2.62%	1,058	2.72%	1,193	3.22%
Woodland Heights Medical Center	630	1.64%	625	1.61%	625	1.69%
Wal-Mart Supercenter	515	1.34%	525	1.35%	525	1.42%
Citation Corporation	445	1.16%	455	1.17%	455	1.23%
Other Angelina County Employers	27,365	71.44%	27,713	71.30%	25,807	69.64%
Total	38,310	100.00%	38,864	100.00%	37,054	100.00%
Angelina County Summary						
Number Employed	38,310	95.60%	38,864	95.80%	37,054	94.74%
Number Unemployed	1,765	4.40%	1,704	4.20%	2,056	5.26%
Total Available Labor Force	40,075	100.00%	40,568	100.00%	39,110	100.00%

Note: The College presented this schedule starting fiscal year 2006 and has chosen to implement prospectively.

Source:

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

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 14
 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	46.3	45.7	45.3	45.9	46.8
FTSE per Full-Time Staff Member	41.5	40.3	45.3	43.4	43.7
Average Annual Faculty Salary	\$ 48,793	\$ 47,045	\$ 48,191	\$ 47,848	\$ 47,441

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

	Fiscal Year				
	2008	2007	2006	2005	2004
Faculty					
Full-Time	115	116	117	116	109
Part-Time	254	248	235	275	305
Total	369	364	352	391	414
Percent					
Full-Time	31.2%	31.9%	33.2%	29.7%	26.3%
Part-Time	68.8%	68.1%	66.8%	70.3%	73.7%
Staff and Administrators					
Full-Time	127	120	125	118	123
Part-Time	119	125	128	133	113
Total	246	245	253	251	236
Percent					
Full-Time	51.6%	49.0%	49.4%	47.0%	52.1%
Part-Time	48.4%	51.0%	50.6%	53.0%	47.9%
FTSE per Full-time Faculty	42.7	39.9	39.8	41.0	45.2
FTSE per Full-Time Staff Member	38.7	38.5	37.3	40.3	40.0
Average Annual Faculty Salary	\$ 47,212	\$ 45,461	\$ 46,557	\$ 45,472	\$ 45,383

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 15
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	27.96%	1,505	25.78%	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	32.67%	2,039	34.95%	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
---------------------	-----	-----	-----	-----	-----

<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%

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

<u>Student Classification</u>	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	3,646	78.85%	3,631	77.95%	3,579	75.25%	3,798	77.13%	3,893	77.55%
31-60 hours	956	20.67%	762	16.36%	918	19.30%	1,084	22.02%	1,078	21.47%
> 60 hours	22	0.48%	265	5.69%	259	5.45%	42	0.85%	49	0.98%
Total	4,624	100.00%	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%

<u>Semester Hour Load</u>	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3 semester hours	16	0.35%	14	0.30%	52	1.10%	33	0.67%	22	0.44%
3-5 semester hours	816	17.65%	800	17.18%	875	18.40%	865	17.57%	962	19.16%
6-8 semester hours	1,129	24.42%	1,079	23.16%	938	19.72%	980	19.90%	963	19.18%
9-11 semester hours	688	14.88%	664	14.26%	656	13.79%	712	14.46%	766	15.26%
12-14 semester hours	1,617	34.96%	1,660	35.64%	1,727	36.31%	1,871	38.00%	1,809	36.04%
15-17 semester hours	291	6.29%	384	8.24%	429	9.02%	385	7.82%	409	8.15%
18 & over semester hours	67	1.45%	57	1.22%	79	1.66%	78	1.58%	89	1.77%
Total	4,624	100.00%	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%

Average course load	9.4	9.4	9.5	9.6	9.5
---------------------	-----	-----	-----	-----	-----

<u>Tuition Status</u>	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	1,957	42.32%	2,171	46.61%	2,255	47.41%	2,268	46.06%	2,316	46.14%
Texas Resident (Out-of-District)	2,510	54.28%	2,342	50.28%	2,364	49.71%	2,502	50.81%	2,567	51.14%
Non-Resident Tuition	157	3.40%	145	3.11%	137	2.88%	154	3.13%	137	2.72%
Total	4,624	100.00%	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%

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

Gender	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,460	63.92%	3,727	63.86%	3,663	62.04%	3,348	62.16%	3,170	64.51%
Male	1,953	36.08%	2,109	36.14%	2,241	37.96%	2,038	37.84%	1,744	35.49%
Total	5,413	100.00%	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%

Ethnic Origin	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	3,449	63.71%	3,684	63.12%	3,747	63.46%	4,016	74.56%	3,980	80.99%
Hispanic	939	17.35%	884	15.15%	1,005	17.02%	540	10.03%	398	8.10%
African American	756	13.97%	901	15.44%	883	14.96%	707	13.13%	448	9.12%
Asian	40	0.74%	40	0.69%	45	0.76%	32	0.59%	23	0.47%
Foreign	25	0.46%	24	0.41%	28	0.47%	45	0.84%	27	0.55%
Native American	25	0.46%	31	0.53%	31	0.53%	26	0.48%	8	0.16%
Native Hawaiian	3	0.06%	6	0.10%	4	0.07%	-	0.00%	-	0.00%
Multiracial	128	2.36%	136	2.33%	121	2.05%	-	0.00%	-	0.00%
Other	48	0.89%	130	2.23%	40	0.68%	20	0.37%	30	0.61%
Total	5,413	100.00%	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%

Age	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,246	23.02%	1,323	22.67%	1,255	21.26%	1,021	18.96%	1,031	20.98%
18 - 21	2,130	39.34%	2,332	39.95%	2,353	39.85%	2,265	42.05%	2,025	41.21%
22 - 24	572	10.57%	602	10.32%	577	9.77%	570	10.58%	485	9.87%
25 - 35	910	16.81%	961	16.47%	1,017	17.23%	895	16.62%	823	16.75%
36 - 50	454	8.39%	514	8.81%	584	9.89%	539	10.01%	458	9.32%
51 & over	101	1.87%	104	1.78%	118	2.00%	96	1.78%	92	1.87%
Total	5,413	100.00%	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%

Average Age	23	23	24	24	23
-------------	----	----	----	----	----

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

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

Gender	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	2,919	63.13%	2,947	63.27%	3,017	63.44%	3,134	63.65%	3,178	63.31%
Male	1,705	36.87%	1,711	36.73%	1,739	36.56%	1,790	36.35%	1,842	36.69%
Total	4,624	100.00%	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%

Ethnic Origin	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	3,716	80.36%	3,556	76.34%	3,552	74.68%	3,618	73.48%	3,744	74.58%
Hispanic	396	8.57%	473	10.16%	477	10.03%	506	10.28%	466	9.28%
African American	431	9.32%	572	12.28%	671	14.11%	744	15.11%	745	14.84%
Asian	24	0.52%	33	0.71%	34	0.72%	35	0.71%	34	0.68%
Foreign	16	0.35%	-	0.00%	20	0.42%	5	0.10%	6	0.12%
Native American	8	0.17%	7	0.15%	2	0.04%	5	0.10%	25	0.50%
Native Hawaiian	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Multiracial	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other	33	0.71%	17	0.36%	-	0.00%	11	0.22%	-	0.00%
Total	4,624	100.00%	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%

Age	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	868	18.77%	705	15.14%	717	15.08%	620	12.59%	619	12.33%
18 - 21	1,950	42.17%	1,941	41.67%	1,991	41.86%	2,041	41.45%	2,080	41.43%
22 - 24	528	11.42%	529	11.36%	544	11.44%	599	12.16%	583	11.61%
25 - 35	802	17.34%	932	20.00%	935	19.66%	986	20.02%	1,045	20.83%
36 - 50	391	8.46%	458	9.83%	467	9.82%	552	11.21%	605	12.05%
51 & over	85	1.84%	93	2.00%	102	2.14%	126	2.57%	88	1.75%
Total	4,624	100.00%	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%

Average Age	23	24	24	25	25
-------------	----	----	----	----	----

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 17
 TRANSFERS TO SENIOR INSTITUTIONS
 2011 FALL STUDENTS AS OF FALL 2012
 (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	437	85	17	539	56.91%
Texas A&M University	113	1	1	115	12.14%
Sam Houston State University	69	9	11	89	9.40%
Lamar University	43	4	1	48	5.07%
The University of Texas at Austin	29	1	1	31	3.27%
The University of Texas at Tyler	19	1	0	20	2.11%
Texas State University at San Marcos	12	2	1	15	1.58%
University of North Texas	15	0	0	15	1.58%
University of Houston	11	1	2	14	1.48%
The University of Texas at Arlington	8	1	1	10	1.06%
Texas Tech University	5	2	0	7	0.74%
Prairie View A&M University	7	0	0	7	0.74%
Tarleton State University	6	0	0	6	0.63%
Texas A&M University at Galveston	5	0	0	5	0.53%
Texas A&M University at Corpus Christi	5	0	0	5	0.53%
Texas A&M University at Commerce	4	1	0	5	0.53%
Texas Southern University	3	1	0	4	0.42%
The University of Texas of the Permian Basin	3	0	0	3	0.32%
The University of Texas at San Antonio	2	0	0	2	0.21%
University of Houston at Victoria	2	0	0	2	0.21%
Texas Woman's University	1	0	1	2	0.21%
The University of Texas at Dallas	1	0	0	1	0.11%
Texas A&M University at Texarkana	0	0	1	1	0.11%
West Texas A&M University	1	0	0	1	0.11%
Totals	<u>801</u>	<u>109</u>	<u>37</u>	<u>947</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 COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 18
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Academic Buildings	12	13	14	13	12	12	12	12	12	12
Square footage (in thousands)	271	278	287	256	245	245	245	245	245	245
Administrative and Support Buildings	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	19	19	19	19	19	19	19	19	19	19
Athletic Facilities	7	7	7	7	4	4	4	4	4	4
Square footage (in thousands)	53	53	53	53	50	50	50	50	50	50
Baseball Field	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Fitness Center	1	1	1	1	1	1	1	1	1	1
Softball Field	1	1	1	1	-	-	-	-	-	-
Field House	1	1	1	1	-	-	-	-	-	-
Concession/Restrooms	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	375	425	425	425	425	425	425	425	425	425
Dormitories	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	20	20	20	20	20	20	20	20	20	20
Number of Beds	112	112	112	112	112	112	112	112	112	112
Library	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	18	18	18	18	18	18	18	18	18	18
Number of Volumes	38,757	38,115	41,254	42,854	43,886	44,235	43,681	42,478	41,903	41,585
Off Campus Facilities	8	6	4	3	2	2	2	2	2	1
Square footage (in thousands)	91	70	55	39	29	29	29	29	29	18
Other Housing - President's House	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	4	4	4	4	4	4	4	4	4	4
Other Housing	-	-	-	-	-	2	2	2	2	2
Square footage (in thousands)	-	-	-	-	-	6	6	6	6	6
Plant facilities	3	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	22	15	6	6	6	6	6	6	6	6
Transportation										
Cars	2	2	5	4	3	3	2	2	2	2
Light Trucks/Vans	11	11	11	12	11	11	10	10	10	10
Buses	-	-	-	-	-	-	1	1	1	1
Fire Truck	1	1	1	1	1	1	1	1	-	-



**Angelina County
Junior College District**

SINGLE AUDIT SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2013 and 2012**



**INDEPENDENT AUDITORS' 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 County Junior College District
Lufkin, Texas

Members of the Board of Trustees:

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 County Junior College District (the "College") as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated December 9, 2013.

Internal Control Over Financial Reporting

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

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

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

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

Public Funds Investment Act Compliance

We performed tests designed to verify Angelina County Junior College District's compliance with the Public Funds Investment Act. The results of our tests disclosed no instances of noncompliance with the Public Funds Investment Act.

Purpose of this Report

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

Conclusion

This report is intended for the information and use of management, the audit committee, Board of Trustees, others within the entity, the Texas Higher Education Coordinating Board, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lufkin, Texas
December 9, 2013


CERTIFIED PUBLIC ACCOUNTANTS



CROCKETT - JASPER - LIVINGSTON - LUFKIN - NACOGDOCHES

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Board of Trustees
Angelina County Junior College District
Lufkin, Texas

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited Angelina County Junior College District's (the "College") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State of Texas Single Audit Circular*, that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2013. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, issued by the Governor's Office of Budget and Planning. Those standards and OMB Circular A-133 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 and state program occurred. An audit includes examining, on a test basis, evidence and the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2013.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR- CONTINUED**

Report on Internal Control Over Compliance

Management of the College, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 County Junior College District's internal control over compliance.

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

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

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 OMB Circular A-133 and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Conclusion

This report is intended for the information and use of management, the audit committee, Board of Trustees, others within the entity, the Texas Higher Education Coordinating Board, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
December 9, 2013

AXLEY & RODE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Education Opportunity Grants	84.007		\$ 236,858
Federal Work-Study Program	84.033		201,451
Federal Pell Grant Program	84.063		9,767,156
Pass-Through From:			
Texas Education Agency			
Adult Education Section 231	84.002	134100017110448	302,688
Adult Education Section 231	84.002	134100087110500	101,277
			<u>403,965</u>
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education-Basic	84.048	9824	458,296
Stephen F. Austin State University			
East Texas Gear Up For Success	84.334	11-094-12-051	2,061
Total U.S. Department of Education			<u>11,069,787</u>
U.S. DEPARTMENT OF DEFENSE			
Direct Programs:			
Procurement Technical Assistance for Small Business Firms	12.002		92,104
U.S. DEPARTMENT OF LABOR			
Pass-Through From:			
Harris County Department of Education			
Adult Education WIA Incentive Project	17.267		10,800
U.S. SMALL BUSINESS ADMINISTRATION			
Pass-Through From:			
University of Houston			
Small Business Development Center	59.037	R-12-0062-53801	22,586
Small Business Development Center	59.037	R-13-0031-53801	86,498
Total U.S. Small Business Administration			<u>109,084</u>

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE E (Continued)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through From:			
Texas Education Agency			
Adult Education for TANF Recipients	93.558	133625017110422	34,367
Deep East Texas Local Workforce Development Board, Inc.			
Child Care Training	93.596	13-313	298,798
Total U.S. Department of Health and Human Services			<u>333,165</u>
Total Federal Awards			<u>\$ 11,614,940</u>

NOTE 1: Federal Awards Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$ 1,275,981
Add: Indirect Cost Recoveries - per Schedule A	65,701
Add: Non Operating Federal Revenue from Schedule C	<u>10,205,465</u>
Total Federal Revenues per Statement of Revenues, Expenses and Changes in Net Assets	11,547,147
Reconciling item:	
Add: Cost of Capital Asset Acquisitions	<u>67,793</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 11,614,940</u>

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

This schedule is presented using the accrual basis of accounting. The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

See independent auditors' report.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2013**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
TEXAS EDUCATION AGENCY		
Direct Programs:		
State Adult Education	130100017110448	\$ 67,152
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Direct Programs:		
Nursing Shortage Reduction Under 70 Program		186,552
Texas College Work-Study Program		25,092
Texas Education Opportunity Grant		96,600
Texas Grant I Program		305,200
Texas National Guard Tuition Assistance		2,084
Top 10% Scholarship Program		2,000
Total Texas Higher Education Coordinating Board		<u>617,528</u>
Total State Awards		<u>\$ 684,680</u>

NOTE 1: State Awards Reconciliation

State Grants and Contracts Revenue - per Schedule A	\$ 678,778
Add: Indirect Cost Recoveries - per Schedule A	<u>5,902</u>
Total State Awards per Schedule of Expenditures of State Awards	<u>\$ 684,680</u>

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

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

See independent auditors' report.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AUGUST 31, 2013**

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: **UNQUALIFIED**

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 auditors' report issued on compliance for major programs: **UNQUALIFIED**

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal or State Program or Cluster*</u>
84.007	Federal Supplemental Education Opportunity Grants*
84.033	Federal Work-Study Program*
84.063	Federal Pell Grant Program*
59.037	Small Business Development Center
N/A	Texas Grant I Program

Dollar threshold used to distinguish between type A and type B programs: **\$348,448**

Auditee qualified as low-risk auditee? X Yes No

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
AUGUST 31, 2013**

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 510(a) of Circular A-133 or TSAC:

None

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE OF CORRECTIVE ACTION
AUGUST 31, 2013**

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

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AUGUST 31, 2013**

There were no prior year audit findings.