

CLARENDON COLLEGE
Clarendon, Texas

ANNUAL FINANCIAL REPORT
August 31, 2013 and 2012

TABLE OF CONTENTS

	PAGE
ORGANIZATIONAL DATA	1
INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	7
 FINANCIAL STATEMENTS	
Exhibit 1 Statements of Net Position	22
2 Statements of Revenues, Expenses, and Changes in Net Position	23
3 Statements of Cash Flows.....	24
Notes to Financial Statements.....	27
 OTHER SUPPLEMENTAL INFORMATION	
Schedule A Schedule of Operating Revenues.....	46
B Schedule of Operating Expenses by Object	48
C Schedule of Nonoperating Revenues and Expenses.....	49
D Schedule of Net Position by Source and Availability.....	50
E Schedule of Expenditures of Federal Awards.....	51
Notes to Schedule of Expenditures of Federal Awards	52
F Schedule of Expenditures of State of Texas Awards	53
Notes to Schedule of Expenditures of State of Texas Awards.....	54
 SINGLE AUDIT SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	57
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	61
Schedule of Findings and Questioned Costs.....	65
Schedule of Corrective Action for Audit Findings and Questioned Costs	69
Summary Schedule of Prior Audit Findings	70
STATISTICAL SUPPLEMENT (Unaudited)	73

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**CLARENDON COLLEGE
ORGANIZATIONAL DATA
August 31, 2013**

Board of Regents

	<u>Officers</u>	Term Expires <u>May</u>
John C. Howard	Chairman	2014
Jerry W. Woodard	Vice Chairman	2018
Delbert W. Robertson	Secretary	2018

	<u>Members</u>	
Douglas Lowe	Clarendon, Texas	2018
Jack A. Moreman	Clarendon, Texas	2014
Ruth Robinson	Clarendon, Texas	2016
William A. Sansing	Clarendon, Texas	2014
Leonard "Tex" Selvidge	Clarendon, Texas	2016
Mary Ellen Shields	Clarendon, Texas	2016

Principal Administrative Officers

Dr. Phil Shirley	President
Raymond Jamarillo	Vice President Pampa Center and Dean of Workforce Development and Continuing Education
Dr. Patricia Westergaard	Dean of Instruction
Texas Buckhaults	Dean of Students
Annette Ferguson	Dean of Administrative Services
Wendy Altman	Director of the Clarendon College Childress Center

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Independent Auditor's Report

Board of Regents
Clarendon College
Clarendon, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Clarendon College (the College) as of and for the years ended August 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 9-20 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 audits were conducted for the purpose of forming opinions on the basic financial statements of the College. The accompanying supplemental information listed in the table of contents, Schedules A, B, C and D, are likewise presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule E, and Schedule of Expenditures of State of Texas Awards, Schedule F, as required by 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, the Schedule of Expenditures of State of Texas Awards, and the Other Supplemental Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The 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 19, 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 is an integral part of an audit performed in accordance with Government Auditing Standards in considering the College's internal control over financial reporting and compliance.

Connor, McMullen, Mitchell & Shennum, PLLC

Amarillo, Texas
December 19, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

This section presents the management's discussion and analysis of the financial performance of Clarendon College (the College) during the fiscal year ending August 31, 2013. This discussion and analysis focuses on current activities, resulting changes and currently known facts, and should be read in conjunction with the accompanying financial statements and footnotes. The financial analysis is for fiscal year 2013, with fiscal years 2012 and 2011 data for comparative purposes. The financial statements, footnotes and discussion are the responsibility of the College management.

Using the Annual Financial Report:

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Statement No. 34 requires a comprehensive look at the entity as a whole and the depreciation of capital assets. In November 1999, GASB issued Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, which applies the provisions of Statement No. 34 to public colleges and universities.

The financial report for the College includes the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. These statements are prepared under the accrual basis of accounting and in accordance with GASB principles.

Condensed Statements of Net Position as of August 31, 2013, 2012 and 2011: (in millions)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current assets			
Cash and cash equivalents	\$ 2.2	\$ 1.9	\$ 2.9
Short-term investments	1.6	1.9	-
Accounts receivable, net	1.0	0.3	0.7
Other assets	-	-	0.3
Total current assets	<u>4.8</u>	<u>4.1</u>	<u>3.9</u>
Noncurrent assets			
Restricted cash and cash equivalents	0.4	0.1	1.6
Endowment investments	1.2	1.2	1.2
Other long-term investments	1.3	1.3	-
Real estate held by endowments	0.3	0.3	0.2
Unamortized bond and lease payable issue cost	0.2	-	-
Capital assets, net	16.6	16.6	16.7
Other noncurrent assets	-	0.2	0.3
Total noncurrent assets	<u>20.0</u>	<u>19.7</u>	<u>20.0</u>
Total assets	<u>\$ 24.8</u>	<u>\$ 23.8</u>	<u>\$ 23.9</u>

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current liabilities			
Accounts payable and accrued liabilities	\$ 0.6	\$ 0.4	\$ 0.5
Deferred revenue	1.4	0.5	0.9
Other current liabilities	0.6	0.5	0.5
Total current liabilities	<u>2.6</u>	<u>1.4</u>	<u>1.9</u>
Noncurrent liabilities	<u>5.0</u>	<u>5.1</u>	<u>5.4</u>
Total liabilities	<u>7.6</u>	<u>6.5</u>	<u>7.3</u>
Net position			
Invested in capital assets	11.4	11.4	11.3
Nonexpendable	1.5	1.5	1.5
Restricted for expendable	1.9	1.6	1.6
Unrestricted	2.4	2.8	2.2
Total net position	<u>17.2</u>	<u>17.3</u>	<u>16.6</u>
Total liabilities and net position	<u>\$ 24.8</u>	<u>\$ 23.8</u>	<u>\$ 23.9</u>

There was an increase of \$0.7 million in the total current assets for 2012-2013 when compared to 2011-2012. Cash and investments showed a slight increase, while accounts receivable showed an increase of \$0.7 million. The College has seen a continued decline in investment income in recent years. The College Investment Committee believes the rates are going to remain low for at least two years, so a change was made in the investment of funds during 2011-2012. Operating cash was moved to a short-term investment account and investment maturity dates on other investments were laddered out over a two-year period, the longest period College policy allows cash to be invested. The funds are divided between monthly, quarterly, one-year, and two-year investments in addition to cash-on-hand based on projected cash flow needs. By investing more cash and locking in a higher rate of return on investments with a maturity longer than thirty days, the College should be able to earn more investment income. The increase in student accounts receivable of \$0.7 million, going from \$0.3 million in 2011-2012 to \$1.0 million in 2012-2013, is the result of an increase in early enrollment. Although the total enrollment for Fall 2013 compared to Fall 2012 was slightly down, Clarendon College did see an increase in early student enrollment for Fall 2013 compared to Fall 2012. The College added one additional enrollment day for freshmen to the summer schedule, going from two to three, and offered an incentive to sophomore students to enroll before going home for the summer. The increase in early enrollment is also reflected in the \$0.9 million increase in current liabilities-deferred revenue, going from \$0.5 million in 2011-2012 to \$1.4 million in 2012-2013.

Noncurrent assets increased \$0.3 million in 2012-2013. It went from \$19.7 million in 2011-2012 to \$20.0 million in 2012-2013. The change in restricted cash and cash equivalents was an increase of \$0.3 million in 2012-2013, going from \$0.1 million in 2011-2012 to \$0.4 million in 2012-2013. This increase reflects a gift the College received to build a restroom facility at the Livestock and Equine Center. The College started construction in December 2013 and expects to have it completed by Spring 2014.

Net capital assets were \$16.6 million for both 2012-2013 and 2011-2012 and 16.7 million in 2010-2011. The capital additions for 2012-2013 totaled \$0.9 million. Clarendon College remodeled and enhanced the on-campus dormitories with \$0.5 million worth of improvements.

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

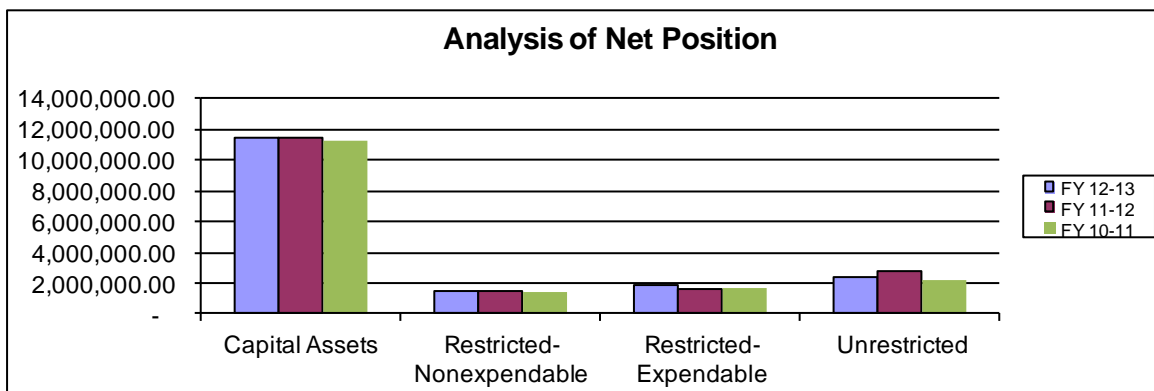
The College also entered into a capital lease agreement to purchase a building in Amarillo, Texas for \$0.3 million. This building will be remodeled to accommodate the instruction of 50 cosmetology students. At August 31, 2013, there was \$0.1 million in construction in progress related to this project. The construction will be completed by January 2014 and classes are scheduled to begin Spring 2014. Clarendon College also wrote-off old equipment totaling \$0.1 million. The equipment was fully depreciated and resulted in no additional write-off expense. Depreciation expense remained flat at \$0.9 million in 2012-2013 and 2011-2012.

In 2011-2012 current liabilities were \$1.4 million and increased to \$2.6 million in 2012-2013. The \$1.2 million increase was a combination of a \$0.2 million increase in accounts payable, a \$0.1 million increase in other current liabilities, and a \$0.9 million increase in deferred revenue. Accounts payable increased \$0.2 million in 2012-2013, going from \$0.4 million in 2011-2012 to \$0.6 million in 2012-2013. Equipment and small construction costs were \$0.1 million of this increase, and the other \$0.1 million was an increase in the payable to our online bookstore vendor. Deferred revenue showed an increase of \$0.9 million. This increase was due to an increase in early enrollment for Fall 2013, as discussed earlier. Other current liabilities increased \$0.1 million in 2012-2013. During 2012-2013, Clarendon College entered into a capital lease agreement to purchase a building in Amarillo, Texas for \$ 0.3 million. Of this amount, \$0.1 million is classified as a current lease payable, while \$0.2 million is classified as a noncurrent lease payable.

Noncurrent liabilities decreased by \$0.1 million in 2012-2013 when compared to 2011-2012, \$5.0 million compared to \$5.1 million, respectively. The decrease is a result of scheduled principle payments during 2012-2013 totaling \$0.3 million, offset with an increase of noncurrent liabilities of \$0.2 million for the capital lease agreement the College entered into during 2012-2013.

The net of this activity resulted in a decrease in total net position of \$0.1 million, \$17.3 million in 2011-2012 compared to \$17.2 million in 2012-2013.

The following is a comparison of net position and investment in capital assets at August 31, 2013, 2012 and 2011:



**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

**Condensed Statements of Revenues, Expenses and Changes in Net Position as of
August 31, 2013, 2012 and 2011: (in millions)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating revenue			
Tuition & fees (net of discounts)	\$ 1.2	\$ 1.2	\$ 1.2
Federal grants and contracts	0.1	0.1	0.4
State grants and contracts	0.2	0.2	0.5
Local grants and contracts	1.2	1.1	1.1
Auxiliary enterprises (net of discounts)	0.5	0.8	0.8
Other operating revenues	0.2	0.3	0.1
Total operating revenue	<u>3.4</u>	<u>3.7</u>	<u>4.1</u>
Operating expenses			
Instruction	3.2	3.1	3.1
Academic support	0.5	0.4	0.5
Student services	0.5	0.5	0.5
Institutional support	1.4	1.1	1.1
Operation and maintenance of plant	1.0	1.0	1.0
Scholarship expense	0.8	0.8	1.2
Auxiliary enterprises	1.1	1.6	1.2
Depreciation	0.9	0.9	0.7
Total operating expenses	<u>9.4</u>	<u>9.4</u>	<u>9.3</u>
Operating loss	<u>(6.0)</u>	<u>(5.7)</u>	<u>(5.2)</u>
Nonoperating revenues (expenses)			
State appropriations	2.8	3.0	3.1
Ad valorem taxes	0.4	0.4	0.4
Federal revenue, nonoperating	2.5	3.0	3.4
Gifts	0.3	0.2	0.2
Investment income	0.1	0.1	0.1
Interest on capital related debt	(0.3)	(0.3)	(0.3)
Other gain/revenue (loss/expense)	0.1	-	-
Net nonoperating revenues (expenses)	<u>5.9</u>	<u>6.4</u>	<u>6.9</u>
Income before other revenue	(0.1)	0.7	1.7
Other revenue capital gifts	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(0.1)	0.7	1.7
Net position – beginning of year	<u>17.3</u>	<u>16.6</u>	<u>14.9</u>
Net position – end of year	<u>\$ 17.2</u>	<u>\$ 17.3</u>	<u>\$ 16.6</u>

Operating revenue includes tuition and fees net of scholarship discounts and allowances, federal, state and local grants and contracts, auxiliary enterprises and other. The College's total operating revenue decreased slightly in 2012-2013, going from \$3.7 million in 2012-2011 to \$3.4 million in 2012-2013. Tuition and fees (net of discounts) remained flat at \$1.2 million in 2012-

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

2013 and 2011-2012, although federal revenue-nonoperating did show a decrease of \$0.5 million. The College's rate of tuition and fees did not change between 2012-2013 and 2011-2012. Contact hours went from 812,775 in 2010-2011, to 734,325 in 2011-2012, and 667,891 in 2012-2013. Total head count for the Fall term went from 1,583 in 2010, to 1,341 in 2011, and 1,245 in 2012-2013. The reduction in contact hours and head count came from several factors:

- The College's service area has experienced an increase in employment opportunities in the recent years in the oil and gas industries. While the average unemployment rate for the state of Texas is between 6.8% and 6.4%, the local unemployment rate is 1.7 percentage points below the state average, coming in between 5.1% and 4.7%. This is especially evident in enrollment at the Pampa Center which is down by approximately 16,000 contact hours or 2.4%.
- The College also went through an internal program review process, and as a result of this review, the hours requirement for an associate's degree was lowered from 66 or higher to 62 hours.
- In Fall 2012-2013, the College implemented a new platform for online class delivery. The new platform required all faculty go through a peer review process for course approval. This process created a lower number of courses being available to our students and resulted in a decrease of approximately 30,000 contact hours or 4%.
- The College also saw a larger than usual reduction in enrollment between the Fall 2012 term and Spring 2013 term. There was an 8% reduction between the Fall term and Spring term in 2012-2013, compared to a 3.5% reduction between the Fall 2011 term and Spring 2012 term. Approximately 22,000 contact hours, or 3.2% of the 8% reduction is related to a change in NJCAA rules, allowing athletes to transfer to other schools without permission of the signing school.

All of these factors lead to an 8% decrease in academic contact hours, going from 477,216 in 2011-2012 to 438,688 in 2012-2013, and a decrease in technical contact hours of 11%, going from 257,109 in 2011-2012 to 229,203 in 2012-2013.

Federal grants and state grants remained flat at \$0.3 million in 2012-2013 when compared to 2011-2012. There was a \$0.3 million reduction in auxiliary revenue. The College moved from an on-campus bookstore to an online bookstore in the Fall term of 2012. This loss of \$0.3 million in revenue is offset by a reduction in auxiliary expenses of \$0.5 million. There was an increase of \$0.1 million in local grants and contracts. This increase is the result of a higher collection of the College maintenance tax in 2012-2013 when compared to 2011-2012. There was a slight decrease, \$0.1 million, in other operating revenue. In 2011-2012, the other revenue for the judging contests was \$0.1 million more than in the 2012-2013 fiscal year, going from \$0.2 million to \$0.1 million, respectively.

Operating expenses remained flat at \$9.4 million in 2012-2013 and 2011-2012. Auxiliary enterprises decreased \$0.5 million while instruction increased \$0.1 million. Institutional support increased \$0.3 million while depreciation, scholarship, and maintenance of plant expenses all remained flat at \$0.9 million, \$0.8 million and \$1.0 million for 2012-2013 and 2011-2012, respectively. Approximately \$0.3 million of the decrease in auxiliary enterprises is

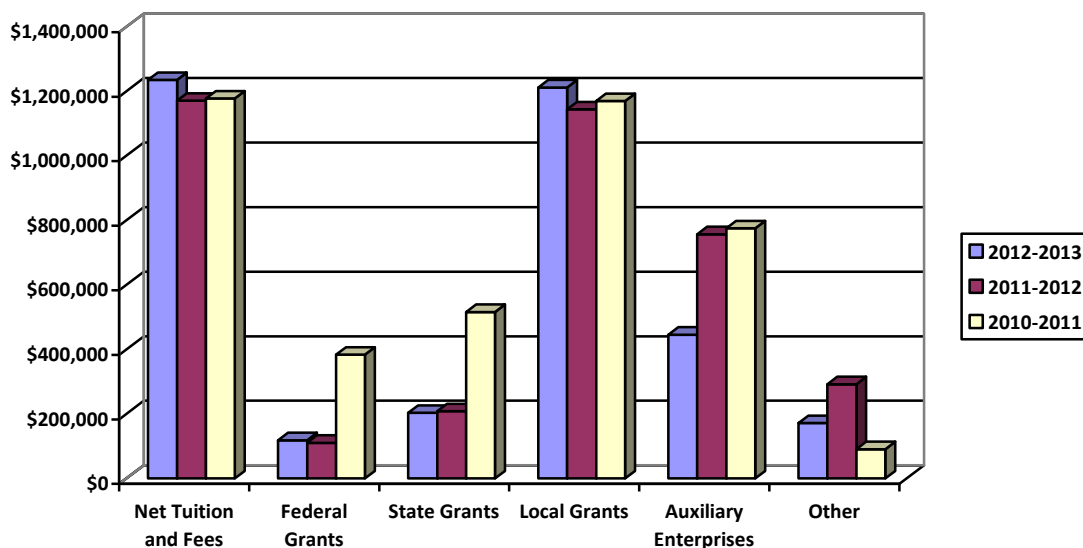
**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

directly related to the closing of the on-campus book store. The increases in Institutional Support, Academic Support, and Instruction are related to personnel costs. The College hired a Dean of Instruction in 2012-2013. This position was empty in 2011-2012. The College also added a new position for Recruiting and Student Loan Default Aversion in Pampa, an Accountant in Clarendon, one part-time Financial Aid Clerk in Pampa, and a Cosmetology Instructor for the Childress location. Two coaching positions were changed from part-time to a full 12-month position. These additional positions, some salary changes, and an increase in benefit costs to the College resulted in an increase of \$0.3 million.

Total nonoperating revenue for 2012-2013 decreased \$0.5 million from \$6.4 million in 2011-2012 to \$5.9 million in 2012-2013. The College saw a decrease of \$0.5 million in federal revenue nonoperating. The federal aid received by the students, which is classified as federal revenue–nonoperating, decreased \$0.5 million in 2012-2013 when compared to 2011-2012; \$2.5 million in 2012-2013 compared to \$3.0 million in 2011-2012. This is a 15% decline in the total amount awarded. There was also a 15% reduction in 2012-2013 in the number of students receiving federal award. In 2011-2012 there were 811 students that received federal aid, while in 2012-2013 there were 688. State appropriations for 2012-2013 decreased \$0.2 million. The total appropriations went from \$3.0 million in 2011-2012 to \$2.8 million in 2012-2013. This decrease is due to a reduction in state funding for instruction costs. Investment income for 2012-2013 continued to decline due to the continued drop in investment interest rates. The College saw a slight increase, \$0.1 million, in Gifts for 2012-2013. Clarendon College received a one-time gift of \$0.275 million to construct a restroom facility in the Livestock and Equine Center. The College started construction on the restroom in December 2013 and expects to have it completed by Spring 2014. Overall, Total Net Position, End of Year 2012-2013 decreased \$0.1 million.

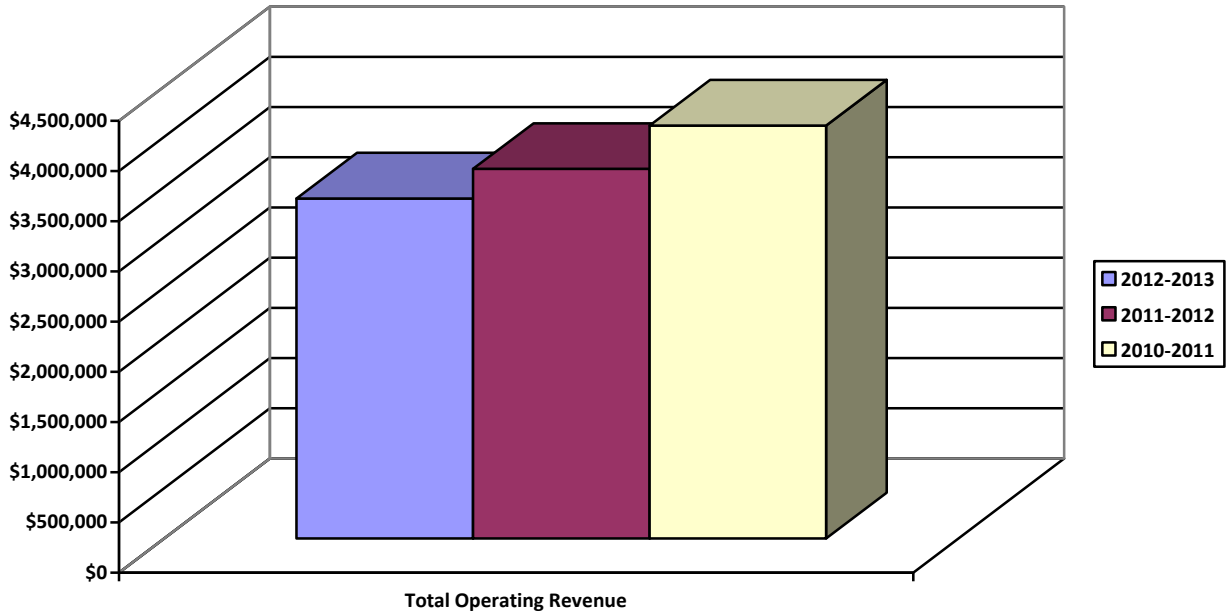
The following charts are an Analysis of Revenue and Expenses as of August 31, 2013, 2012, and 2011:

Operating Revenue by Source

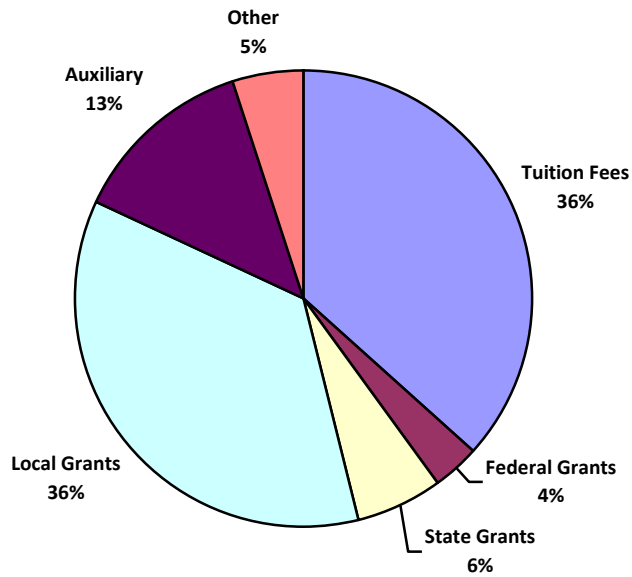


**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

Total Operating Revenue

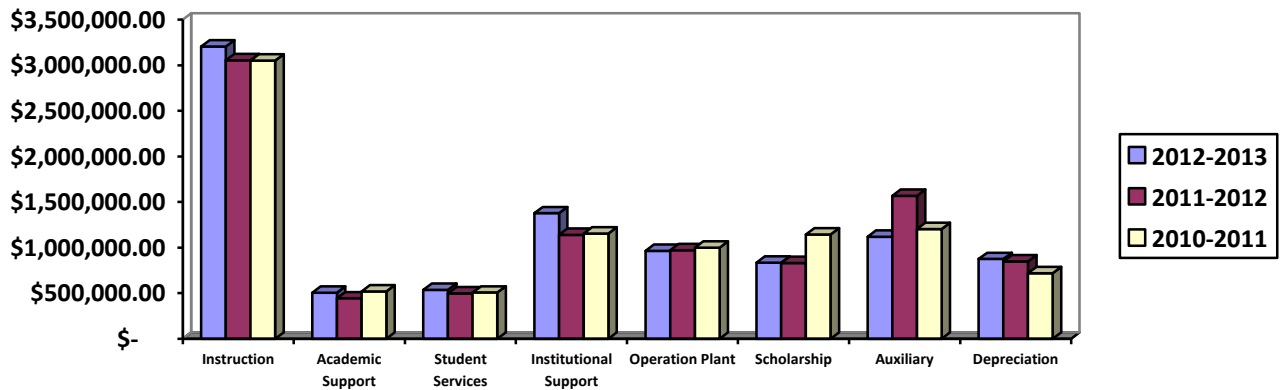


2012-2013 Operating Revenue Percentage

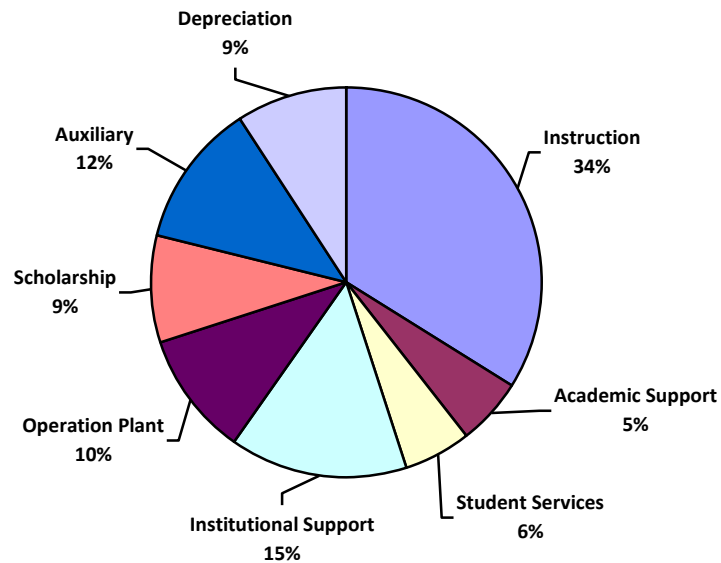


**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

Operating Expenses by Source

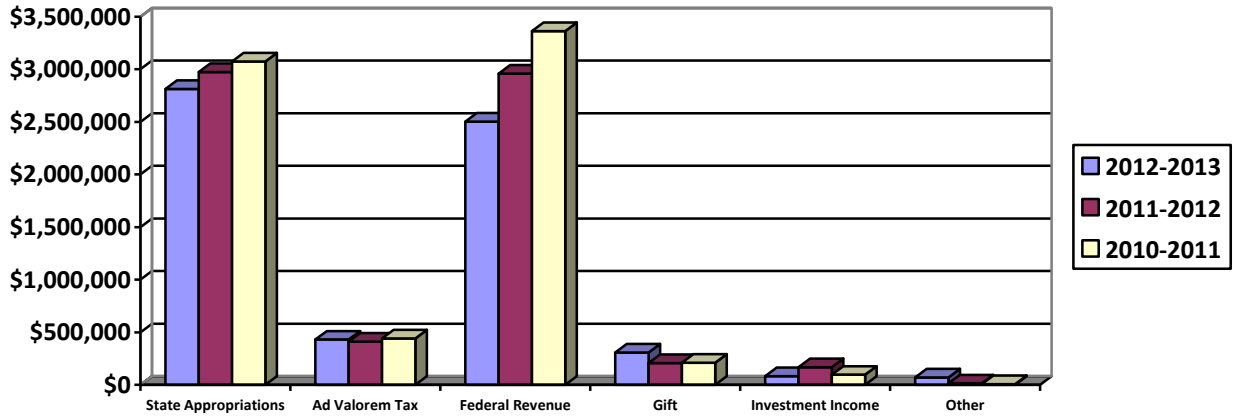


2012-2013 Operating Expense Percentage

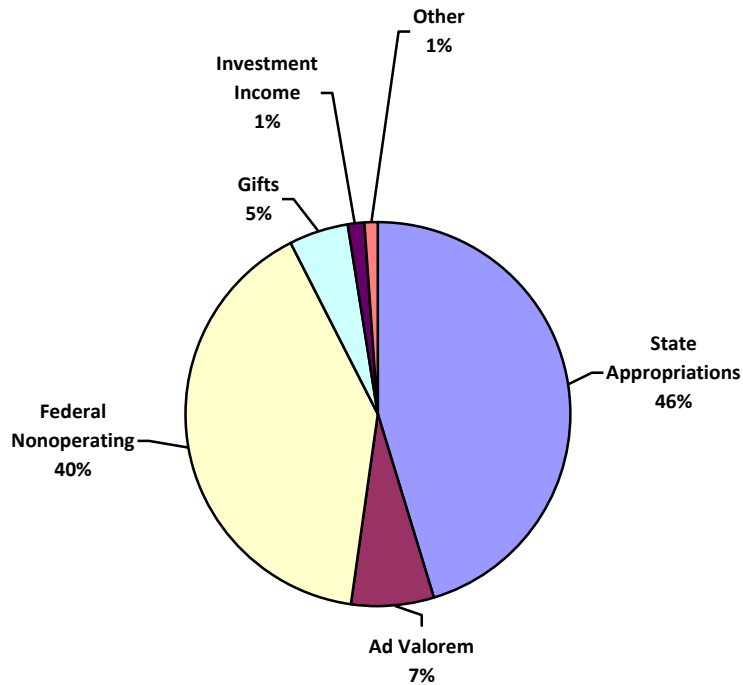


**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

Nonoperating Revenue by Source

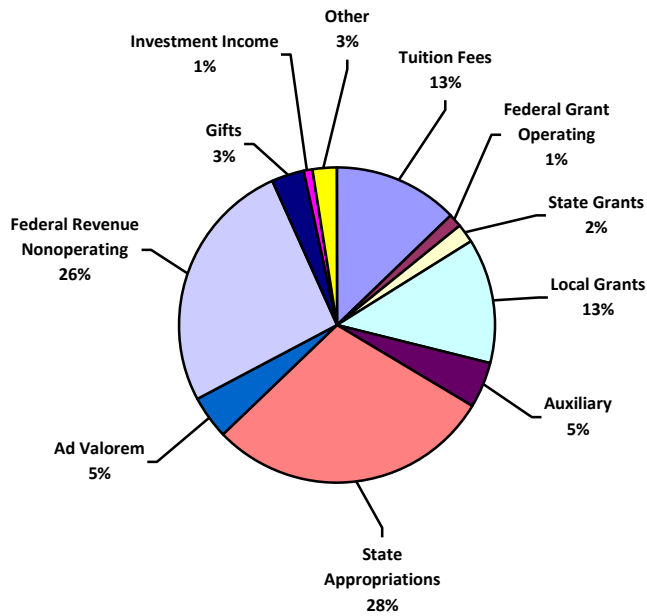


2012-2013 Nonoperating Revenue Percentage

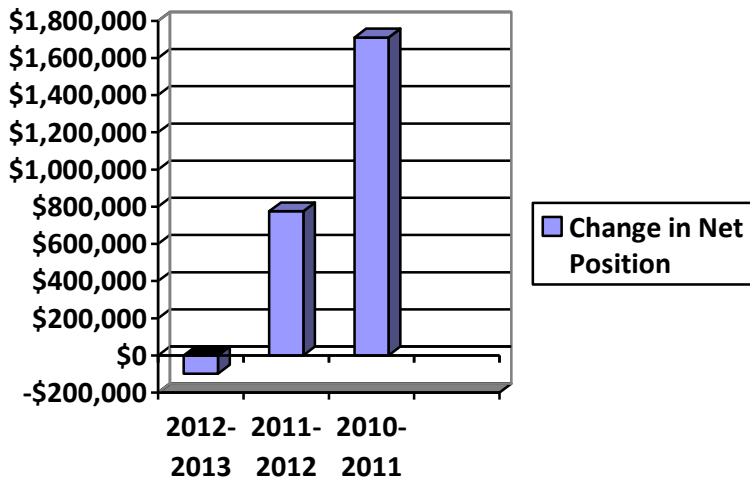


**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

2012-2013 Total Revenue Percentage



Change in Net Position



**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

Statement of Cash Flows as of August 31, 2013, 2012 and 2011: (in millions)

	Primary Institution		
	2013	2012	2011
Cash provided by (used in):			
Operating activities	\$ (4.3)	\$ (4.2)	\$ (4.2)
Noncapital financing activities	5.7	6.1	6.5
Capital and related financing activities	(1.2)	(1.3)	(3.0)
Investing activities	0.3	(3.1)	0.1
Net increase(decrease) in cash	0.5	(2.5)	(0.6)
Cash – beginning of the year	2.0	4.5	5.1
Cash – end of year	<u>\$ 2.5</u>	<u>\$ 2.0</u>	<u>\$ 4.5</u>

This statement is used to determine the College's ability to meet its obligations and to determine if external financing is needed.

The net cash used by operating activities increased by \$0.1 million, going from \$4.2 in 2011-2012 to \$4.3 in 2012-2013. The net cash provided by noncapital financing activities went from \$6.1 million in 2011-2012 to \$5.7 million in 2012-2013. The net cash that is provided by noncapital financing activities decreased \$0.4 million due to the decrease in federal financial aid received by our students. The net cash used by capital and related financing activities is due to the annual bond and lease payments and the purchase of capital assets in the amount of \$0.6 million. The net cash provided by investing activities is due to the investment practices of the College. Operating cash has been moved to a short-term investment account, and investment maturity dates on other investments were laddered out over a two-year period. The funds were divided between monthly, quarterly, one-year, and two-year investments in addition to cash-on-hand based on projected cash flow needs. The College will continue to watch this and invest the funds available in a safe and secure manner. Overall, there was a net cash increase of \$0.5 million.

Significant Capital Assets and Long-Term Debt Activity:

During 2012-2013 the College invested \$0.9 million in buildings, computers, equipment and facility improvements. The College entered into a capital lease of \$0.3 million to purchase a building in Amarillo, Texas, to house our cosmetology program. All other additions were funded through operations.

Noncurrent liabilities decreased by \$0.1 million in 2012-2013 when compared to 2011-2012, \$5.0 million compared to \$5.1 million, respectively. The decrease is a result of scheduled principle payments during 2012-2013 totaling \$0.3 million, offset with an increase of noncurrent liabilities of \$0.2 million for the capital lease agreement the College entered into during 2012-2013.

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2013**

Please refer to the financial statement footnotes, Note 5 - Capital Assets, Note 6 - Long-Term Liabilities, and Note 7 - Debt Obligations for more information.

Discussion of Currently Known Facts, Decisions, or Conditions:

With our five-year plan, *Unleash Your Potential*, we will continue to expand our use of facilities and technology to respond to the needs of our students. The small, average class size at the College provides students with more one-on-one interaction with the instructors and an environment conducive to learning. The majority of students attending the College do so in order to transfer credits to other institutions. For the Fall 2012 term, 89.9 % of the College's students completed courses. The College had 339 students earn a degree, certificate or complete their core requirements in 2012-2013, which is up from 309 from 2011-2012. The College currently provides high school academic dual-credit courses to 16 area high schools and is looking to expand technical training to these area high schools as part of the Texas House Bill 5 compliance.

Through a partnership agreement with Amarillo College and Frank Phillips College, Clarendon College will be starting a Cosmetology program in Amarillo as well as academic and technical training classes with the Texas Department of Criminal Justice in 2014.

Clarendon College has received a Title III federal grant in the amount of \$2.25 million that will be paid out over five years beginning in 2013-2014. Clarendon College will use these funds for the creation and implementation of a registered nursing program as well as rewriting and enhancing the current vocational nursing program. Part of the enhancing is to create a bridge program that will allow vocational nursing students to move directly into the new registered nursing program.

The College is continuing to focus on program development and developmental education. In anticipation of the developmental education law, the College has revised the assessment and placement of students into the developmental education courses. The College has also restricted the class offerings using transformative technology to reduce the time to degree. The College has received a grant totaling \$0.3 million from the State of Texas, S3, to help in the development costs of these developmental courses.

Clarendon College is committed to and continues to be a low-cost provider of higher education to our service area.

Clarendon College - *Unleash Your Potential!*

FINANCIAL STATEMENTS

**CLARENDON COLLEGE
STATEMENTS OF NET POSITION
AUGUST 31, 2013 AND 2012
Exhibit 1**

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,141,909	\$ 1,907,249
Short-term investments	1,635,153	1,905,102
Accounts receivable, net	1,018,153	261,079
Inventories	-	20,997
Prepaid expenses	36,769	30,748
Total current assets	<u>4,831,984</u>	<u>4,125,175</u>
NONCURRENT ASSETS		
Restricted cash and cash equivalents	367,192	100,527
Endowment investments	1,193,670	1,192,540
Other long-term investments	1,274,519	1,255,989
Real estate held as investments by endowments	341,160	341,160
Unamortized bond & lease payable issuance costs	152,848	163,199
Deposits	20,500	20,727
Capital assets, net	<u>16,641,258</u>	<u>16,621,786</u>
Total noncurrent assets	<u>19,991,147</u>	<u>19,695,928</u>
TOTAL ASSETS	<u><u>\$ 24,823,131</u></u>	<u><u>\$ 23,821,103</u></u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 355,890	\$ 240,903
Accrued liabilities	244,904	186,580
Funds held for others	184,216	169,285
Deferred revenues	1,411,641	501,388
Lease payable - current portion	248,333	150,000
Bonds payable - current portion	<u>135,000</u>	<u>130,000</u>
Total current liabilities	<u>2,579,984</u>	<u>1,378,156</u>
NONCURRENT LIABILITIES		
Deposits	53,735	49,260
Lease payable - noncurrent portion	3,606,111	3,590,000
Bonds payable - noncurrent portion	<u>1,327,980</u>	<u>1,460,533</u>
Total noncurrent liabilities	<u>4,987,826</u>	<u>5,099,793</u>
TOTAL LIABILITIES	<u>7,567,810</u>	<u>6,477,949</u>
NET POSITION		
Invested in capital assets, net of related debt	11,447,601	11,422,825
Restricted for:		
Nonexpendable:		
Endowment - True	1,534,830	1,533,700
Expendable:		
Student aid	405,911	397,284
Debt service	238,000	238,000
Other	1,260,785	983,503
Unrestricted	<u>2,368,194</u>	<u>2,767,842</u>
Total net position (Schedule D)	<u>17,255,321</u>	<u>17,343,154</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 24,823,131</u></u>	<u><u>\$ 23,821,103</u></u>

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

CLARENDON COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years ended August 31, 2013 and 2012
Exhibit 2

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES		
Tuition and fees, net of discounts of \$2,224,784 and \$2,400,932 in 2013 and 2012, respectively	\$ 1,238,401	\$ 1,170,051
Federal grants and contracts	118,360	110,287
State grants and contracts	203,162	208,087
Local grants and contracts	1,211,315	1,143,342
Auxiliary enterprises, net of discounts of \$610,860 and \$756,483 in 2013 and 2012, respectively	445,457	756,481
Other operating revenues	171,387	291,804
	<u>3,388,082</u>	<u>3,680,052</u>
Total operating revenues (Schedule A)		
OPERATING EXPENSES		
Instruction	3,205,657	3,053,231
Academic support	505,770	443,765
Student services	536,865	498,681
Institutional support	1,376,653	1,139,835
Operation and maintenance of plant	965,003	970,315
Scholarship expense	834,719	832,080
Auxiliary enterprises	1,117,950	1,567,489
Depreciation	875,058	849,855
	<u>9,417,675</u>	<u>9,355,251</u>
Total operating expenses (Schedule B)		
Operating loss	<u>(6,029,593)</u>	<u>(5,675,199)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	2,813,148	2,972,183
Ad valorem taxes for maintenance and operations	430,621	410,816
Federal revenue, nonoperating	2,508,109	2,957,167
Gifts	308,026	206,681
Investment income	83,354	168,827
Interest on capital-related debt	(265,438)	(277,199)
Loss on disposal of fixed assets	(5,572)	(2,641)
Other nonoperating revenues (expenses)	69,512	14,298
	<u>5,941,760</u>	<u>6,450,132</u>
Net nonoperating revenues (Schedule C)		
Increase (decrease) in net position	(87,833)	774,933
NET POSITION - BEGINNING OF YEAR	<u>17,343,154</u>	<u>16,568,221</u>
NET POSITION - END OF YEAR	<u>\$17,255,321</u>	<u>\$17,343,154</u>

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

CLARENDON COLLEGE
STATEMENTS OF CASH FLOWS
Years ended August 31, 2013 and 2012
Exhibit 3

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 2,501,794	\$ 2,251,952
Receipts from grants and contracts	1,053,435	1,495,217
Payments to or on behalf of employees	(4,678,305)	(4,443,199)
Payments to suppliers for goods or services	(2,364,551)	(2,721,661)
Payments of scholarships	(834,719)	(832,080)
Net cash used by operating activities	<u>(4,322,346)</u>	<u>(4,249,771)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	2,359,072	2,540,249
Receipts from ad valorem tax revenues	416,653	417,454
Receipts from nonoperating federal revenue	2,508,109	2,957,167
Gifts and grants	308,026	206,681
Student organizations and other agency transactions	69,512	14,299
Net cash provided by noncapital financing activities	<u>5,661,372</u>	<u>6,135,850</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(620,101)	(737,346)
Principal payments on capital debt	(130,000)	(125,000)
Principal payments on capital lease	(165,556)	(145,000)
Interest payments on capital debt	(250,094)	(261,953)
Net cash used by capital and related financing activities	<u>(1,165,751)</u>	<u>(1,269,299)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	83,354	86,597
Maturities of investments	1,905,101	-
Purchase of investments	(1,660,405)	(3,232,105)
Net cash provided (used) by investing activities	<u>328,050</u>	<u>(3,145,508)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	501,325	(2,528,728)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,007,776</u>	<u>4,536,504</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,509,101</u></u>	<u><u>\$ 2,007,776</u></u>
Cash and cash equivalents are reported in the Statement of Net Position as follows:		
Cash and cash equivalents	\$ 2,141,909	\$ 1,907,249
Restricted cash and cash equivalents	367,192	100,527
Total cash and cash equivalents	<u><u>\$ 2,509,101</u></u>	<u><u>\$ 2,007,776</u></u>

CLARENDON COLLEGE
STATEMENTS OF CASH FLOWS, CONTINUED
Years ended August 31, 2013 and 2012
Exhibit 3

	2013	2012
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (6,029,593)	\$ (5,675,199)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	875,058	849,855
State-funded benefits	454,076	431,934
Change in allowance for bad debt	63,500	43,274
Changes in operating assets and liabilities:		
Receivables	(806,606)	400,193
Inventories	20,997	188,554
Prepaid expenses	(6,021)	1,688
Accounts payable	114,987	(36,306)
Accrued liabilities	76,301	(98,314)
Deferred revenue	910,253	(376,350)
Deposits	4,702	20,900
Net cash used by operating activities	<u>\$ (4,322,346)</u>	<u>\$ (4,249,771)</u>

Non-cash investing and financing activity:

During the year ended August 31, 2013, the College incurred a capital lease obligation of \$280,000 to acquire land and a building for their Amarillo cosmetology center.

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

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CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 1 - REPORTING ENTITY

Clarendon College (the College) was established in 1927 in accordance with the laws of the State of Texas, to serve the educational needs of Clarendon, Texas, and the surrounding communities. The College is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

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

Tuition Discounting

Texas Public Education Grants

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

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

In response to guidance provided by GASB as question/answer 7.72.10 in the Implementation Guide, revenue received for federal Title IV grant programs is now characterized as nonoperating revenue as opposed to operating revenue.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Tuition Discounts

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

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Budgetary Data

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

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

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

Inventories

There is no inventory at August 31, 2013, the College has partnered with the E-Campus for textbooks. At August 31, 2012, inventories consisted of bookstore stock and were valued at the lower of cost (FIFO) or market and were charged to expense as consumed. Materials and supplies are charged to expense when purchased.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. The capitalization policy includes items valued at \$5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructures, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are charged to operating expense in the year in which the expense is incurred.

The College reports depreciation under a single line item as a business-type unit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

Buildings	50 years
Facilities and other improvements	20 years
Library books	15 years
Furniture, machinery, vehicles and other equipment	10 years
Telecommunications and peripheral equipment	5 years

Deferred Revenues

Tuition, fees, and other revenues received and related to the following fiscal year have been deferred. Tuition and fees of \$1,411,641 and \$501,388 have been reported as deferred revenue at August 31, 2013 and 2012, respectively.

Estimates

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

Operating and Nonoperating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major nonoperating revenues are state appropriations, federal Title IV revenue and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The College has contracted with Great Western Living for food service. Payments under this agreement were \$382,476 and \$372,561 for the years ended August 31, 2013 and 2012, respectively.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the 2012 financial statements have been reclassified to conform with the 2013 presentation.

NOTE 3 - AUTHORIZED INVESTMENTS

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

The Board of Regents of Clarendon College has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act. The investments of the College are in compliance with the Regents' investment policies.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents included on Exhibit 1, Statements of Net Position, consist of the items reported below:

	<u>2013</u>	<u>2012</u>
Petty cash on hand	\$ 900	\$ 900
Demand deposits	1,355,810	1,416,391
Time deposits	<u>1,152,391</u>	<u>590,485</u>
Total cash and cash equivalents	<u>\$ 2,509,101</u>	<u>\$ 2,007,776</u>

The following represents a reconciliation of cash and cash equivalents as reported on Exhibit 1:

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 2,141,909	\$ 1,907,249
Restricted cash and cash equivalents	<u>367,192</u>	<u>100,527</u>
Total cash and cash equivalents	<u>\$ 2,509,101</u>	<u>\$ 2,007,776</u>

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

The following represents a reconciliation of deposits and investments as reported on Exhibit 1:

<u>Type of Security</u>	<u>Market Value</u>	
	<u>2013</u>	<u>2012</u>
Certificates of deposit	<u>\$ 4,103,342</u>	<u>\$ 4,353,631</u>
Total investments (Exhibit 1)	<u>\$ 4,103,342</u>	<u>\$ 4,353,631</u>
Cash and cash equivalents (Exhibit 1)	\$ 2,509,101	\$ 2,007,776
Investments (Exhibit 1)	<u>4,103,342</u>	<u>4,353,631</u>
Total deposits and investments	<u>\$ 6,612,443</u>	<u>\$ 6,361,407</u>

Investments are classified as follows:

	<u>2013</u>	<u>2012</u>
Short-term investments	\$ 1,635,153	\$ 1,905,102
Endowment investments	1,193,670	1,192,540
Other long-term investments	<u>1,274,519</u>	<u>1,255,989</u>
Total investments	<u>\$ 4,103,342</u>	<u>\$ 4,353,631</u>

As of August 31, 2013 the College had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>(in years)</u>	
		<u>Less than 1</u>	<u>1 to 2</u>
Certificate of deposits	<u>\$ 4,103,342</u>	<u>\$ 4,103,342</u>	<u>\$ —</u>
Total fair value	<u>\$ 4,103,342</u>	<u>\$ 4,103,342</u>	<u>\$ —</u>

Interest Rate Risk: In accordance with state law and College policy, the College does not purchase any investments with maturities greater than 10 years.

Credit Risk: State law limits investments in commercial paper to those rated not less than A-1 or P-1 and no-load money market mutual funds to those rated not less than AAA. As of August 31, 2013, the College did not have any investments in commercial paper or no-load money market mutual funds.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk: For investments and deposits, this is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College is not exposed to custodial credit risk for its investments as all are insured, registered and held by the College or by its agent in the College's name.

NOTE 5 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Not depreciated:				
Land	\$ 1,269,593	\$ 44,040	\$ -	\$ 1,313,633
Construction in progress	-	117,086	-	117,086
Total not depreciated	<u>1,269,593</u>	<u>161,126</u>	<u>-</u>	<u>1,430,719</u>
Other capital assets:				
Buildings	14,582,799	235,960	-	14,818,759
Facility and land improvements	2,472,873	270,064	-	2,742,937
Furniture, machinery, vehicles and other equipment	2,708,249	93,126	27,884	2,773,491
Telecommunications and peripheral equipment	1,741,208	132,009	52,562	1,820,655
Library books	532,773	7,816	-	540,589
Total other capital assets	<u>22,037,902</u>	<u>738,975</u>	<u>80,446</u>	<u>22,696,431</u>
Total cost of capital assets	<u>23,307,495</u>	<u>900,101</u>	<u>80,446</u>	<u>24,127,150</u>
Accumulated depreciation:				
Buildings	3,213,962	262,579	-	3,476,541
Facility and land improvements	769,736	116,766	-	886,502
Furniture, machinery, vehicles and other equipment	1,257,091	250,182	27,884	1,479,389
Telecommunications and peripheral equipment	965,883	238,656	46,991	1,157,548
Library books	479,037	6,875	-	485,912
Total accumulated depreciation	<u>6,685,709</u>	<u>875,058</u>	<u>74,875</u>	<u>7,485,892</u>
Capital assets, net	<u>\$ 16,621,786</u>	<u>\$ 25,043</u>	<u>\$ 5,571</u>	<u>\$ 16,641,258</u>

Capital assets include gross assets acquired under capital leases of \$3,749,999 at August 31, 2013. Related amortization included in accumulated amortization was \$156,150. Capital leases are included as a component of building, equipment and land. Amortization of assets under capital leases is included in depreciation expense.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Not depreciated:				
Land	\$ 1,269,593	\$ -	\$ -	\$ 1,269,593
Total not depreciated	<u>1,269,593</u>	<u>-</u>	<u>-</u>	<u>1,269,593</u>
Other capital assets:				
Buildings	14,582,799	-	-	14,582,799
Facility and land improvements	2,048,998	423,875	-	2,472,873
Furniture, machinery, vehicles and other equipment	2,625,515	113,353	30,619	2,708,249
Telecommunications and peripheral equipment	1,877,160	192,613	328,565	1,741,208
Library books	525,268	7,505	-	532,773
Total other capital assets	<u>21,659,740</u>	<u>737,346</u>	<u>359,184</u>	<u>22,037,902</u>
Total cost of capital assets	<u>22,929,333</u>	<u>737,346</u>	<u>359,184</u>	<u>23,307,495</u>
Accumulated depreciation:				
Buildings	2,951,357	262,605	-	3,213,962
Facility and land improvements	668,584	101,152	-	769,736
Furniture, machinery, vehicles and other equipment	1,045,033	242,677	30,619	1,257,091
Telecommunications and peripheral equipment	1,055,143	236,664	325,924	965,883
Library books	472,280	6,757	-	479,037
Total accumulated depreciation	<u>6,192,397</u>	<u>849,855</u>	<u>356,543</u>	<u>6,685,709</u>
Capital assets, net	<u>\$ 16,736,936</u>	<u>\$ (112,509)</u>	<u>\$ 2,641</u>	<u>\$ 16,621,786</u>

NOTE 6 - LONG-TERM LIABILITIES

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

	<u>Balance September 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance August 31, 2013</u>	<u>Current Portion</u>
Bonds payable					
Revenue bonds payable	\$ 1,615,000	\$ -	\$ 130,000	\$ 1,485,000	\$ 135,000
Unamortized loss on refunding	(24,467)	-	(2,447)	(22,020)	-
Total bonds payable	<u>1,590,533</u>	<u>-</u>	<u>127,553</u>	<u>1,462,980</u>	<u>135,000</u>
Long-term capital lease	3,740,000	280,000	165,556	3,854,444	248,333
Deposits	49,260	4,475	-	53,735	-
Long-term liabilities	<u>5,379,793</u>	<u>\$ 284,475</u>	<u>\$ 293,109</u>	<u>5,371,159</u>	<u>\$ 383,333</u>
Current portion	<u>(280,000)</u>			<u>(383,333)</u>	
	<u>\$ 5,099,793</u>			<u>\$ 4,987,826</u>	

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

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

	Balance September 1, 2011	Additions	Deductions	Balance August 31, 2012	Current Portion
Bonds payable					
Revenue bonds payable	\$ 1,740,000	\$ -	\$ 125,000	\$ 1,615,000	\$ 130,000
Unamortized loss on refunding	(26,914)	-	(2,447)	(24,467)	-
Total bonds payable	1,713,086	-	122,553	1,590,533	130,000
Long-term capital lease	3,885,000	-	145,000	3,740,000	150,000
Deposits	28,760	20,500	-	49,260	-
Long-term liabilities	5,626,846	<u>\$ 20,500</u>	<u>\$ 267,553</u>	5,379,793	<u>\$ 280,000</u>
Current portion	(270,000)			(280,000)	
	<u>\$ 5,356,846</u>			<u>\$ 5,099,793</u>	

NOTE 7 - DEBT OBLIGATIONS

Debt service requirements for bonds payable at August 31, 2013, were as follows:

For the Year Ended August 31,	Revenue Bonds		
	Principal	Interest	Total
2014	\$ 135,000	\$ 69,795	\$ 204,795
2015	145,000	63,450	208,450
2016	150,000	56,635	206,635
2017	155,000	49,585	204,585
2018	165,000	42,300	207,300
2019-2022	735,000	88,360	823,360
Total	1,485,000	<u>\$ 370,125</u>	<u>\$ 1,855,125</u>
Unamortized loss on refunding	22,020		
	<u>\$ 1,462,980</u>		

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 7 - DEBT OBLIGATIONS (CONTINUED)

Details of bonds and notes payable as of August 31, 2013 and 2012 are as follows:

Refunding Revenue Bonds, Series 2005

- To refund the 2006 through 2022 maturities of the Series 2002 Improvement and Refunding Revenue Bonds.
- Issued April 15, 2005
- Original principal amount of \$2,380,000
- Secured by a pledge of revenues, including certain tuition and fees, 20% of the gross revenues received from the cafeteria and 60% of the gross revenues received from the dormitory system.
- Bonds payable are due in annual installments varying from \$135,000 to \$195,000 with an interest rate of 4.7% with the final installment due in 2022.

Lease Payable to Gray County

Lease payable to Gray County, Texas, issued on September 1, 2009, in the amount of \$4,175,000, interest varies from 2.5% to 5.125%, annual principal installments varying from \$155,000 to \$315,000 plus interest due semi-annually, with a maturity date of August 1, 2029. The loan proceeds were used for the construction of two new buildings and equipment at the Pampa, Texas, Campus. The College paid \$329,781 lease expense, principal and interest, in the year ended August 31, 2013.

Lease Payable to an Individual

Lease payable to an individual, signed July 1, 2013, in the amount of \$280,000, 0% interest, monthly installments of \$7,778, with a maturity of June 30, 2016. This was for the purchase of land and a building for the College's Amarillo Cosmetology Center. The College paid \$15,556 principal in the year ended August 31, 2013.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 7 - DEBT OBLIGATIONS (CONTINUED)

Obligations under capital leases at August 31, 2013, were as follows:

For the Year Ended August 31,	Total
2014	\$ 422,114
2015	425,914
2016	408,759
2017	328,331
2018	330,456
2019-2023	1,649,044
2024-2028	1,652,800
2029	<u>331,144</u>
Total minimum lease payments	5,548,562
Less: Amount representing interest costs	<u>1,694,118</u>
Present value of minimum lease payments	<u>\$ 3,854,444</u>

NOTE 8 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Accounts receivable at August 31, 2013 and 2012, consisted of the following:

	<u>2013</u>	<u>2012</u>
Taxes receivable	\$ 128,035	\$ 114,067
Student receivables	803,704	456,708
Grants receivable	521,141	41,739
Other receivables	<u>975</u>	<u>20,767</u>
	1,453,855	633,281
Allowance for doubtful accounts	<u>(435,702)</u>	<u>(372,202)</u>
Total accounts receivable, net	<u>\$ 1,018,153</u>	<u>\$ 261,079</u>

Accounts payable at August 31, 2013 and 2012 consisted of amounts payable to vendors.

Accrued liabilities at August 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Accrued interest payable	\$ 43,563	\$ 46,609
Accrued liability to U.S. Department of Education	61,547	65,288
Other accrued liabilities	<u>139,794</u>	<u>74,683</u>
Total accrued liabilities	<u>\$ 244,904</u>	<u>\$ 186,580</u>

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 9 - 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 on Exhibit 2 and Schedules A and C. For federal and nonfederal contract and grant awards, funds expended, but not collected, are reported as accounts receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. There were no contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal year 2013 and 2012 for which monies have not been received nor funds expended.

NOTE 10 - EMPLOYEES' RETIREMENT PLAN

State-Sponsored Benefit Plans

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas.

Teacher Retirement System of Texas

Plan Description. The College 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 state 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 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% 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 the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2013 and 2012 and a state contribution rate of 6.4% for fiscal year 2013 and 6.0% for fiscal year 2012. In certain instances the reporting district is required to make all or a portion of the state's contribution for fiscal years 2013 and 2012.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 10 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)

State-Sponsored Benefit Plans (Continued)

Optional Retirement Plan

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.4% and 6.0% for fiscal years 2013 and 2012, respectively. The participant contribution rate is 6.65% for both years. The College contributes 1.31% for all employees. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the state for the College was approximately \$153,000, \$150,000 and \$199,000 for the fiscal years ended August 31, 2013, 2012 and 2011, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College. The 83rd legislative session of the State of Texas allowed for shortfall in the state match and for community colleges to make up shortfalls in the funding. In addition to the above-stated contributions, approximately \$48,000, \$28,000, and \$-0- was paid by the College for the fiscal years 2013, 2012, and 2011, respectively, due to those shortfalls.

The total payroll for all College employees was \$4,033,804, \$3,792,863 and \$3,811,057 for fiscal years 2013, 2012 and 2011, respectively. The total payroll of employees covered by the Teacher Retirement System was \$3,136,819, \$2,967,904 and \$3,256,822 and the total payroll of employees covered by the Optional Retirement Program was approximately \$121,000, \$88,000 and \$146,000 for fiscal years 2013, 2012 and 2011, respectively.

NOTE 11 - DEFERRED COMPENSATION PROGRAM

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

NOTE 12 - POSTRETIREMENT 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 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 by expending the annual insurance premiums.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 12 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
(CONTINUED)

For the year ended August 31, 2013, the State's contribution per full-time employee and retiree was \$470 per month and totaled approximately \$294,000 for the year. The cost of providing those benefits for 39 retirees was approximately \$222,000 and for 79 active employees was approximately \$72,000.

For the year ended August 31, 2012, the State's contribution per full-time employee and retiree was \$438 per month and totaled approximately \$279,000 for the year. The cost of providing those benefits for 33 retirees was approximately \$207,000 and for 74 active employees was approximately \$72,000.

NOTE 13 - PROPERTY 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 the taxing jurisdiction.

At August 31, 2013:

Assessed valuation of the College	\$ 198,970,752
Less: Exemptions	873,388
Less: Abatements	<u> —</u>
Net assessed valuation of the College	<u>\$ 198,097,364</u>

	<u>Current</u> <u>Operations</u>	<u>Debt</u> <u>Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$.850000	\$ —	\$.850000
Tax rate per \$100 valuation for assessed	.222167	—	.222167

	<u>Current</u> <u>Operations</u>	<u>Debt</u> <u>Service</u>	<u>Total</u>
<u>Taxes Collected</u>			
Current taxes collected	\$ 422,085	\$ —	\$ 422,085
Delinquent taxes collected	11,626	—	11,626
Penalties and interest collected	<u>4,734</u>	<u> —</u>	<u>4,734</u>
Total collections	<u>\$ 438,445</u>	<u>\$ —</u>	<u>\$ 438,445</u>

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 13 - PROPERTY TAX (CONTINUED)

At August 31, 2012:

Assessed valuation of the College	\$ 189,684,860
Less: Exemptions	860,205
Less: Abatements	<u>1,293,254</u>
Net assessed valuation of the College	<u>\$ 187,531,401</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$.850000	\$ -	\$.850000
Tax rate per \$100 valuation for assessed	.222167	-	.222167

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 400,225	\$ -	\$ 400,225
Delinquent taxes collected	6,076	-	6,076
Penalties and interest collected	<u>8,898</u>	<u>-</u>	<u>8,898</u>
Total collections	<u>\$ 415,199</u>	<u>\$ -</u>	<u>\$ 415,199</u>

Taxes levied for the year ended August 31, 2013 and 2012 were approximately \$439,000 and \$417,000, respectively (which included 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 year following the year in which imposed.

Tax collections for the years ended August 31, 2013 and 2012 were 96% of the current tax levy for both years. Property tax revenues are recognized in the year for which they are levied. The use of tax proceeds is restricted for the maintenance and operations of the College.

NOTE 14 - EXTENSION CENTER MAINTENANCE TAX

A maintenance tax was established by election in 2009 and is levied by Gray County tax office and Childress County Appraisal District. It is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the College. Collections are transferred to the College to be used for operation of a campus at Gray and Childress counties. This revenue is reported under local grants and contracts. Collections in fiscal years 2013 and 2012 (including penalties and interest) from Gray County totaled approximately \$813,000 and \$734,000, respectively, and from Childress County totaled approximately \$144,000 and \$127,000, respectively.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 15 - 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 significant unrelated business income tax liability for the years ended August 31, 2013 and 2012.

NOTE 16 - RELATED PARTIES

The Clarendon College Foundation (CCF) is a nonprofit organization with the sole purpose of supporting the educational and other activities of the College. The College does not appoint a voting majority of CCF's Board of Directors, and it does not fund, nor is it obligated to pay, debt related to CCF. CCF solicits donations and acts as coordinator of gifts made by other parties as well as providing scholarships to students attending the College. During the fiscal year, the College furnished certain services, i.e., office space, utilities, and some staff assistance, to CCF for which CCF did not reimburse the College. CCF is controlled by an autonomous Board of Directors and is not considered a component unit of the College for financial reporting purposes. During the years ended August 31, 2013 and 2012, the College received funds consisting of donations and scholarships for students from CCF totaling \$12,415 and \$10,495, respectively.

The Pampa Center Foundation (PCF) was organized by the residents of the city of Pampa, Texas, for the purpose of providing educational support for the Pampa Center of Clarendon College. PCF is controlled by an autonomous Board of Directors and is not considered a component unit of the College for financial reporting purposes.

NOTE 17 - PAMPA CENTER FOUNDATION LEASE

During the year ended August 31, 2000, the College entered into a 30-year lease agreement with the PCF. The leased premises, located in Pampa, Texas, are used by the College to provide secondary, vocational and other community college courses. The College paid an advance rental of \$700,000 as payment in full for the 30-year lease term. During 2009, PCF donated the building and 13 acres of land occupied by the building to the College. The donation was recorded in 2009 at a fair market value for the building of \$2,497,050 and a fair market value of the land of \$118,400. The unamortized prepaid was used to offset these amounts resulting in a gain of approximately \$2,118,000.

NOTE 18 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The College contributes to the State Retiree Health Plan (SRHP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Employees

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 18 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Plan Description (Continued)

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 information for SRHP. That report may be obtained by visiting the ERS website at <http://www.ers.state.tx.us/>.

Funding Policy

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

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

The College's contributions to SRHP for the years ended August 31, 2013, 2012 and 2011 were \$469,913, \$437,874, and \$232,941, respectively, which equaled the required contributions each year.

NOTE 19 - COMMITMENTS, CONTINGENCIES AND LAWSUITS

The College participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. In the opinion of the College's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 19 - COMMITMENTS, CONTINGENCIES AND LAWSUITS (CONTINUED)

On August 31, 2013, claims involving the College were pending. While the ultimate liability with respect to claims asserted against the College cannot be reasonably estimated at this time, this liability, if any, to the extent not provided for by insurance, is not likely to have a material effect on the College.

Teacher Retirement System (TRS) Shortfall

In past fiscal years, the State of Texas contributed to the Teacher Retirement System (TRS) on behalf of the College, "an amount not less than six percent nor more than 10 percent of the aggregate compensation paid to individuals participating in the system" as stated in the Texas Constitution Article 16, Section 67(b)(3). The 2012-13 State of Texas budget provides for state funding of TRS retirement for public community colleges as "For each public community/junior college district, the combined annual General Revenue Fund contributions to the Teacher Retirement System not exceed 6.0 percent of each district's unrestricted General Revenue appropriation in fiscal year 2012 and fiscal year 2013." These two approaches are fundamentally different. The 2012-13 budget defines funding limits in terms of the general appropriations to community colleges, while Section 67(b) (3) of the Constitution defines minimum funding in terms of the "aggregate compensation paid" to TRS participants.

The College's unrestricted General Revenue appropriation does not exceed the aggregate compensation paid to TRS participants of the College. Thus, a shortfall exists in the constitutionally required funding for TRS. This provision in the 2012-13 state budget is not consistent with Texas Constitution Article 16, Section 67(b) (3).

In 2012, the College believed it was not responsible for the shortfall in funding for TRS contributions per Section 67(b) (3) which was approximately \$28,000 for the fiscal year ended August 31, 2012. This amount was disclosed as a possible contingent liability for fiscal year ended August 31, 2012. Subsequently the 83rd Legislative session passed legislation allowing community colleges to contribute this TRS shortfall to the State. In July 2013, payment was made of approximately \$76,000 consisting of \$28,000 and \$48,000 for the fiscal year ended August 31, 2012 and 2013 respectively.

Roof Repairs

As of August 31, 2013, the College had contracted to have all repairs made on roofs that were damaged in a hail storm in the current year. However, no work has begun on these repairs as of August 31, 2013. Total estimated costs are approximately \$832,000. The College currently has insurance proceeds of approximately \$663,000 in deferred revenue with another \$144,000 being held by the insurance company until the repairs are made. The remaining \$25,000 is the College's insurance deductible.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2013 and 2012

NOTE 20 - NEW GASB PRONOUNCEMENTS

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, is effective for periods beginning after December 15, 2011. This standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The College has implemented this reporting for the year ended August 31, 2013. The components of net position were renamed to reflect the requirements of this statement.

NOTE 21 - SUBSEQUENT EVENTS

The College has received a Title III federal grant in the amount of \$2.25 million that will be paid out over five years. The grant will begin in the fiscal year ended 2014.

The College has evaluated for inclusion as a subsequent event disclosure only those events that occurred prior to December 19, 2013, the date the financial statements were available to be issued.

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

OTHER SUPPLEMENTAL INFORMATION

**CLARENDON COLLEGE
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2013
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2013</u>	<u>2012</u>
TUITION						
State-funded courses						
In-district resident tuition	\$ 85,281	\$ -	\$ 85,281	\$ -	\$ 85,281	\$ 94,108
Out-of-district resident tuition	893,136	-	893,136	-	893,136	1,012,313
Non-resident tuition	183,036	-	183,036	-	183,036	160,851
TPEG - Credit (set aside)*	78,139	-	78,139	-	78,139	73,241
Non-state funded continuing education	3,965	-	3,965	-	3,965	1,850
Total tuition	<u>1,243,557</u>	<u>-</u>	<u>1,243,557</u>	<u>-</u>	<u>1,243,557</u>	<u>1,342,363</u>
FEES						
Building use fee	585,727	-	585,727	-	585,727	724,014
Out-of-district fee	490,596	-	490,596	-	490,596	515,045
General fee	692,235	-	692,235	-	692,235	573,106
Laboratory fee	177,797	-	177,797	-	177,797	182,906
Other fees	269,292	-	269,292	-	269,292	233,549
Total fees	<u>2,215,647</u>	<u>-</u>	<u>2,215,647</u>	<u>-</u>	<u>2,215,647</u>	<u>2,228,620</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Scholarship allowances	(274,449)	-	(274,449)	-	(274,449)	(221,007)
Remissions and exemptions	(122,324)	-	(122,324)	-	(122,324)	(138,592)
TPEG allowances	(54,420)	-	(54,420)	-	(54,420)	(33,934)
Federal grants to students	(1,603,972)	-	(1,603,972)	-	(1,603,972)	(1,818,822)
Other federal grants	(165,638)	-	(165,638)	-	(165,638)	(188,577)
Total scholarship allowances and discounts	<u>(2,220,803)</u>	<u>-</u>	<u>(2,220,803)</u>	<u>-</u>	<u>(2,220,803)</u>	<u>(2,400,932)</u>
Total net tuition and fees	<u>1,238,401</u>	<u>-</u>	<u>1,238,401</u>	<u>-</u>	<u>1,238,401</u>	<u>1,170,051</u>

**CLARENDON COLLEGE
SCHEDULE A, CONTINUED
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2013
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2013</u>	<u>2012</u>
ADDITIONAL OPERATING REVENUES						
Federal grants and contracts	-	118,360	118,360	-	118,360	110,287
State grants and contracts	-	203,162	203,162	-	203,162	208,087
Local grants and contracts	964,864	246,451	1,211,315	-	1,211,315	1,143,342
Other operating revenues	34,534	-	34,534	136,853	171,387	291,804
Total additional operating revenues	<u>999,398</u>	<u>567,973</u>	<u>1,567,371</u>	<u>136,853</u>	<u>1,704,224</u>	<u>1,753,520</u>
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	32,272	32,272	503,398
Less: Discounts	-	-	-	(141,489)	(141,489)	(330,114)
Residential	-	-	-	1,024,045	1,024,045	1,009,566
Less: Discounts	-	-	-	(469,371)	(469,371)	(426,369)
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,457</u>	<u>445,457</u>	<u>756,481</u>
TOTAL OPERATING REVENUES	<u>\$ 2,237,799</u>	<u>\$ 567,973</u>	<u>\$ 2,805,772</u>	<u>\$ 582,310</u>	<u>\$ 3,388,082</u>	<u>\$ 3,680,052</u>
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, \$78,139 and \$73,241 for years August 31, 2013 and 2012, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

**CLARENDON COLLEGE
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES BY OBJECT
YEAR ENDED AUGUST 31, 2013
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)**

	Operating Expenses				2013	2012
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	\$ 2,336,000	\$ -	\$ 359,510	\$ 194,586	\$ 2,890,096	\$ 2,645,094
Academic support	354,932	-	53,421	52,522	460,875	388,794
Student services	346,937	-	52,678	93,367	492,982	443,921
Institutional support	552,002	-	82,961	553,480	1,188,443	971,190
Operation and maintenance of plant	294,916	-	85,442	584,645	965,003	970,315
Total unrestricted educational activities	<u>3,884,787</u>	<u>-</u>	<u>634,012</u>	<u>1,478,600</u>	<u>5,997,399</u>	<u>5,419,314</u>
RESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	-	295,476	-	20,085	315,561	408,137
Academic support	-	44,895	-	-	44,895	54,971
Student services	-	43,883	-	-	43,883	54,760
Institutional support	86,684	71,215	183	30,128	188,210	168,645
Scholarship expense	-	-	-	834,719	834,719	832,080
Total restricted educational activities	<u>86,684</u>	<u>455,469</u>	<u>183</u>	<u>884,932</u>	<u>1,427,268</u>	<u>1,518,593</u>
Total educational activities	<u>3,971,471</u>	<u>455,469</u>	<u>634,195</u>	<u>2,363,532</u>	<u>7,424,667</u>	<u>6,937,907</u>
AUXILIARY ENTERPRISES	<u>62,333</u>	<u>-</u>	<u>23,844</u>	<u>1,031,773</u>	<u>1,117,950</u>	<u>1,567,489</u>
DEPRECIATION EXPENSE						
Buildings and other real estate improvements	-	-	-	379,345	379,345	363,757
Equipment and furniture	-	-	-	495,713	495,713	486,098
Total depreciation expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>875,058</u>	<u>875,058</u>	<u>849,855</u>
TOTAL OPERATING EXPENSES	<u>\$ 4,033,804</u>	<u>\$ 455,469</u>	<u>\$ 658,039</u>	<u>\$ 4,270,363</u>	<u>\$ 9,417,675</u>	<u>\$ 9,355,251</u>
				(Exhibit 2)	(Exhibit 2)	

**CLARENDON COLLEGE
SCHEDULE C
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES
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>2013</u>	<u>2012</u>
NONOPERATING REVENUES:					
State appropriations:					
Education and general state support	\$ 2,359,072	\$ -	\$ -	\$ 2,359,072	\$ 2,540,249
State group insurance	-	293,814	-	293,814	278,712
State retirement matching	-	160,262	-	160,262	153,222
Total state appropriations	<u>2,359,072</u>	<u>454,076</u>	<u>-</u>	<u>2,813,148</u>	<u>2,972,183</u>
Ad valorem taxes for maintenance and operations	430,621	-	-	430,621	410,816
Federal revenue, nonoperating	2,508,109	-	-	2,508,109	2,957,167
Gifts	33,026	275,000	-	308,026	206,681
Investment income	83,122	232	-	83,354	168,827
Other nonoperating revenues	69,512	-	-	69,512	14,298
Total nonoperating revenues	<u>5,483,462</u>	<u>729,308</u>	<u>-</u>	<u>6,212,770</u>	<u>6,729,972</u>
NONOPERATING EXPENSES:					
Interest on capital-related debt	265,438	-	-	265,438	277,199
Loss on disposal of assets	5,572	-	-	5,572	2,641
Total nonoperating expenses	<u>271,010</u>	<u>-</u>	<u>-</u>	<u>271,010</u>	<u>279,840</u>
NET NONOPERATING REVENUES	<u>\$ 5,212,452</u>	<u>\$ 729,308</u>	<u>\$ -</u>	<u>\$ 5,941,760</u>	<u>\$ 6,450,132</u>
				(Exhibit 2)	(Exhibit 2)

**CLARENDON COLLEGE
SCHEDULE D
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
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	Nonexpendable				
CURRENT							
Unrestricted	\$ 2,852,692	\$ -	\$ -	\$ -	\$ 2,852,692	\$ 2,852,692	\$ -
Restricted	-	1,666,696	-	-	1,666,696	1,666,696	-
Auxiliary enterprises	(484,498)	-	-	-	(484,498)	(484,498)	-
LOAN	-	-	-	-	-	-	-
ENDOWMENT							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	1,534,830	-	1,534,830	-	1,534,830
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
PLANT							
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt service	-	238,000	-	-	238,000	-	238,000
Investment in plant	-	-	-	11,447,601	11,447,601	-	11,447,601
Total net position, August 31, 2013	<u>2,368,194</u>	<u>1,904,696</u>	<u>1,534,830</u>	<u>11,447,601</u>	<u>17,255,321</u>	<u>4,034,890</u>	<u>13,220,431</u>
					(Exhibit 1)		
Total net position, August 31, 2012	<u>2,767,842</u>	<u>1,618,787</u>	<u>1,533,700</u>	<u>11,422,825</u>	<u>17,343,154</u>	<u>4,148,629</u>	<u>13,194,525</u>
					(Exhibit 1)		
NET INCREASE (DECREASE) IN NET POSITION	<u>\$ (399,648)</u>	<u>\$ 285,909</u>	<u>\$ 1,130</u>	<u>\$ 24,776</u>	<u>\$ (87,833)</u>	<u>\$ (113,739)</u>	<u>\$ 25,906</u>
					(Exhibit 2)		

**CLARENDON COLLEGE
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2013**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass-Through Disbursements</u>
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007	-	\$ 52,845
Federal Work Study Program	84.033	-	52,211
Federal Pell Grant Program	84.063	-	2,403,053
Federal Direct Student Loans	84.268	-	<u>2,410,021</u>
Total Direct Programs			<u>4,918,130</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	09831	<u>118,360</u>
Total Pass-Through from Texas Higher Education Coordinating Board			<u>118,360</u>
Total U.S. Department of Education			<u>5,036,490</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 5,036,490</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CLARENDON COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2013

NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION

Federal grants and contracts revenue - per Schedule A	\$ 118,360
Nonoperating federal revenue - per Schedule C	2,508,109
Federal Direct Student Loans	<u>2,410,021</u>
Total federal revenues per Schedule of Expenditures of Federal Awards	<u>\$ 5,036,490</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which 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.

**CLARENDON COLLEGE
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
YEAR ENDED AUGUST 31, 2013**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Workforce Commission		
Workforce Investment Act Program	-	\$ 23,933
Total Texas Workforce Commission		<u>23,933</u>
Texas Department of Assistive and Rehabilitative Services		
Tuition Waiver	-	7,451
Total Texas Department of Assistive and Rehabilitative Services		<u>7,451</u>
Texas Higher Education Coordinating Board		
Texas Grant Program	-	94,075
Texas Educational Opportunity Grant	-	50,530
Texas College Work-Study Program	-	7,089
Texas Engineering Extension Service	-	20,084
Total Texas Higher Education Coordinating Board		<u>171,778</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 203,162</u>

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

CLARENDON COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
August 31, 2013

NOTE 1 - STATE ASSISTANCE RECONCILIATION

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

State Grants and Contracts Revenue per Schedule A	<u>\$ 203,162</u>
Total state revenues per Schedule of Expenditures of State Awards	<u>\$ 203,162</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

SINGLE AUDIT SECTION

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**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Regents
Clarendon College
Clarendon, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clarendon College (the College), as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 19, 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.

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

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of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Connor, McMillon, Mitchell & Shennum, PLLC

Amarillo, Texas
December 19, 2013

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**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by OMB Circular A-133**

Board of Regents
Clarendon College
Clarendon, Texas

Report on Compliance for Each Major Federal Program

We have audited Clarendon College's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2013. The College's major federal 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 programs.

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Student Financial Aid

As described in the accompanying schedule of findings and questioned costs, the College did not comply with requirements regarding Student Financial Aid Cluster as described in finding number 2013-001 for Return to Title IV Calculations. Compliance with such requirements is necessary, in our opinion, for the College to comply with the requirements applicable to that program.

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Qualified Opinion on Student Financial Aid

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 Student Financial Aid for the year ended August 31, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-002 and 2013-003. Our opinion on the major federal program is not modified with respect to these matters.

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

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 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2013-001 to be material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2013-002 and 2013-003 to be significant deficiencies.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Connor, McMillon, Mitchell ; Shennum, PLLC

Amarillo, Texas
December 19, 2013

**CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2013**

SECTION I - Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:

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

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported
- Noncompliance material to financial statements noted? yes X no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? X yes none reported

Type of Auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal/State Program or Cluster</u>
<i>Federal programs</i>	U.S. Department of Education
	<i>Student Financial Aid Cluster</i>
84.007	Federal Supplemental Educational Opportunity Grant Program
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

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

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

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2013

SECTION II - Financial Statement Findings

None reported.

SECTION III - Federal and State Award Findings and Questioned Costs

Finding 2013-001

Program: Student Financial Aid Cluster

Compliance Requirement: Activities allowed or unallowed

Condition: The College was not calculating a Return to Title IV on those students receiving all "F's" for the semester.

Criteria: Per the OMB A-133 Compliance Supplement, when a student unofficially withdraws, a Return to Title IV calculation should be prepared and a refund may be due to the Department of Education (DOE).

Cause: The College was not preparing reports of students receiving all "F's" for the semester, and they were not preparing a Return to Title IV calculation on the students receiving aid that had all "F's."

Effect: The College will be required to return approximately \$66,500 to the DOE.

Context: A sample of 25 students receiving all "F's" was pulled. There were no Return to Title IV calculations prepared on any of these students.

Recommendation: The College should implement procedures and controls to ensure Return to Title IV calculations are being prepared. We further recommend that all employees responsible for student financial aid be properly trained.

Views of Responsible Officials and Corrective Action Plan: The College recalculated Return to Title IV on all students receiving all "F's" for the semester and will return funds to Title IV to respective programs. At the end of each semester when reviewing Financial Aid SAP, we will calculate Return to Title IV on all students that receive all "F's" for the semester. This is a policy we have added to our Financial Aid Policy Manual. We have also added a monitoring process to allow earlier notification of students that may have abandoned their courses.

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2013

SECTION III - Federal and State Award Findings and Questioned Costs (Continued)

Finding 2013-002

Program: Student Financial Aid Cluster

Compliance Requirement: Reporting

Condition: The amount of Pell expenditures as reported on the annual Fiscal Operations Report and Application to Participate (FISAP) was incorrect.

Criteria: Per the OMB A-133 Compliance Supplement, each year an electronic report is submitted to receive funds for the campus-based programs. The school uses the Fiscal Operations Report and Application to Participate (FISAP) to report its expenditures in the previous year and the Application to Participate portion to apply for the following year.

Cause: The College's employee preparing the FISAP used the incorrect Pell expenditures and the Pell expenditures were not tied back to the general ledger.

Effect: The information reported to the U.S. Department of Education (DOE) was incorrect. This incorrect reporting could affect future Pell awards.

Context: Test work was performed on the Annual FISAP filed with the DOE.

Recommendation: The employee preparing the FISAP should agree the information to the general ledger and other subsidiary reports. Further, the FISAP report should be reviewed by the accounting department prior to submission.

Views of Responsible Officials and Corrective Action Plan: The Pell expenditures were keyed incorrectly. The FISAP will be corrected with the correct Pell expenditure by Friday, December 13, 2013. Vice President of Off Campus Affairs will review the FISAP before it is submitted to verify the expenditures are reported correctly.

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2013

SECTION III - Federal and State Award Findings and Questioned Costs (Continued)

Finding 2013-003

Program: Student Financial Aid Cluster

Compliance Requirement: Special Tests

Condition: One first-year undergraduate who was a first-time borrower received disbursed funds prior to 30 days after the first day of classes.

Criteria: Per the OMB A-133 Compliance Supplement, institutions may not disburse or deliver the first installment of Direct Loans to first-year undergraduates who are first time borrowers until 30 days after the student's first day of class.

Cause: The College does not specifically identify first-year students who are first-time borrowers and hold funds for the 30-day requirement.

Effect: The College can have a higher default rate and potentially lose future aid.

Context: A sample of 40 student files was reviewed. This represents one student tested.

Recommendation: Implement procedures and controls to ensure freshman borrowers are identified and loans are disbursed after the 30-day hold requirement.

Views of Responsible Officials and Corrective Action Plan: Student loans for the first-year, first-time borrowers will be posted upon application, but will be systematically flagged not to be disturbed until after the 30-day requirement. The Director will have sole control over releasing the flag to disburse. The Business Office needs to be able to see they have money coming in for their outstanding balance.

**CLARENDON COLLEGE
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2013**

Finding 2013-001

Condition: The College was not calculating a Return to Title IV on those students receiving all "F's" for the semester.

Corrective Action Plan: The College recalculated Return to Title IV on all students receiving all "F's" for the semester and will return funds to Title IV to respective programs. At the end of each semester when reviewing Financial Aid SAP, we will calculate Return to Title IV on all students that receive all "F's" for the semester. This is a policy we have added to our Financial Aid Policy Manual. We have also added a monitoring process to allow earlier notification of students that may have abandoned their courses.

Finding 2013-002

Condition: The amount of Pell expenditures as reported on the annual Fiscal Operations Report and Application to Participate (FISAP) was incorrect.

Corrective Action Plan: The Pell expenditures were keyed incorrectly. The FISAP will be corrected with the correct Pell expenditure by Friday, December 13, 2013. Vice President of Off Campus Affairs will review the FISAP before it is submitted to verify the expenditures are reported correctly.

Finding 2013-003

Condition: One first-year undergraduate who was a first-time borrower received disbursed funds prior to 30 days after the first day of classes.

Corrective Action Plan: Student loans for the first-year, first-time borrowers will be posted upon application, but will be systematically flagged not to be disturbed until after the 30-day requirement. The Director will have sole control over releasing the flag to disburse. The Business Office needs to be able to see they have money coming in for their outstanding balance.

CLARENDON COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended August 31, 2013

Significant Deficiencies

Finding 2012-01

Condition: Four students that withdrew from the College did not have a Return to Title IV calculation. Two students did have a return due. One Return to Title IV was found by the College and was returned, and the other Return to Title IV is in process of being corrected and returned. The other students withdrew after the 60% deadline and no return to Title IV was required.

Current Status: Withdrawal forms are now being taken to the financial aid office and signed before being routed to the registrar.

Finding 2012-02

Condition: Three students were awarded aid based on an incorrect Pell chart. The students were collectively over awarded \$157.

Current Status: The financial aid office has implemented procedures to ensure that the correct charts are used.

Finding 2012-03

Condition: A student was awarded aid in January and had a credit balance. The student was not cut a refund check in February when refunds were sent out by the cashier. The student still has a credit balance as of August 2012.

Current Status: Management has implemented a procedure of printing and reconciling student refund reports including students with holds. There were no instances of noncompliance in this area noted during testing in the current year.

Finding 2012-04

Condition: Student Status Filings were not timely reported (within 30 days) to the National Clearinghouse.

Current Status: This report is now being submitted by the registrar and has been submitted on a timely basis.

CLARENDON COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended August 31, 2013

Significant Deficiencies (Continued)

Finding 2012-05

Condition: A student had maxed out his/her Cost of Attendance. The College attempted to adjust the Pell for this and make a loan for the difference. However, the calculation was incorrect and the Pell was reduced by \$595 too much; thus, the student was under awarded by this amount. Also, the loan awarded was increased by \$595; thus, the student is liable for additional repayments.

Current Status: There were no instances of noncompliance noted in this area during the current year.

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**STATISTICAL SUPPLEMENT
(Unaudited)**

Clarendon College
Statistical Supplement 1
Net Position by Component
Fiscal Years 2004 to 2013
 (unaudited)
 (amounts expressed in thousands)

	For the Fiscal Year Ended August 31,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Invested in capital assets, net of related debt	\$ 11,447	\$ 11,423	\$ 11,278	\$ 11,641	\$ 10,358	\$ 6,782	\$ 6,930	\$ 6,965	\$ 6,656	\$ 6,565
Restricted - nonexpendable	1,535	1,534	1,450	1,548	1,545	1,184	1,129	573	532	483
Restricted - expendable	1,905	1,619	1,636	714	630	650	542	961	506	150
Unrestricted	2,368	2,767	2,204	955	940	1,618	1,593	1,499	1,796	2,047
Total net position	\$ 17,255	\$ 17,343	\$ 16,568	\$ 14,858	\$ 13,473	\$ 10,234	\$ 10,194	\$ 9,998	\$ 9,490	\$ 9,245

**Clarendon College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2004 to 2013
(unaudited)**

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and fees (net of discounts)	\$ 1,239	\$ 1,170	\$ 1,177	\$ 1,541	\$ 1,349	\$ 1,133	\$ 898	\$ 1,133	\$ 812	\$ 664
Governmental grants and contracts										
Federal grants and contracts	118	110	383	138	100	111	1,161	1,226	1,024	1,018
State grants and contracts	203	208	516	78	94	86	56	52	43	55
Local grants and contracts	1,211	1,143	1,169	911	917	-	-	-	-	-
Nongovernmental grants and contracts	-	-	-	-	-	-	-	-	4	53
Auxiliary enterprises	446	757	775	929	880	941	855	604	628	482
Other operating revenues	171	292	91	81	77	68	220	216	90	87
Total operating revenues	3,388	3,680	4,111	3,678	3,417	2,339	3,190	3,231	2,601	2,359
State appropriations	2,813	2,972	3,094	3,133	2,693	2,712	2,652	2,653	2,541	2,520
Ad valorem taxes	431	411	442	409	425	352	342	343	329	301
Federal revenue, nonoperating	2,508	2,957	3,363	2,586	1,484	1,192	-	-	-	-
Gifts	308	207	210	474	281	210	244	482	474	99
Investment income	83	169	96	124	256	206	222	164	116	124
Other nonoperating revenues	70	14	7	7	-	4	2	-	276	-
Total nonoperating revenues	6,213	6,730	7,212	6,733	5,139	4,676	3,462	3,642	3,736	3,044
TOTAL REVENUES	\$ 9,601	\$ 10,410	\$ 11,323	\$ 10,411	\$ 8,556	\$ 7,015	\$ 6,652	\$ 6,873	\$ 6,337	\$ 5,403

For the Year Ended August 31,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and fees (net of discounts)	12.90%	11.24%	10.40%	14.80%	15.77%	16.15%	13.50%	16.48%	12.81%	12.29%
Governmental grants and contracts										
Federal grants and contracts	1.23%	1.06%	3.38%	1.33%	1.17%	1.58%	17.45%	17.84%	16.16%	18.84%
State grants and contracts	2.11%	2.00%	4.56%	0.75%	1.10%	1.23%	0.84%	0.76%	0.68%	1.02%
Local grants and contracts	12.61%	10.98%	10.32%	8.75%	10.72%	0.00%	0.00%	0.00%	0.00%	0.00%
Nongovernmental grants and contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.98%
Auxiliary enterprises	4.65%	7.27%	6.85%	8.92%	10.29%	13.41%	12.85%	8.79%	9.93%	8.92%
Other operating revenues	1.78%	2.80%	0.80%	0.78%	0.90%	0.97%	3.31%	3.14%	1.42%	1.61%
Total operating revenues	35.29%	35.35%	36.31%	35.33%	39.95%	33.34%	47.95%	47.01%	41.06%	43.66%
State appropriations	29.30%	28.55%	27.33%	30.09%	31.47%	38.66%	39.86%	38.60%	40.10%	46.64%
Ad valorem taxes	4.49%	3.95%	3.90%	3.93%	4.97%	5.02%	5.14%	4.99%	5.19%	5.57%
Federal revenue, nonoperating	26.12%	28.41%	29.70%	24.84%	17.34%	16.99%	0.00%	0.00%	0.00%	0.00%
Gifts	3.21%	1.99%	1.85%	4.55%	3.28%	2.99%	3.67%	7.01%	7.48%	1.83%
Investment income	0.86%	1.62%	0.85%	1.19%	2.99%	2.94%	3.35%	2.39%	1.83%	2.30%
Other nonoperating revenues	0.73%	0.13%	0.06%	0.07%	0.00%	0.06%	0.03%	0.00%	4.34%	0.00%
Total nonoperating revenues	64.71%	64.65%	63.69%	64.67%	60.05%	66.66%	52.05%	52.99%	58.94%	56.34%
TOTAL REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Clarendon College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2004 to 2013
(unaudited)

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	\$ 3,206	\$ 3,053	\$ 3,051	\$ 2,977	\$ 2,317	\$ 2,280	\$ 2,272	\$ 2,136	\$ 1,902	\$ 1,763
Public service	-	-	-	-	-	-	-	1	4	12
Academic support	506	444	518	529	505	432	389	333	330	377
Student services	537	499	507	465	489	392	381	386	336	292
Institutional support	1,376	1,140	1,155	1,082	1,072	952	954	848	923	900
Operation and maintenance of plant	965	970	999	972	1,012	1,147	803	1,071	813	741
Scholarships and fellowships	835	832	1,142	872	-	-	-	-	-	-
Auxiliary enterprises	1,118	1,567	1,201	1,415	1,378	1,127	1,002	1,015	844	759
Depreciation	875	850	720	587	529	506	485	457	388	330
Total operating expenses	9,418	9,355	9,293	8,899	7,302	6,836	6,286	6,247	5,540	5,174
Interest on capital related debt	265	277	287	300	124	132	129	116	139	150
Other nonoperating expense	6	3	33	-	8	8	41	-	-	-
Total nonoperating expenses	271	280	320	300	132	140	170	116	139	150
Prior period adjustment	-	-	-	-	-	-	-	-	-	396
TOTAL EXPENSES	\$ 9,689	\$ 9,635	\$ 9,613	\$ 9,199	\$ 7,434	\$ 6,976	\$ 6,456	\$ 6,363	\$ 5,679	\$ 5,720

For the Year Ended August 31,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	33.09%	31.69%	31.74%	32.36%	31.17%	32.68%	35.19%	33.57%	33.50%	30.82%
Public service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.07%	0.21%
Academic support	5.22%	4.61%	5.39%	5.76%	6.79%	6.19%	6.03%	5.23%	5.81%	6.59%
Student services	5.54%	5.18%	5.28%	5.05%	6.58%	5.62%	5.90%	6.07%	5.92%	5.11%
Institutional support	14.20%	11.83%	12.01%	11.76%	14.42%	13.65%	14.78%	13.33%	16.26%	15.73%
Operation and maintenance of plant	9.96%	10.07%	10.39%	10.57%	13.61%	16.44%	12.44%	16.83%	14.32%	12.95%
Scholarships and fellowships	8.62%	8.64%	11.88%	9.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Auxiliary enterprises	11.54%	16.26%	12.49%	15.38%	18.53%	16.16%	15.52%	15.95%	14.86%	13.27%
Depreciation	9.03%	8.82%	7.49%	6.38%	7.12%	7.25%	7.51%	7.18%	6.81%	5.77%
Total operating expenses	97.20%	97.10%	96.67%	96.74%	98.22%	97.99%	97.37%	98.18%	97.55%	90.45%
Interest on capital related debt	2.74%	2.87%	2.99%	3.26%	1.67%	1.89%	2.00%	1.82%	2.45%	2.62%
Other nonoperating expense	0.06%	0.03%	0.34%	0.00%	0.11%	0.12%	0.63%	0.00%	0.00%	0.00%
Total nonoperating expenses	2.80%	2.90%	3.33%	3.26%	1.78%	2.01%	2.63%	1.82%	2.45%	2.62%
Prior period adjustment	-	-	-	-	-	-	-	-	-	6.93%
TOTAL EXPENSES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	A	B	C	D	E	F	G	H	I	J	K	L	M
Resident Fees per Semester Credit Hour (SCH)													
Academic Year (Fall)	Bldg Use Fee	Out-of-District Fee*	In-District Tuition	Out-of-District Tuition	General Institution Fees	Technology Fees	Student Activity Fees	Library Fees	Cost for 12 SCH In Maint Tax District	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
2013	\$ 24	\$ 14 - 23	\$ 42	\$ 42	\$ 25	\$ -	\$ -	\$ -	\$ 1,260	\$ 1,092	\$ 1,368	0.00%	0.00%
2012	24	14 - 23	42	42	25	-	-	-	1,260	1,092	1,368	7.06%	5.56%
2011	24	14 - 23	42	42	19	-	-	-	1,188	1,020	1,296	2.41%	5.88%
2010	24	10 - 19	42	42	17	-	-	-	1,116	996	1,224	5.06%	4.08%
2009	24	10 - 19	38	38	17	-	-	-	1,068	948	1,176	0.00%	0.00%
2008	24	10 - 19	38	38	17	-	-	-	1,068	948	1,176	3.95%	3.16%
2007	24	19	38	38	14	-	-	-	-	912	1,140	10.14%	10.47%
2006	24	17	38	38	7	-	-	-	-	828	1,032	11.29%	8.86%
2005	24	17	38	38	-	-	-	-	-	744	948	12.73%	12.86%
2004	20	15	35	35	-	-	-	-	-	660	840	7.84%	6.06%
Nonresident Fees per Semester Credit Hour (SCH)													
Academic Year (Fall)	Bldg Use Fee	Out-of-District Fee	Out-of-State Tuition	Tuition International	General Institution Fees	Technology Fees	Student Activity Fees	Library Fees	Cost for 12 SCH International	Cost for 12 SCH Out-of-State	Cost for 12 SCH Out-of-District	Increase from Prior Year Out-of-State	Increase from Prior Year International
2013	\$ 24	\$ 23	\$ 73	\$ 73	\$ 25	\$ -	\$ -	\$ -	\$ 1,740	\$ 1,740	\$ -	0.00%	0.00%
2012	24	23	73	73	25	-	-	-	1,740	1,740	-	4.32%	4.32%
2011	24	23	73	73	19	-	-	-	1,668	1,668	-	4.51%	4.51%
2010	24	19	73	73	17	-	-	-	1,596	1,596	-	13.68%	13.68%
2009	24	19	57	57	17	-	-	-	1,404	1,404	-	0.00%	0.00%
2008	24	19	57	57	17	-	-	-	1,404	1,404	-	2.63%	2.63%
2007	24	19	57	57	14	-	-	-	1,368	1,368	-	12.87%	12.87%
2006	24	17	53	53	7	-	-	-	1,212	1,212	-	7.45%	7.45%
2005	24	17	53	53	-	-	-	-	1,128	1,128	-	10.59%	10.59%
2004	20	15	50	50	-	-	-	-	1,020	1,020	-	4.94%	4.94%

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

*In 2008-2009 a maintenance tax was passed in two, Gray and Childress, counties in our service district. A reduced out-of-district fee was created for students living in these counties.

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

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2012-13	\$ 198,970,752	\$ 873,388	\$ 198,097,364	96.66%	\$ 0.22217	\$ -	\$ 0.22217
2011-12	189,684,860	2,153,459	187,531,401	98.86%	0.22217	-	0.22217
2010-11	189,977,658	2,200,655	187,777,003	98.84%	0.22193	-	0.22193
2009-10	190,535,874	1,658,181	188,877,693	99.13%	0.22193	-	0.22193
2008-09	181,387,900	2,377,114	179,010,786	98.69%	0.20650	-	0.20650
2007-08	169,308,750	-	169,308,750	100.00%	0.20650	-	0.20650
2006-07	168,160,692	-	168,160,692	100.00%	0.20650	-	0.20650
2005-06	165,685,336	-	165,685,336	100.00%	0.02650	-	0.02650
2004-05	159,491,370	-	159,491,370	100.00%	0.20650	-	0.20650
2003-04	152,791,227	-	152,791,227	100.00%	0.19870	-	0.19870

Source: Donley County Appraisal District

Notes: Property is assessed at full market value.
(a) per \$100 Taxable Assessed Valuation

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

(unaudited)

(amounts expressed in thousands)

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2012-13	\$ 2,359,072	1,076	\$ 2,192	438,688	229,203	667,891	3.80
2011-12	2,540,249	938	2,708	477,216	257,109	734,325	3.46
2010-11	2,473,033	1,203	2,056	524,462	288,313	812,775	3.04
2009-10	2,508,554	1,205	2,082	490,016	261,248	751,264	3.34
2008-09	2,091,792	1,122	1,864	460,736	183,664	644,400	3.25
2007-08	2,088,598	836	2,498	411,360	130,688	542,048	3.85
2006-07	2,088,598	968	2,158	405,088	148,608	553,696	3.77
2005-06	2,125,106	1,051	2,022	417,664	135,472	553,136	3.84
2004-05	2,086,739	971	2,149	408,928	74,256	483,184	4.32
2003-04	2,086,774	905	2,306	382,864	62,128	444,992	4.69

Note:

FTSE is defined as the number of full-time students plus part-time students divided by 12 hrs for the fall term.

State appropriation does not include employee health insurance or retirement benefits.

(a) Source CBM001

(b) Source CBM00A

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

		% of Taxable Assessed Value (TAV) by Tax Year									
Taxpayer	Type of Business	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
BNSF Railway Company	Railroad	\$ 23,414,130	\$ 21,607,420	\$ 19,050,130	\$ 16,026,810	\$ 14,587,580	\$ 13,908,194	\$ 12,739,084	\$ 11,260,564	\$ -	\$ 9,536,445
Southwestern Electric Power Co	Utility	7,342,214	7,588,370	4,639,390	4,926,830	4,352,630	-	-	-	-	-
Nustar Logistics LP	Utility	2,820,100	-	3,128,380	2,899,150	2,992,790	2,765,930	2,564,340	-	-	-
Cattlemens Feedlot LTD	Cattle/Feedlot	2,669,149	2,790,135	2,604,186	2,694,247	2,685,900	-	-	-	-	-
Matthews, Kade L. Trust #1	Ranch	-	1,771,844	1,701,744	1,225,285	1,225,285	1,225,287	-	1,198,936	-	1,141,287
KLM Griffin Ranch LP	Ranch	1,683,245	-	-	-	-	-	-	-	-	-
Ritchie Birkbeck GC Trust	Ranch	1,576,284	1,681,674	1,681,815	1,823,316	1,825,756	1,815,949	1,813,864	1,813,864	-	1,670,806
Sunoco Pipeline LP	Utility	1,307,190	-	1,674,180	-	-	1,291,760	1,391,660	-	-	-
Oneok Westex Transmission	Utility	-	-	1,616,920	1,229,640	1,307,810	-	-	1,074,190	-	-
McLean Feed Yard LTD	Cattle/Feedlot	1,374,367	-	1,455,938	1,533,658	1,697,839	1,740,192	1,987,192	1,972,379	-	1,969,582
Rio Bravo Cattle Feeders	Cattle/Feedlot	1,222,232	-	1,374,975	1,692,178	1,111,405	-	-	-	-	-
Clarendon Hotel Corporation	Hotel	2,145,612	-	1,220,000	1,156,782	1,289,357	2,214,187	2,226,627	2,244,327	-	-
Jjob, LTD	Ranch	1,003,377	1,048,450	1,043,533	1,119,277	1,098,393	1,078,603	-	-	-	1,009,860
J Lee Milligan Inc	Construction	1,431,550	-	1,027,200	-	-	-	-	-	-	-
Level 3 Communications LLC	Utility	1,081,350	-	936,610	927,390	1,058,170	1,151,215	1,409,770	1,134,840	-	1,370,310
Greenbelt Electric Co-Op Inc.	Utility	-	-	919,810	913,910	-	-	-	-	-	-
Roach, TL	Ranch	-	909,666	898,626	960,098	976,474	-	-	-	-	-
Valor Telecommunications of TX, LP	Utility	-	-	-	954,000	1,404,300	1,624,453	1,597,863	1,779,863	-	1,902,344
Automotive Properties LP	Car Dealer	-	-	-	-	1,247,896	-	-	-	-	-
AEP West Texas Utilities	Utility	-	-	-	-	-	2,894,244	2,398,943	2,694,443	-	2,735,704
Crow Hollow LLC	Cattle/Feedlot	-	-	-	-	-	-	3,044,310	3,014,250	-	1,490,425
Valero Logistise OP LP	Utility	-	-	-	-	-	-	-	1,910,690	-	2,429,280
Crofoot Cattle Co	Cattle/Feedlot	-	539,558	-	-	-	-	-	1,085,526	-	-
Oneok Westex Transmission	Utility	-	-	-	-	-	-	-	1,074,190	-	-
Western Wireless Corp	Utility	-	-	-	-	-	-	-	-	-	1,617,770
Suna Land Holding LTD	Car Dealer	-	-	-	-	-	-	-	-	-	1,468,664
Sun Pipe Line Services Co	Utility	-	-	-	-	-	-	-	-	-	-
Bitter Creek LP	Ranch	-	899,259	-	-	-	-	-	-	-	-
Fletcher, Gary	Ranch	-	793,613	-	-	-	-	-	-	-	-
Young, Betty Family LTD	Ranch	-	650,120	-	-	-	-	-	-	-	-
Obrien John Jay	Ranch	-	596,128	-	-	-	-	-	-	-	-
High Card Ranch LLC	Ranch	-	442,492	-	-	-	-	-	-	-	-
Royal Oil & Gas Corp	Ranch	-	392,353	-	-	-	-	-	-	-	-
Ritchie Birkbeck Testamentary	Ranch	-	385,664	-	-	-	-	-	-	-	-
Martinez Ranch LTD	Ranch	-	320,640	-	-	-	-	-	-	-	-
Wild Card Ranch LLC	Ranch	-	307,438	-	-	-	-	-	-	-	-
Obrien, John Jay ET AL	Ranch	-	304,289	-	-	-	-	-	-	-	-
TR Land & Cattle Co.	Ranch	-	294,639	-	-	-	-	-	-	-	-
Totals		\$ 49,072,813	\$ 43,323,752	\$ 44,973,437	\$ 40,082,571	\$ 38,861,585	\$ 34,469,521	\$ 31,173,653	\$ 32,258,062	\$ -	\$ 28,342,477
Total Taxable Assessed Value		\$ 198,097,364	\$ 187,531,401	\$ 187,777,003	\$ 188,877,693	\$ 179,010,786	\$ 169,308,750	\$ 168,160,692	\$ 165,685,336	\$ 159,491,370	\$ 152,791,227

**Clarendon College
Statistical Supplement 7, Continued
Principal Taxpayers
Last Ten Tax Years
(unaudited)**

		% of Taxable Assessed Value (TAV) by Tax Year									
Taxpayer	Type of Business	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
BNSF Railway Company	Railroad	11.82%	11.52%	10.15%	8.49%	8.15%	8.21%	7.58%	6.80%	0.00%	6.24%
Southwestern Electric Power Co	Utility	3.71%	4.05%	2.47%	2.61%	2.43%	0.00%	0.00%	0.00%	0.00%	0.00%
Nustar Logistics LP	Utility	1.42%	0.00%	1.67%	1.53%	1.67%	1.63%	1.52%	0.00%	0.00%	0.00%
Cattlemens Feedlot LTD	Cattle/Feedlot	1.35%	1.49%	1.39%	1.43%	1.50%	1.63%	0.00%	0.00%	0.00%	0.00%
Matthews, Kade L. Trust #1	Ranch	0.00%	0.94%	0.91%	0.65%	0.68%	0.72%	0.00%	0.72%	0.00%	0.75%
KLM Griffin Ranch LP	Ranch	0.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ritchie Birkbeck GC Trust	Ranch	0.80%	0.90%	0.90%	0.97%	1.02%	1.07%	1.08%	1.09%	0.00%	1.09%
Sunoco Pipeline LP	Utility	0.66%	0.00%	0.89%	0.00%	0.00%	0.76%	0.83%	0.00%	0.00%	0.00%
Oneok Westex Transportation	Utility	0.00%	0.00%	0.86%	0.65%	0.73%	0.00%	0.00%	0.65%	0.00%	0.00%
McLean Feed Yard LTD	Cattle/Feedlot	0.69%	0.00%	0.78%	0.81%	0.95%	1.03%	1.18%	1.19%	0.00%	1.29%
Rio Bravo Cattle Feeders	Cattle/Feedlot	0.62%	0.00%	0.73%	0.90%	0.62%	0.00%	0.00%	0.00%	0.00%	0.00%
Clarendon Hotel Corporation	Hotel	1.08%	0.00%	0.65%	0.61%	0.72%	1.31%	1.32%	1.35%	0.00%	0.00%
Jjob, LTD	Ranch	0.51%	0.56%	0.56%	0.59%	0.61%	0.64%	0.00%	0.00%	0.00%	0.66%
J Lee Milligan Inc	Construction	0.72%	0.00%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Level 3 Communications LLC	Utility	0.55%	0.00%	0.50%	0.49%	0.59%	0.68%	0.84%	0.68%	0.00%	0.90%
Greenbelt Electric Co-Op, Inc.	Utility	0.00%	0.00%	0.49%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Roach, TL	Ranch	0.00%	0.49%	0.48%	0.51%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%
Valor Telecommunications of TX, LP	Utility	0.00%	0.00%	0.00%	0.51%	0.78%	0.96%	0.95%	1.07%	0.00%	1.25%
Automotive Properties LP	Car Dealer	0.00%	0.00%	0.00%	0.00%	0.70%	0.00%	0.00%	0.00%	0.00%	0.00%
AEP West Texas Utilities	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	1.71%	1.43%	1.63%	0.00%	1.79%
Crow Hollow LLC	Cattle/Feedlot	0.00%	0.00%	0.00%	0.00%	0.00%	1.81%	1.81%	1.82%	0.00%	0.98%
Valero Logistise OP LP	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%	0.00%	1.59%
Crofoot Cattle Co	Cattle/Feedlot	0.00%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%	0.00%	0.00%
Oneok Westex Transportation	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.65%	0.00%	0.00%
Western Wireless Corp	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.06%
Suna Land Holding LTD	Car Dealer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.96%
Sun Pipe Line Services Co	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		24.78%	20.24%	23.98%	21.23%	21.70%	20.35%	18.54%	19.46%	0.00%	18.56%

Source: Donley County Appraisal District
* 2005 Data not available

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

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections- Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2013	\$ 438,971	\$ -	\$ 438,971	\$ 422,085	96.2%	\$ 8,971	\$ -	\$ 431,056	98.20%
2012	417,200	-	417,200	400,225	95.9%	14,973	-	415,198	99.52%
2011	414,559	-	414,559	398,210	96.1%	12,596	-	410,806	99.09%
2010	413,712	-	412,712	397,642	96.1%	14,278	-	396,479	96.07%
2009	370,495	-	370,495	344,528	93.0%	25,906	-	370,434	99.98%
2008	353,718	-	353,718	322,144	91.1%	26,973	-	349,117	98.70%
2007	347,252	-	347,252	334,301	96.3%	14,040	-	348,341	100.31%
2006	342,341	-	342,341	327,525	95.7%	15,479	-	343,004	100.19%
2005	330,366	-	330,366	302,761	91.6%	18,843	-	321,604	97.35%
2004	303,227	-	303,227	276,681	91.2%	17,055	-	293,736	96.87%

Source: Donley County Appraisal District

- Notes: (a) As reported in notes to the financial statements for the year of the levy.
(b) As of August 31st of the current reporting year.
(c) Property tax only - does not include penalties and interest.
(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.
(e) Represents current year collections of prior years levies. Information not available.

Total Collections = c + d + e

Clarendon College
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	2008	2007	2006	2005	2004
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt										
Revenue bonds	\$ 1,485,000	\$ 1,615,000	\$ 1,740,000	\$ 1,830,640	\$ 1,975,000	\$ 2,080,000	\$ 2,180,000	\$ 2,280,000	\$ 2,338,406	\$ 2,425,000
Notes	-	-	-	-	330,597	385,093	460,834	29,159	-	27,094
Capital lease obligations	3,854,444	3,740,000	3,885,000	4,025,000	-	-	-	-	-	-
Total outstanding debt	\$ 5,339,444	\$ 5,355,000	\$ 5,625,000	\$ 5,855,640	\$ 2,305,597	\$ 2,465,093	\$ 2,640,834	\$ 2,309,159	\$ 2,338,406	\$ 2,452,094
General Bonded Debt Ratios										
Per capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios										
Per capita	* \$ 1,456	\$ 1,530	\$ 2,916	\$ 574	\$ 612	\$ 655	\$ 569	\$ 601	\$ 618	
Per FTSE	4,962	5,709	4,676	4,859	2,055	2,949	2,728	2,197	2,408	2,710
As a percentage of Taxable Assessed Value	2.70%	2.86%	3.00%	3.10%	1.29%	1.46%	1.57%	1.39%	1.47%	1.60%

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

* Per capital information is not available for 2013.

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

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Taxable assessed value	\$ 198,097,364	\$ 187,531,401	\$ 187,777,003	\$ 188,877,693	\$ 179,010,786	\$ 169,308,750	\$ 168,160,692	\$ 165,685,336	\$ 159,491,370	\$ 152,791,227
General obligation bonds:										
Statutory tax levy limit for debt service	\$ 990,487	\$ 937,657	\$ 938,885	\$ 944,388	\$ 895,054	\$ 846,544	\$ 840,803	\$ 828,427	\$ 797,457	\$ 763,956
Less: funds restricted for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Total net general obligation debt	990,487	937,657	938,885	944,388	895,054	846,544	840,803	828,427	797,457	763,956
Current year debt service requirements	-	-	-	-	-	-	-	-	-	-
Excess of statutory limit for debt service over current requirements	\$ 990,487	\$ 937,657	\$ 938,885	\$ 944,388	\$ 895,054	\$ 846,544	\$ 840,803	\$ 828,427	\$ 797,457	\$ 763,956
Net current requirements as a % of statutory limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues				Debt Service Requirements			Coverage Ratio
	Tuition	Housing	Food Service	Total	Principal	Interest	Total	
2013	\$ 335,346	\$ 198,363	\$ 129,828	\$ 663,537	\$ 130,000	\$ 75,905	\$ 205,905	3.22
2012	334,173	199,962	129,098	663,233	125,000	81,780	206,780	3.21
2011	360,474	200,773	131,950	693,197	120,000	87,420	207,420	3.34
2010	331,276	187,085	118,368	636,729	115,000	92,825	207,825	3.06
2009	335,209	198,390	123,250	656,849	105,000	97,760	202,760	3.24
2008	317,591	194,790	117,579	629,960	100,000	102,460	202,460	3.11
2007	285,573	171,888	112,797	570,258	100,000	107,160	207,160	2.75
2006	114,333	342,997	114,333	571,663	100,000	107,510	207,510	2.75
2005	70,603	211,810	70,603	353,016	80,000	141,863	221,863	1.59
2004	65,123	195,369	65,123	325,615	75,000	146,250	221,250	1.47

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

Calendar Year	District Population	District Personal Income (a) (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2012	*	*	*	6.4%
2011	3,682	124,057	33,693	6.1%
2010	3,677	117,982	32,200	6.7%
2009	3,853	113,379	29,426	6.2%
2008	4,015	114,606	28,544	6.7%
2007	4,030	108,546	26,934	4.4%
2006	4,059	114,783	28,279	4.6%
2005	3,889	113,436	29,168	4.3%
2004	3,969	111,796	28,167	5.0%
2003	3,948	99,977	25,323	5.0%

Source: * U.S. Bureau of Economic Analysis - Not available for 2013.

Texas Workforce Commission, Unemployment Rate, TWC Texas LMCI Tracer,
Data Link U.S. Bureau of Labor Statistics

**Clarendon College
Statistical Supplement 13
Principle Employers
Last Year Calendar Year
(unaudited)**

Employer	Current Fiscal Year		Five Years Prior	
	Number of Employees	***Percentage of Total Employment***	Number of Employees	***Percentage of Total Employment***
Clarendon Consolidated ISD	60-139	5.24%	30-145	8.10%
Clarendon College	50-99	3.98%	50-99	5.53%
Community Care Center	50-99	3.98%	0	0.00%
Hedley ISD	20-49	1.84%	20-49	2.74%
Clarendon Outpost Company	20-49	1.84%	20-49	2.74%
Lowes	20-49	1.84%	20-49	2.74%
Sonic Drive In	20-49	1.84%	20-49	2.74%
Donley County State Bank	10-19	0.77%	0	0.00%
Best Western - Red River Inn	10-19	0.77%	0	0.00%
Wallace Monument Co	10-19	0.77%	0	0.00%
Pizza Hut	10-19	0.77%	0	0.00%
Great Western Dining	10-19	0.77%	0	0.00%
Clarendon City	10-19	0.77%	0	0.00%
Donley County Sherriff	10-19	0.77%	0	0.00%
Herring Bank	10-19	0.77%	0	0.00%
Greenbelt Municipal & Ind	10-19	0.77%	0	0.00%
Dollar General	10-19	0.77%	0	0.00%
Stanley Chevrolet	0	0.00%	0	0.00%
Clarendon Country Club	0	0.00%	20-49	2.74%
JA Cattle	0	0.00%	20-49	2.74%
Donley County Hospital District	0	0.00%	50-99	5.53%
Crow Hollow Feed Yard	0	0.00%	20-49	2.74%
Total	340-723	28.26%	270-686	38.34%
Total Workforce	1,871		**	

Source: The Texas Workforce Commission prior to 2006 is not available. Clarendon College has elected to implement "Nine Years Prior" prospectively.

** Not available

*** NOTE: The percentages for current period were calculated using the mid point.

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

As of November 1,	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Faculty										
Full-Time	35	35	37	33	31	32	31	30	30	29
Part-Time	43	41	52	46	48	41	47	34	33	39
Total	78	76	89	79	79	73	78	64	63	68
Percent										
Full-Time	44.9%	46.1%	41.6%	41.8%	39.2%	43.8%	39.7%	46.9%	47.6%	42.6%
Part-Time	55.1%	53.9%	58.4%	58.2%	60.8%	56.2%	60.3%	53.1%	52.4%	57.4%
Staff and Administrators										
Full-Time	42	43	47	46	43	36	37	34	33	34
Part-Time	3	4	2	3	7	7	3	4	2	6
Total	45	47	49	49	50	43	40	38	35	40
Percent										
Full-Time	93.3%	91.5%	95.9%	93.9%	86.0%	83.7%	92.5%	89.5%	94.3%	85.0%
Part-Time	6.7%	8.5%	4.1%	6.1%	14.0%	16.3%	7.5%	10.5%	5.7%	15.0%
FTSE per Full-Time Faculty	30.74	26.80	32.51	34.00	26.97	30.25	33.90	32.37	30.17	29.90
FTSE per Full-Time Staff Member	25.62	21.81	25.60	24.39	19.44	26.89	28.41	28.56	27.42	25.50
Average Annual Faculty Salary	\$ 39,757	\$ 38,757	\$ 41,537	\$ 39,337	\$ 40,828	\$ 40,619	\$ 38,669	\$ 35,361	\$ 33,184	\$ 28,213

Source: IPEDS Human Resources

**Clarendon College
Statistical Supplement 15
Enrollment Details
Last Five 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	969	77.83%	1,045	77.93%	1,140	72.02%	1,162	81.72%	1,025	82.73%
31-60 Hours	209	16.79%	250	18.64%	394	24.89%	243	17.09%	196	15.82%
>60 Hours	59	4.74%	4	0.30%	8	0.51%	12	0.84%	14	1.13%
Unclassified	8	0.64%	42	3.13%	41	2.58%	5	0.35%	4	0.32%
Total	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	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	12	0.96%	10	0.75%	23	1.45%	8	0.56%	1	0.08%
3-5 semester hours	240	19.29%	246	18.35%	364	22.99%	304	21.38%	234	18.89%
6-8 Semester hours	270	21.69%	287	21.40%	316	19.96%	331	23.28%	254	20.50%
9-11 semester hours	222	17.83%	189	14.09%	189	11.94%	145	10.20%	160	12.91%
12-14 semester hours	275	22.09%	324	24.16%	379	23.94%	266	18.70%	225	18.16%
15-17 semester hours	166	13.33%	223	16.63%	246	15.54%	257	18.07%	245	19.77%
18 & over	60	4.81%	62	4.62%	66	4.18%	111	7.81%	120	9.69%
Total	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	100.00%

Average course load	10.0	10.3	9.9	10.2	10.8
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<u>Tuition Status</u>	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	93	7.47%	172	12.83%	305	19.27%	270	18.99%	241	19.45%
Texas Resident (out-of-District)	1,112	89.32%	1,128	84.12%	1,221	77.13%	1,080	75.95%	888	71.67%
Non-Resident Tuition	40	3.21%	41	3.05%	57	3.60%	72	5.06%	110	8.88%
Total	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	100.00%

Clarendon College
Statistical Supplement 16
Student Profile
Last Five 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	740	59.44%	533	39.75%	786	49.65%	675	47.47%	614	49.56%
Male	505	40.56%	808	60.25%	797	50.35%	747	52.53%	625	50.44%
Total	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	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	798	64.10%	867	64.65%	959	60.58%	987	69.41%	865	69.81%
Hispanic	83	6.67%	252	18.79%	302	19.08%	293	20.60%	231	18.64%
African American	69	5.54%	63	4.70%	97	6.13%	103	7.24%	104	8.39%
Asian	4	0.32%	8	0.60%	16	1.01%	15	1.05%	16	1.29%
Foreign	16	1.29%	11	0.82%	7	0.44%	11	0.78%	9	0.73%
Native American	20	1.61%	21	1.57%	10	0.63%	11	0.78%	11	0.89%
Other	255	20.47%	119	8.87%	192	12.13%	2	0.14%	3	0.25%
Total	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	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	387	31.08%	409	30.50%	451	28.49%	401	28.20%	370	29.86%
18 -21	548	44.02%	549	40.94%	552	34.87%	532	37.41%	509	41.08%
22 - 24	73	5.86%	94	7.01%	117	7.39%	102	7.17%	87	7.02%
25 - 35	150	12.05%	175	13.05%	300	18.95%	234	16.46%	194	15.66%
36 - 50	70	5.62%	96	7.16%	126	7.96%	123	8.65%	67	5.41%
51 & over	17	1.37%	18	1.34%	37	2.34%	30	2.11%	12	0.97%
Total	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	100.00%

Average Age	22	23	24	24	23
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Clarendon College
Statistical Supplement 17
Transfers to Senior Institutions
2011-12 Graduates, Completers, and Non-Returners 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 Sample Transfer Students	% of all Sample Transfer Students
1 West Texas A&M University	93	1	-	94	43.72%
2 Texas Tech University	46	2	-	48	22.33%
3 Tarleton State University	14	-	-	14	6.51%
4 Angelo State University	12	-	-	12	5.58%
5 Midwestern State University	8	-	-	8	3.71%
6 Texas A&M University - College Station	6	-	-	6	2.79%
7 University of North Texas	5	-	-	5	2.33%
8 University of Texas - Austin	3	1	-	4	1.86%
9 Texas A&M University - Commerce	4	-	-	4	1.86%
10 University of Texas - San Antonio	3	-	-	3	1.40%
11 Texas Tech University Health Science Center	3	-	-	3	1.40%
12 University of Texas - Pan American	2	-	-	2	0.93%
13 Sam Houston State University	2	-	-	2	0.93%
14 University of Texas - Arlington	2	-	-	2	0.93%
15 Texas A&M University - Kingsville	2	-	-	2	0.92%
16 Lamar University Institute of Technology	1	-	-	1	0.47%
17 Texas Women's University	1	-	-	1	0.47%
18 University of Houston - University Park	1	-	-	1	0.47%
19 Prairie View A&M University	1	-	-	1	0.47%
20 University of Houston - Downtown	1	-	-	1	0.46%
21 University of Texas - Tyler	1	-	-	1	0.46%
22 Other - Texas State University	-	-	-	-	0.00%
23 Texas A&M University - Corpus Christi	-	-	-	-	0.00%
24 Stephen F. Austin State University	-	-	-	-	0.00%
25 Texas A&M University - Galveston	-	-	-	-	0.00%
26 Sul Ross State University	-	-	-	-	0.00%
27 University of Texas - Permian Basin	-	-	-	-	0.00%
28 Sul Ross State University - Rio Grande College	-	-	-	-	0.00%
29 Texas A&M International University	-	-	-	-	0.00%
30 Southwest Texas State University	-	-	-	-	0.00%
31 University of Texas - Dallas	-	-	-	-	0.00%
32 University of Houston - Victoria	-	-	-	-	0.00%
33 University of Texas Health Science Center - Houston	-	-	-	-	0.00%
34 Texas Southern University	-	-	-	-	0.00%
35 University of Houston - Clear Lake	-	-	-	-	0.00%
36 University of Texas Health Science Center - San Antonio	-	-	-	-	0.00%
37 University of Texas Medial Branch Galveston	-	-	-	-	0.00%
38 University of Texas - El Paso	-	-	-	-	0.00%
39 Baylor College of Medicine - Academics	-	-	-	-	0.00%
40 Texas A&M University System Health Science Center	-	-	-	-	0.00%
41 University of North Texas Health Science Center - Forth Worth	-	-	-	-	0.00%
42 University of Texas - Brownsville	-	-	-	-	0.00%
43 University of Texas Southwestern Medical Center - Dallas	-	-	-	-	0.00%
Totals	211	4	-	215	100.00%

Clarendon College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2009 to 2013
(unaudited)

	Fiscal Year				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Academic buildings	9	9	9	8	5
Square footage (in thousands)	115,210	115,210	115,210	80,910	51,460
Libraries*	1	1	1	2	2
Square footage (in thousands)	10,507	10,507	10,507	10,507	10,507
Number of Volumes (in thousands)	18	18	18	18	18
Administrative and support buildings	5	5	5	5	5
Square footage (in thousands)	40,374	40,374	40,374	40,374	40,374
Dormitories	5	5	5	5	5
Square footage (in thousands)	60,489	60,489	60,489	56,672	56,672
Number of Beds	296	296	296	296	296
Apartments	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-
Number of Beds	-	-	-	-	-
Dining Facilities*	1	1	1	1	1
Square footage (in thousands)	7,788	7,788	7,788	7,788	7,788
Average daily customers	425	425	425	425	425
Athletic Facilities	3	3	3	3	3
Square footage(in thousands)	93,671	93,671	93,671	93,547	93,547
Stadiums	-	-	-	-	-
Gymnasiums*	1	1	1	1	1
Fitness Centers*	1	1	1	1	1
Rodeo Arena	1	1	1	1	1
Tennis Court	-	-	-	-	-
Plant facilities	2	2	2	2	2
Square footage (in thousands)	17,335	17,335	17,335	17,335	9,835
Transportation					
Cars	7	7	7	7	7
Light Trucks/Vans (includes Instructional)	8	8	8	8	7
Buses (Instructional)	8	8	8	8	8