

CLARENDON COLLEGE
Clarendon, Texas

ANNUAL FINANCIAL REPORT
August 31, 2012 and 2011

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 Assets	22
2 Statements of Revenues, Expenses, and Changes in Net Assets	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 Assets 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 with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State of Texas Single Audit Circular	61
Schedule of Findings and Questioned Costs.....	65
Schedule of Corrective Action for Audit Findings and Questioned Costs	70
Summary Schedule of Prior Audit Findings	72
STATISTICAL SUPPLEMENT (Unaudited)	75

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**CLARENDON COLLEGE
ORGANIZATIONAL DATA
August 31, 2012**

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
Mary Ellen Shields	Clarendon, Texas	2016
Ruth Robinson	Clarendon, Texas	2016
William A. Sansing	Clarendon, Texas	2014
Leonard "Tex" Selvidge	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

We have audited the accompanying financial statements of Clarendon College (the College) as of and for the years ended August 31, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College, as of August 31, 2012 and 2011, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2012, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 9 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

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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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the College. The remaining supplemental information listed in the table of contents, Schedules A, B, C and D, and the Statistical Supplement, are 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, are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular, and are not a required part of the basic financial statements. The 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 financial statements. The 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 financial statements or to the 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 Supplement has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Connor, McMillon, Mitchell & Shennum, PLLC

Amarillo, Texas
December 13, 2012

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

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, 2012. 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 2012, with fiscal years 2011 and 2010 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 Assets, Statements of Revenues, Expenses, and Changes in Net Assets, 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 Assets as of August 31, 2012, 2011 and 2010: (in millions)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current assets			
Cash and cash equivalents	\$ 1.9	\$ 2.9	\$ 2.2
Short-term investments	1.9	-	-
Accounts receivable, net	0.3	0.7	1.2
Other assets	-	0.3	0.1
Total current assets	<u>4.1</u>	<u>3.9</u>	<u>3.5</u>
Noncurrent assets			
Restricted cash and cash equivalents	0.1	1.6	2.9
Endowment investments	1.2	1.2	1.2
Other long-term investments	1.3	-	-
Real estate held by endowments	0.3	0.2	0.2
Capital assets, net	16.6	16.7	15.2
Other noncurrent assets	<u>0.2</u>	<u>0.3</u>	<u>0.3</u>
Total noncurrent assets	<u>19.7</u>	<u>20.0</u>	<u>19.8</u>
Total assets	<u>\$ 23.8</u>	<u>\$ 23.9</u>	<u>\$ 23.3</u>

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current liabilities			
Accounts payable and accrued liabilities	\$ 0.4	\$ 0.5	\$ 0.7
Deferred revenue	0.5	0.9	1.5
Other current liabilities	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>
Total current liabilities	<u>1.4</u>	<u>1.9</u>	<u>2.8</u>
Noncurrent liabilities	<u>5.1</u>	<u>5.4</u>	<u>5.6</u>
Total liabilities	<u>6.5</u>	<u>7.3</u>	<u>8.4</u>
Net assets			
Invested in capital assets	11.4	11.3	11.6
Nonexpendable	1.5	1.5	1.6
Restricted for expendable	1.6	1.6	0.7
Unrestricted	<u>2.8</u>	<u>2.2</u>	<u>1.0</u>
Total net assets	<u>17.3</u>	<u>16.6</u>	<u>14.9</u>
Total liabilities and net assets	<u>\$ 23.8</u>	<u>\$ 23.9</u>	<u>\$ 23.3</u>

There was an increase of \$0.2 million in the total current assets for 2011-2012 when compared to 2010-2011. Cash and investments showed an increase of \$0.7, while accounts receivable and other (bookstore inventories) showed a decrease of \$0.4 million and \$0.3 million, respectively. 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. 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 funds were divided between monthly, quarterly, one year, and a 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. Other current assets, which includes bookstore inventory, went from \$0.3 million in 2010-2011 to \$0.0 million in 2011-2012. On June 25, 2012 the College entered into an agreement with A Book Company, LLC, dba ecampus.com to provide an online bookstore for students. The online bookstore replaced the on-campus bookstore the College had managed in years past. The online bookstore went live in Fall of 2012. All existing bookstore stock was sold to ecampus.com prior to the end of the fiscal year. This transaction resulted in a decrease in inventory of \$0.2 million. The decrease in student accounts receivable of \$0.4 million, going from \$0.7 million in 2010-2011 to \$0.3 million in 2011-2012 is the result of a couple of items. First, the elimination of the on-campus bookstore resulted in students no longer charging books to their student accounts receivable account. This change lowered student accounts receivable balance by \$0.1 million. The College also saw a decline in early student enrollment in Fall 2012 compared to Fall 2011. The enrollment for Fall 2012 prior to August 31, 2012 was down by \$0.2 million when compared to Fall 2011 enrollment prior to August 31, 2011.

Noncurrent assets decreased \$0.3 million in 2011-2012. It went from \$20.0 million in 2010-2011 to \$19.7 million in 2011-2012. The net change in restricted cash and cash equivalents, endowment investments, and other long-term investments was a decrease of \$0.2 million in 2011-2012, going from \$2.8 million in 2010-2011 to \$2.6 million in 2011-2012. Restricted cash and cash equivalents decreased \$1.5 million. This decrease is offset with an increase in other

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

long-term investments and an increase in short-term investments. In September 2009, the College entered into a lease agreement with Gray County, Texas. This lease agreement allowed the College to receive \$4.1 million in proceeds that were to be used to construct the two new vocational/technical classroom centers. At August 31, 2012, there was \$0.1 million remaining in restricted cash from the proceeds compared to \$0.9 million at August 31, 2011. The remaining \$0.8 million was moved into a short-term investment account. Funds totaling \$2.4 million were moved into a two-year investment fund. These are funds that are endowed or restricted in use.

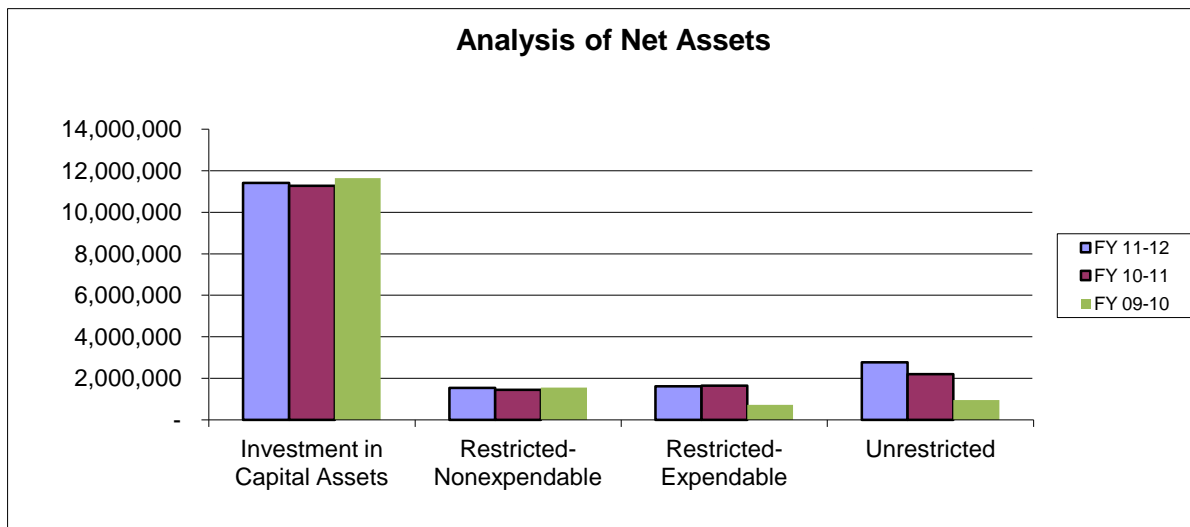
Net capital assets went from \$16.7 million in 2010-2011 to \$16.6 million in 2011-2012 for a net decrease of \$0.1 million. The capital additions for 2011-2012 totaled \$0.7 million. The College wrote-off equipment totaling \$0.3 million. The equipment was almost fully depreciated and it resulted in a very immaterial write-off. Depreciation expense for 2011-2012 was \$0.9 million compared to \$0.7 million in 2010-2011.

Current liabilities decreased \$0.5 million, going from \$1.9 million in 2010-2011 to \$1.4 million in 2011-2012. Accounts payable went from \$0.5 million in 2010-2011 to \$0.4 million in 2011-2012, for a \$0.1 million decrease. Other current liabilities remained flat at \$0.5 million in 2011-2012. Deferred revenue decreased \$0.4 million, \$0.9 million in 2010-2011 compared to \$0.5 million in 2011-2012. This fluctuation is a result of the elimination of the on-campus book store and the decrease in student enrollment prior to August 31.

Noncurrent liabilities decreased by \$0.3 million in 2011-2012 compared to 2010-2011, \$5.1 million compared to \$5.4 million, respectively. The decrease is a result of scheduled principle payments during 2011-2012 totaling \$0.3 million.

The net of this activity resulted in an increase in total net assets of \$0.7 million, \$16.6 million in 2010-2011 compared to \$17.3 million in 2011-2012.

The following is a comparison of net assets and investment in capital assets at August 31, 2012, 2011 and 2010:



**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

**Condensed Statements of Revenues, Expenses and Changes in Net Assets as of
August 31, 2012, 2011 and 2010: (in millions)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Operating revenue			
Tuition & fees (net of discounts)	\$ 1.2	\$ 1.2	\$ 1.5
Federal grants and contracts	0.1	0.4	0.2
State grants and contracts	0.2	0.5	0.1
Local grants and contracts	1.1	1.1	0.9
Auxiliary enterprises (net of discounts)	0.8	0.8	0.9
Other operating revenues	0.3	0.1	0.1
Total operating revenue	<u>3.7</u>	<u>4.1</u>	<u>3.7</u>
Operating expenses			
Instruction	3.1	3.1	3.0
Academic support	0.4	0.5	0.5
Student services	0.5	0.5	0.4
Institutional support	1.1	1.1	1.1
Operation and maintenance of plant	1.0	1.0	1.0
Scholarship expense	0.8	1.2	0.9
Auxiliary enterprises	1.6	1.2	1.4
Depreciation	0.9	0.7	0.6
Total operating expenses	<u>9.4</u>	<u>9.3</u>	<u>8.9</u>
Operating loss	<u>(5.7)</u>	<u>(5.2)</u>	<u>(5.2)</u>
Nonoperating revenues (expenses)			
State appropriations	3.0	3.1	3.1
Ad valorem taxes	0.4	0.4	0.4
Federal revenue, nonoperating	3.0	3.4	2.6
Gifts	0.2	0.2	0.5
Investment income	0.1	0.1	0.1
Interest on capital related debt	(0.3)	(0.3)	(0.3)
Net nonoperating revenues (expenses)	<u>6.4</u>	<u>6.9</u>	<u>6.4</u>
Income before other revenue	0.7	1.7	1.2
Other revenue capital gifts			
Increase in net assets	<u>0.7</u>	<u>1.7</u>	<u>1.4</u>
Net assets – beginning of year	<u>16.6</u>	<u>14.9</u>	<u>13.5</u>
Net assets – end of year	<u>\$ 17.3</u>	<u>\$ 16.6</u>	<u>\$ 14.9</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 shows a net decrease of \$0.4 million in 2011-2012, \$4.1 million in 2010-2011 compared to \$3.7 million in 2011-2012. Tuition and fees (net of discounts) remained flat at \$1.2 million in 2011-12 and 2010-2011, although federal revenue-nonoperating did show a decrease of \$0.3 million. The College's rate of tuition and fees did not change between 2011-2012 and

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

2010-2011. Contact hours and total head count both showed a decrease in 2011-2012 when compared to 2010-2011. Contact hours went from 751,264 in 2009-2010 to 812,785 in 2010-2011 and 734,325 in 2011-2012. This is a 9.7% reduction in 2011-2012. Total head count went from 1,422 in 2009-2010 to 1,583 in 2010-2011, which was an increase of 11%. The head count in 2011-2012 dropped to 1,341, which is a 15% decrease when compared to 2010-2011. The lower contact hours and head count is largely due to the elimination of prison education funding by the state. The loss of this program resulted in approximately 185, 11.6%, less in head count and approximately 42,272 contact hours. Federal grants and state grants show a decrease of \$0.3 million each when compared to 2010-2011. The College received two grants in 2010-2011, one federal and one state, to purchase training equipment for the wind energy technical program. These two grants were \$0.3 million each for a total of \$0.6 million.

Operating expenses increased \$0.1 million, going from \$9.3 million in 2010-2011 to \$9.4 million in 2011-2012. Auxiliary enterprises and depreciation increased \$0.4 million and \$0.2 million, respectively, while academic support decreased \$0.1 million and scholarship expense decreased \$0.4 million. The increase in auxiliary enterprises is the combination of several items. The College held a judging contest and a FFA camp for area high school students. The expenses for these two events totaled over \$0.2 million dollars. The College also added a golf program and expanded the rodeo program for the 2011-2012 year. The cost of these two programs totaled approximately \$50,000 in the 2011-2012 year. The other large component of the auxiliary increase was the closing of the on-campus bookstore. This cost was approximately \$0.1 million. The increase of \$0.2 million in depreciation is due to the addition of capital assets totaling approximately \$4.9 million in the past two years. These additions include two new vocational buildings in Pampa with a cost of \$3.5 million and the remaining \$1.4 million is the addition of computers, classroom equipment, and facility improvements. Academic support expenses showed a decrease of \$0.1 million in 2011-2012 when compared to 2010-2011 because during 2011-2012 the College did not have a full-time Dean of Instruction. This position was filled for 2012-2013. Scholarship expense decreased \$0.4 million in 2011-2012. This expense went from \$1.2 million in 2010-2011 to \$0.8 million in 2011-2012. This decrease came from the reduction in federal aid to our students. During the 2010-2011 year student could receive aid for three semesters. For the 2011-2012 year students were restricted to two semesters. This was a reduction of approximately \$ 0.15 million in federal aid. The College also awarded the federal Pell Grant to approximately 30 fewer students in 2011-2012 when compared to 2010-2011. This was a reduction of approximately \$ 0.15 million as well. The final component was the elimination of the federal Academic Competitive Grant (ACG). During the 2010-2011 year, the College awarded approximately \$ 0.1 million to 116 students compared to \$-0- in 2011-2012.

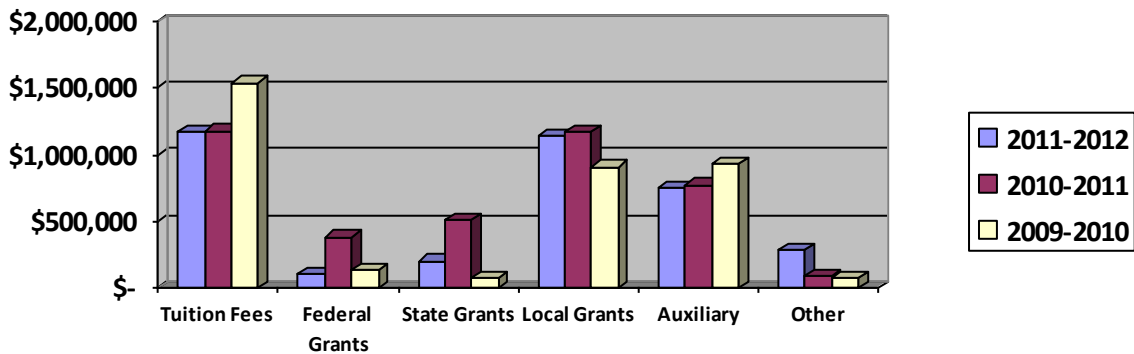
Total nonoperating revenue for 2011-2012 decreased \$0.5 million, \$6.9 million in 2010-2011 compared to \$ 6.4 million in 2011-2012. The College saw a decrease of \$0.4 million in federal revenue-nonoperating. The federal aid received by the students, which is classified as federal revenue-nonoperating, decreased \$0.4 million in 2011-2012 when compared to 2010-2011, \$3.0 million in 2011-2012 compared to \$3.4 million in 2010-2011. There was a decrease of approximately 33% in the maximum annual amount of federal grant aid, Pell, awarded to eligible students, \$ 8,325 in 2010-2011 compared to \$5,550 in 2011-2012. An eligible student could be awarded federal grant aid for three full-time semesters in 2010-2011 as opposed to two full-time semesters in 2011-2012. The elimination of the federal Academic Competitive Grant (ACG) for

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

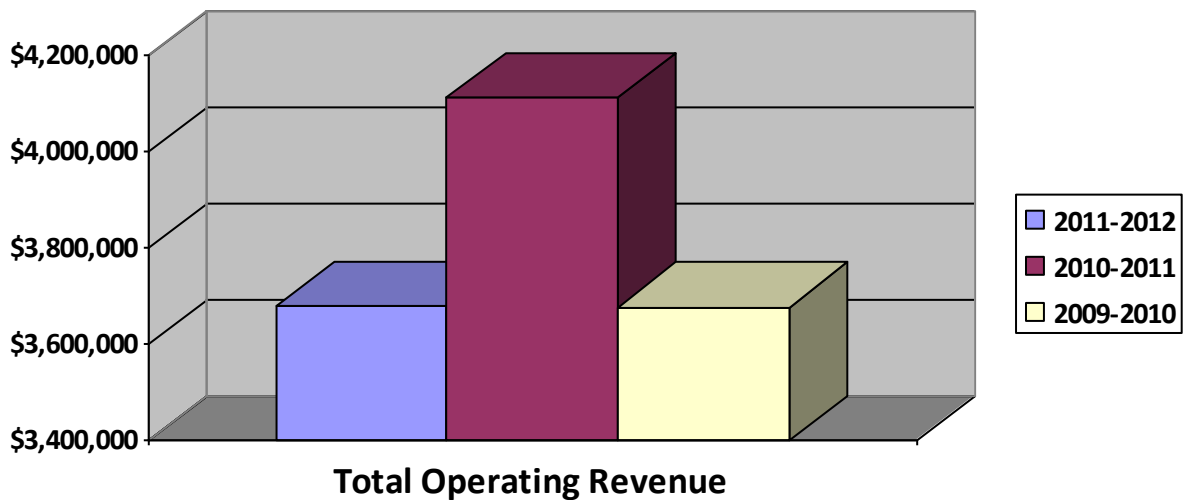
the 2011-2012 year resulted in a decrease of approximately \$0.1 million in federal revenue. During the 2010-2011 year the College awarded approximately \$0.1 million to 116 students compared to \$-0- in 2011-2012. State appropriations for 2011-2012 decreased \$0.1 million. The total appropriations went from \$3.1 million in 2010-2011 to \$3.0 million in 2011-2012. All other 2011-2012 nonoperating revenue categories remained constant when compared to 2010-2011. Net Assets, End of Year 2011-2012 increased \$0.7 million.

The following charts are an Analysis of Revenue and Expenses as of August 31, 2012, 2011, and 2010:

Operating Revenue By Source

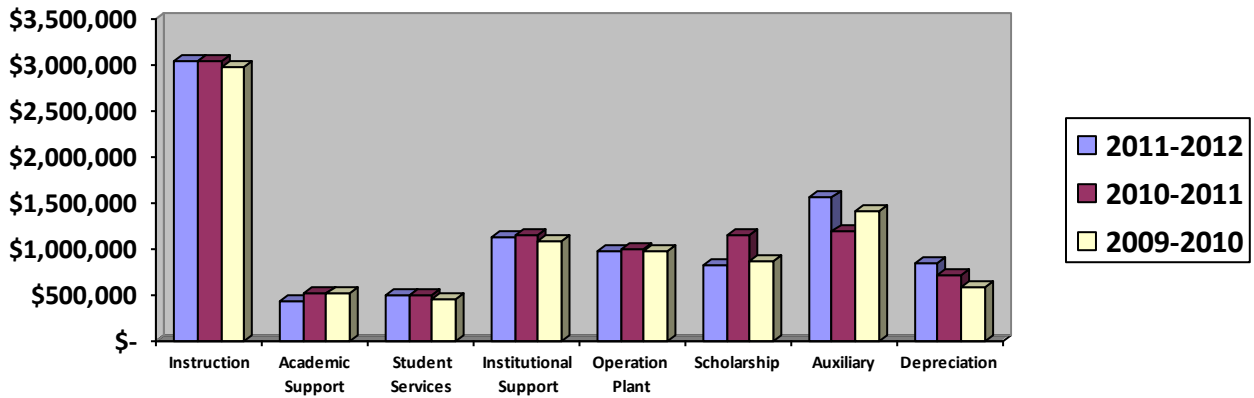


Total Operating Revenue

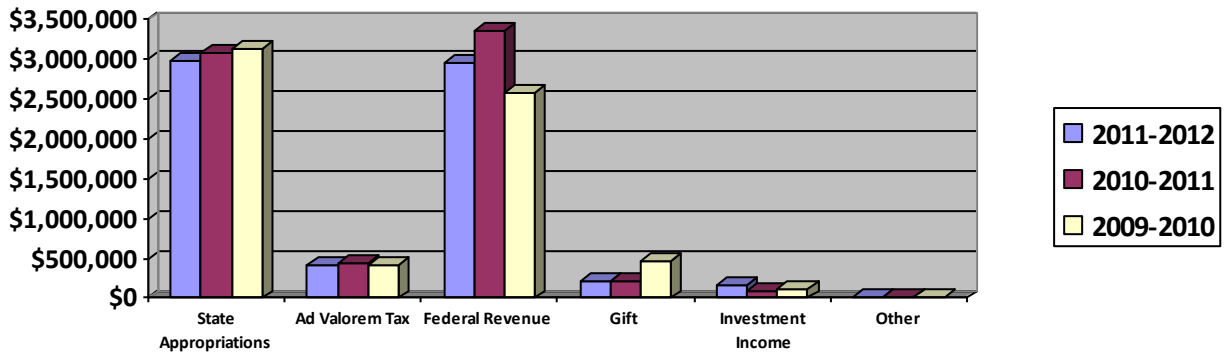


**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Operating Expenses By Source



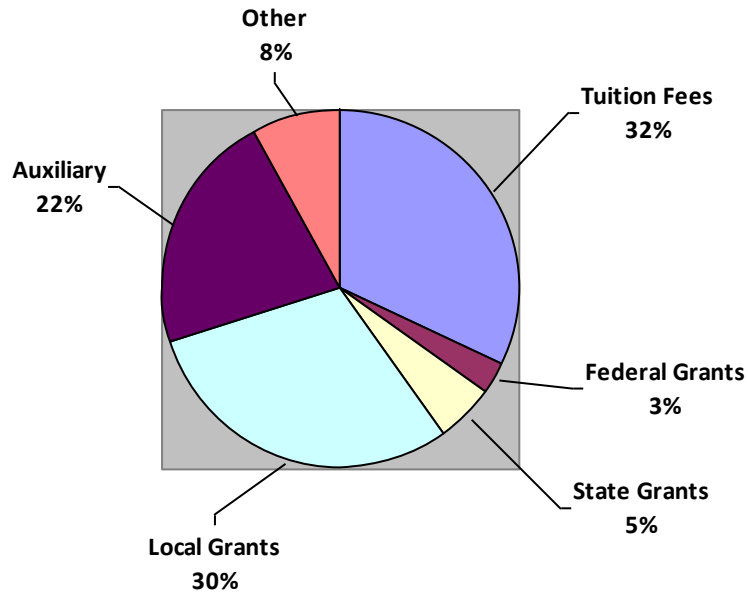
Nonoperating Revenue by Source



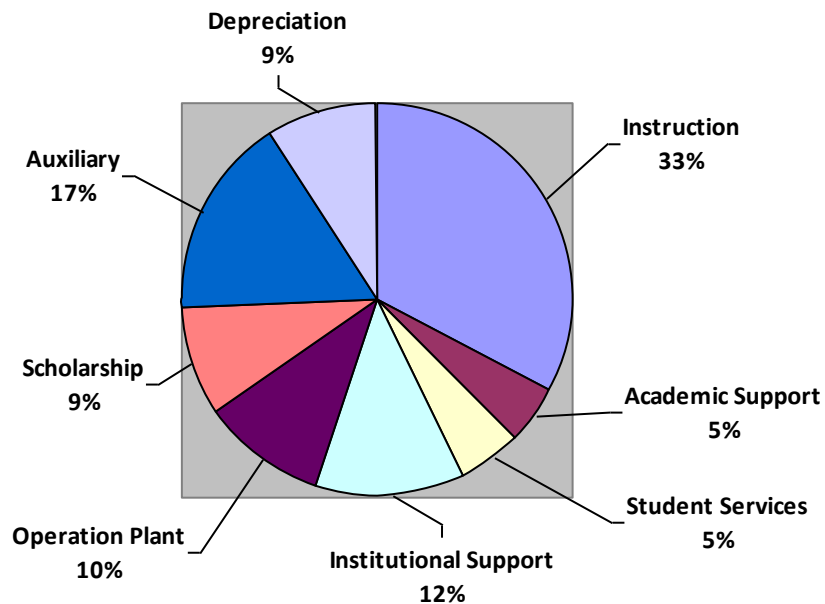
**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

The following charts are an Analysis of Revenue and Expenses for the fiscal year ended August 31, 2012:

2011-2012 Operating Revenue Percentage

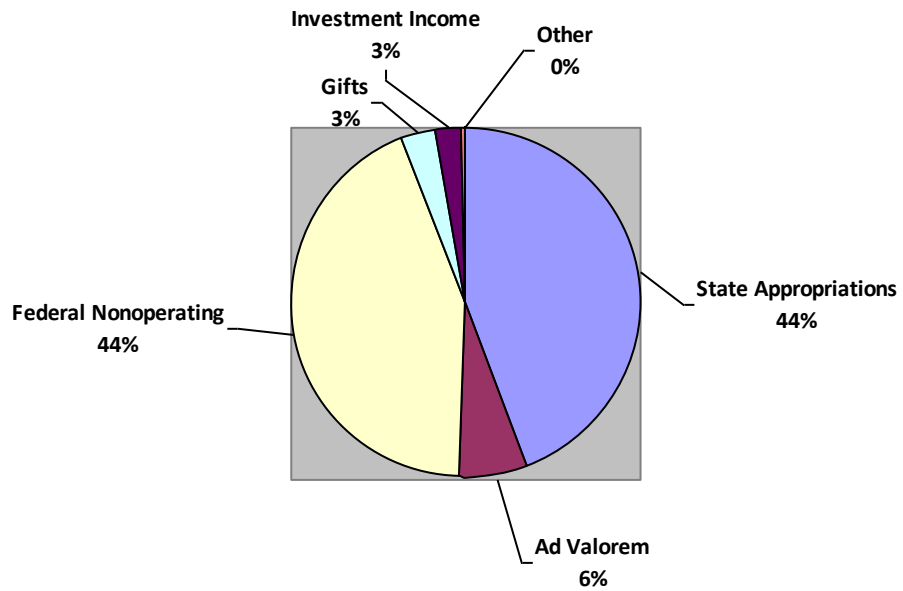


2011-2012 Operating Expense Percentage

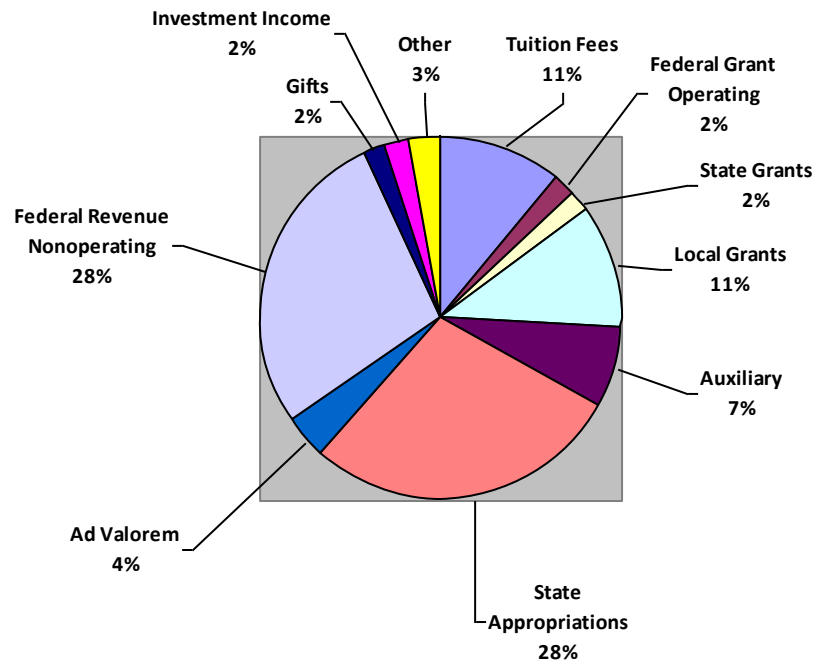


**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

2011-2012 Nonoperating Revenue Percentage

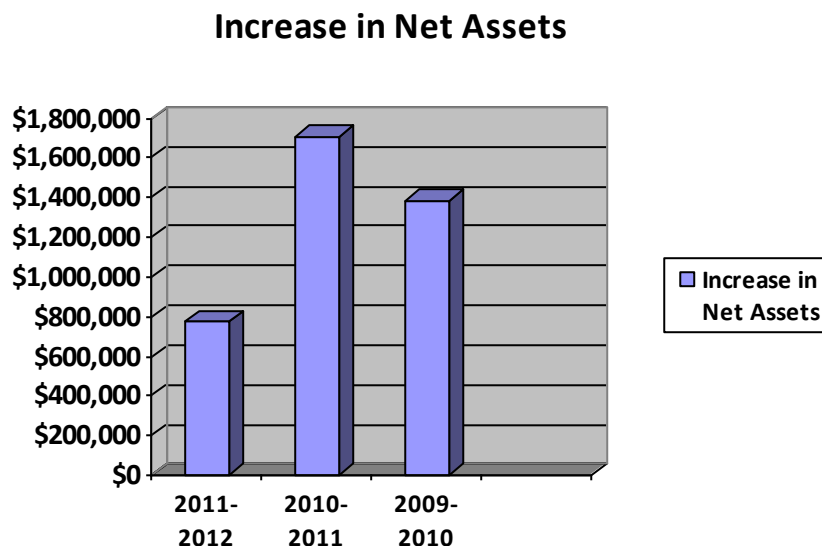


2011-2012 Total Revenue Percentage



**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

The following table shows the increase in Net Assets for the years ended August 31, 2012, 2011 and 2010:



Statement of Cash Flows as of August 31, 2012, 2011 and 2010: (in millions)

	Primary Institution		
	2012	2011	2010
Cash provided by (used in):			
Operating activities	\$ (4.2)	\$ (4.2)	\$ (4.2)
Noncapital financing activities	6.1	6.5	6.0
Capital and related financing activities	(1.3)	(3.0)	0.6
Investing activities	(3.1)	0.1	0.1
Net increase(decrease) in cash	(2.5)	(0.6)	2.5
Cash – beginning of the year	4.5	5.1	2.6
Cash – end of year	<u>\$ 2.0</u>	<u>\$ 4.5</u>	<u>\$ 5.1</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 remained constant in 2011-2012 compared to 2010-2011 at \$4.2 million. The net cash provided by noncapital financing activities went from \$6.5 million in 2010-2011 to \$6.1 million in 2011-2012. The net cash provided by noncapital financing activities decrease of \$0.4 million is from 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. This decline was anticipated and planned. The net cash used in investing activities is due to the change in the investment practices of the College. When

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

interest rates started to decline in 2002-2003, the College began the practice of investing their money for periods of less than one year and had continued this practice thru 2010-2011. The College investment committee believes the rates are going to remain low for at least two more years, so a change was made in the investment practices. 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 funds were divided between monthly, quarterly, one year, and a 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.

Significant Capital Assets and Long-Term Debt Activity:

There are no significant commitments for capital expenses at this time. There have been no changes in the College's credit rating. During 2011-2012 the College invested \$0.7 million in computers, equipment and facility improvements. All of these additions were funded through operations.

Noncurrent liabilities decreased by \$0.3 million in 2011-2012 compared to 2010-2011, \$5.1 million compare to \$5.4 million, respectively. The decrease is a result of scheduled principle payments during 2011-2012 totaling \$0.3 million.

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:

In May 2008, the voters of both Gray and Childress Counties passed a five cent (\$0.05) branch campus maintenance tax. This vote of approval from the residents of these two counties did allow the College to expand course availabilities at both the Pampa and Childress centers. Clarendon College Pampa Center's two new vocational buildings are now complete and classes in Cosmetology, Nail Technology, Vocational Nursing, Welding, Heating and Air Conditioning and Wind Energy Technology began in these buildings in January 2011. In 2012-2013, classes in Cosmetology and Correctional Officer In-service Training were added at the Childress center.

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 2011 term, 91.93% of the College's students completed courses and in 2011-2012 the College had 309 students earn a degree, certificate or complete their core requirements.

The College is continuing to focus on distance learning and developmental education. In anticipation of the developmental education law, the College has restricted 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. In

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

the continued focus on distance learning, the College invested in a new student learning platform for all distance learning classes. The new platform allows standardized presentation of all courses, and is student friendly and intuitive. The College currently provides high school dual credit courses to 16 area high schools.

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 ASSETS
AUGUST 31, 2012 AND 2011
Exhibit 1**

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,907,249	\$ 2,900,147
Short-term investments	1,905,102	-
Accounts receivable, net	261,079	711,184
Inventories	20,997	209,551
Prepaid expenses	30,748	32,436
Total current assets	<u>4,125,175</u>	<u>3,853,318</u>
NONCURRENT ASSETS		
Restricted cash and cash equivalents	100,527	1,636,357
Endowment investments	1,192,540	1,190,772
Other long-term investments	1,255,989	-
Real estate held as investments by endowments	341,160	258,930
Unamortized bond & lease payable issuance costs	163,199	173,548
Deposits	20,727	21,127
Capital assets, net	<u>16,621,786</u>	<u>16,736,936</u>
Total noncurrent assets	<u>19,695,928</u>	<u>20,017,670</u>
TOTAL ASSETS	<u><u>\$ 23,821,103</u></u>	<u><u>\$ 23,870,988</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 240,903	\$ 277,209
Accrued liabilities	186,580	245,503
Funds held for others	169,285	275,471
Deferred revenues	501,388	877,738
Lease payable - current portion	150,000	145,000
Bonds payable - current portion	<u>130,000</u>	<u>125,000</u>
Total current liabilities	<u>1,378,156</u>	<u>1,945,921</u>
NONCURRENT LIABILITIES		
Deposits	49,260	28,760
Lease payable - noncurrent portion	3,590,000	3,740,000
Bonds payable - noncurrent portion	<u>1,460,533</u>	<u>1,588,086</u>
Total noncurrent liabilities	<u>5,099,793</u>	<u>5,356,846</u>
TOTAL LIABILITIES	<u>6,477,949</u>	<u>7,302,767</u>
NET ASSETS		
Invested in capital assets, net of related debt	11,422,825	11,278,323
Restricted for:		
Nonexpendable:		
Endowment - True	1,533,700	1,449,702
Expendable:		
Student aid	397,284	395,731
Debt service	238,000	238,000
Other	983,503	1,002,626
Unrestricted	<u>2,767,842</u>	<u>2,203,839</u>
Total net assets (Schedule D)	<u>17,343,154</u>	<u>16,568,221</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 23,821,103</u></u>	<u><u>\$ 23,870,988</u></u>

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

CLARENDON COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Years ended August 31, 2012 and 2011
Exhibit 2

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Tuition and fees, net of discounts of \$2,400,932 and \$2,469,475 in 2012 and 2011, respectively	\$ 1,170,051	\$ 1,177,043
Federal grants and contracts	110,287	383,273
State grants and contracts	208,087	515,832
Local grants and contracts	1,143,342	1,169,517
Auxiliary enterprises, net of discounts of \$756,483 and \$766,235 in 2012 and 2011, respectively	756,481	774,554
Other operating revenues	291,804	90,651
	<u>3,680,052</u>	<u>4,110,870</u>
OPERATING EXPENSES		
Instruction	3,053,231	3,050,576
Academic support	443,765	518,049
Student services	498,681	506,896
Institutional support	1,139,835	1,155,442
Operation and maintenance of plant	970,315	998,960
Scholarship expense	832,080	1,142,146
Auxiliary enterprises	1,567,489	1,201,457
Depreciation	849,855	719,836
	<u>9,355,251</u>	<u>9,293,362</u>
Total operating expenses (Schedule B)	<u>9,355,251</u>	<u>9,293,362</u>
Operating loss	<u>(5,675,199)</u>	<u>(5,182,492)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	2,972,183	3,094,396
Ad valorem taxes for maintenance and operations	410,816	442,331
Federal revenue, nonoperating	2,957,167	3,363,341
Gifts	206,681	209,817
Investment income	168,827	96,220
Interest on capital-related debt	(277,199)	(287,329)
Loss on disposal of fixed assets	(2,641)	(32,850)
Other nonoperating revenues (expenses)	14,298	6,438
	<u>6,450,132</u>	<u>6,892,364</u>
Net nonoperating revenues (Schedule C)	<u>6,450,132</u>	<u>6,892,364</u>
Increase in net assets	774,933	1,709,872
NET ASSETS - BEGINNING OF YEAR	<u>16,568,221</u>	<u>14,858,349</u>
NET ASSETS - END OF YEAR	<u><u>\$17,343,154</u></u>	<u><u>\$16,568,221</u></u>

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

CLARENDON COLLEGE
STATEMENTS OF CASH FLOWS
Years ended August 31, 2012 and 2011
Exhibit 3

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 2,251,952	\$ 1,874,594
Receipts from grants and contracts	1,495,217	2,098,904
Payments to or on behalf of employees	(4,443,199)	(4,062,548)
Payments to suppliers for goods or services	(2,721,661)	(3,008,266)
Payments of scholarships	<u>(832,080)</u>	<u>(1,142,146)</u>
Net cash used by operating activities	<u>(4,249,771)</u>	<u>(4,239,462)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	2,540,249	2,497,290
Receipts from ad valorem tax revenues	417,454	390,732
Receipts from nonoperating federal revenue	2,957,167	3,363,341
Gifts and grants	206,681	209,817
Student organizations and other agency transactions	<u>14,299</u>	<u>14,020</u>
Net cash provided by noncapital financing activities	<u>6,135,850</u>	<u>6,475,200</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(737,346)	(2,426,258)
Principal payments on capital debt	(125,000)	(120,000)
Principal payments on capital lease	(145,000)	(140,000)
Interest payments on capital debt	<u>(261,953)</u>	<u>(277,521)</u>
Net cash used by capital and related financing activities	<u>(1,269,299)</u>	<u>(2,963,779)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	86,597	96,220
Purchase of investments	<u>(3,232,105)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(3,145,508)</u>	<u>96,220</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(2,528,728)	(631,821)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,536,504</u>	<u>5,168,325</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,007,776</u>	<u>\$ 4,536,504</u>
Cash and cash equivalents are reported in the Statement of Net Assets as follows:		
Cash and cash equivalents	\$ 1,907,249	\$ 2,900,147
Restricted cash and cash equivalents	<u>100,527</u>	<u>1,636,357</u>
Total cash and cash equivalents	<u>\$ 2,007,776</u>	<u>\$ 4,536,504</u>

CLARENDON COLLEGE
STATEMENTS OF CASH FLOWS, CONTINUED
Years ended August 31, 2012 and 2011
Exhibit 3

	<u>2012</u>	<u>2011</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (5,675,199)	\$ (5,182,492)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	849,855	719,836
State-funded benefits	431,934	621,363
Change in allowance for bad debt	43,274	-
Changes in operating assets and liabilities:		
Receivables	400,193	529,178
Inventories	188,554	(117,858)
Prepaid expenses	1,688	(10,153)
Accounts payable	(36,306)	(289,095)
Accrued liabilities	(98,314)	172,309
Deferred revenue	(376,350)	(666,550)
Deposits	<u>20,900</u>	<u>(16,000)</u>
Net cash used by operating activities	<u>\$ (4,249,771)</u>	<u>\$ (4,239,462)</u>

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

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CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

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 and all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. 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, 2012 and 2011

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

Inventories consist of bookstore stock and are valued at the lower of cost (FIFO) or market and are charged to expense as consumed. Materials and supplies are charged to expense when purchased.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

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 \$501,388 and \$877,738 have been reported as deferred revenue at August 31, 2012 and 2011, 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 \$372,561 and \$411,039 for the years ended August 31, 2012 and 2011, respectively.

**CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the 2011 financial statements have been reclassified to conform with the 2012 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 Assets, consist of the items reported below:

	<u>2012</u>	<u>2011</u>
Petty cash on hand	\$ 900	\$ 900
Demand deposits	1,416,391	1,391,380
Time deposits	<u>590,485</u>	<u>3,144,224</u>
Total cash and cash equivalents	<u>\$ 2,007,776</u>	<u>\$ 4,536,504</u>

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

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 1,907,249	\$ 2,900,147
Restricted cash and cash equivalents	<u>100,527</u>	<u>1,636,357</u>
Total cash and cash equivalents	<u>\$ 2,007,776</u>	<u>\$ 4,536,504</u>

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

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>2012</u>	<u>2011</u>
Certificates of deposit	\$ 4,353,631	\$ —
Total investments (Exhibit 1)	<u>\$ 4,353,631</u>	<u>\$ —</u>
Cash and cash equivalents (Exhibit 1)	\$ 2,007,776	\$ 4,536,504
Investments (Exhibit 1)	<u>4,353,631</u>	<u>1,190,772</u>
Total deposits and investments	<u>\$ 6,361,407</u>	<u>\$ 5,727,276</u>

Investments are classified as follows:

	<u>2012</u>	<u>2011</u>
Short-term investments	\$ 1,905,102	\$ —
Endowment investments	1,192,540	1,190,772
Other long-term investments	<u>1,255,989</u>	<u>—</u>
Total investments	<u>\$ 4,353,631</u>	<u>\$ 1,190,772</u>

As of August 31, 2012 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>\$ 4,353,631</u>	<u>\$ 1,905,102</u>	<u>\$ 2,448,529</u>
Total fair value	<u>\$ 4,353,631</u>	<u>\$ 1,905,102</u>	<u>\$ 2,448,529</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, 2012, 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, 2012 and 2011

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, 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	<u>525,268</u>	<u>7,505</u>	<u>-</u>	<u>532,773</u>
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	<u>472,280</u>	<u>6,757</u>	<u>-</u>	<u>479,037</u>
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>

Capital assets include gross assets acquired under capital leases of \$3,469,989 at August 31, 2012. Related amortization included in accumulated amortization was \$93,690. Capital leases are included as a component of building and equipment. Amortization of assets under capital leases is included in depreciation expense.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Not depreciated:				
Land	\$ 1,269,593	\$ -	\$ -	\$ 1,269,593
Construction in progress	2,000,435	-	2,000,435	-
Total not depreciated	<u>3,270,028</u>	<u>-</u>	<u>2,000,435</u>	<u>1,269,593</u>
Other capital assets:				
Buildings	11,112,800	3,469,999	-	14,582,799
Facility and land improvements	2,027,951	47,386	26,339	2,048,998
Furniture, machinery, vehicles and other equipment	2,095,946	539,321	9,752	2,625,515
Telecommunications and peripheral equipment	1,823,892	242,800	189,532	1,877,160
Library books	518,864	6,404	-	525,268
Total other capital assets	<u>17,579,453</u>	<u>4,305,910</u>	<u>225,623</u>	<u>21,659,740</u>
Total cost of capital assets	<u>20,849,481</u>	<u>4,305,910</u>	<u>2,226,058</u>	<u>22,929,333</u>
Accumulated depreciation:				
Buildings	2,719,994	231,363	-	2,951,357
Facility and land improvements	579,611	90,751	1,778	668,584
Furniture, machinery, vehicles and other equipment	839,060	207,437	1,464	1,045,033
Telecommunications and peripheral equipment	1,061,076	183,598	189,531	1,055,143
Library books	465,593	6,687	-	472,280
Total accumulated depreciation	<u>5,665,334</u>	<u>719,836</u>	<u>192,773</u>	<u>6,192,397</u>
Capital assets, net	<u>\$ 15,184,147</u>	<u>\$ 3,586,074</u>	<u>\$ 2,033,285</u>	<u>\$ 16,736,936</u>

NOTE 6 - LONG-TERM LIABILITIES

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

	<u>Balance September 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance August 31, 2012</u>	<u>Current Portion</u>
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
Accrued liabilities	245,503	-	58,923	186,580	186,580
Deposits	28,760	20,500	-	49,260	-
Long-term liabilities	5,872,349	<u>\$ 20,500</u>	<u>\$ 326,476</u>	5,566,373	<u>\$ 466,580</u>
Current portion	(515,503)			(466,580)	
	<u>\$ 5,356,846</u>			<u>\$ 5,099,793</u>	

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Long-term liability activity for the year ended August 31, 2011 was as follows:

	<u>Balance September 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance August 31, 2011</u>	<u>Current Portion</u>
Bonds payable					
Revenue bonds payable	\$ 1,860,000	\$ -	\$ 120,000	\$ 1,740,000	\$ 125,000
Unamortized loss on refunding	(29,360)	-	(2,446)	(26,914)	-
Total bonds payable	1,830,640	-	117,554	1,713,086	125,000
Long-term capital lease	4,025,000	-	140,000	3,885,000	145,000
Accrued liabilities	137,632	117,871	10,000	245,503	245,503
Deposits	44,760	-	16,000	28,760	-
Long-term liabilities	6,038,032	<u>\$ 117,871</u>	<u>\$ 283,554</u>	5,872,349	<u>\$ 515,503</u>
Current portion	(387,632)			(515,503)	
	<u>\$ 5,650,400</u>			<u>\$ 5,356,846</u>	

NOTE 7 - DEBT OBLIGATIONS

Debt service requirements for bonds payable at August 31, 2012, were as follows:

<u>For the Year Ended August 31,</u>	<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 130,000	\$ 75,905	\$ 205,905
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
2018-2022	900,000	130,660	1,030,660
Total	1,615,000	<u>\$ 446,030</u>	<u>\$ 2,061,030</u>
Unamortized loss on refunding	(24,467)		
	<u>\$ 1,590,533</u>		

**CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 7 - DEBT OBLIGATIONS (CONTINUED)

Details of bonds and notes payable as of August 31, 2012 and 2011 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 \$130,000 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 \$145,000 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 \$330,941 lease expense, principle and interest, in the year ended August 31, 2012.

Obligations under capital leases at August 31, 2012, were as follows:

For the Year Ended August 31,	Total
2013	\$ 329,781
2014	328,781
2015	332,581
2016	330,981
2017	328,331
2018-2022	1,648,844
2023-2027	1,651,938
2028-2029	<u>662,663</u>
Total minimum lease payments	5,613,900
Less: Amount representing interest costs	<u>1,873,900</u>
Present value of minimum lease payments	<u>\$ 3,740,000</u>

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 8 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Accounts receivable at August 31, 2012 and 2011, consisted of the following:

	<u>2012</u>	<u>2011</u>
Taxes receivable	\$ 114,067	\$ 120,705
Student receivables	456,708	830,126
Grants receivable	41,739	75,240
Other receivables	<u>20,767</u>	<u>14,041</u>
	633,281	1,040,112
Allowance for doubtful accounts	<u>(372,202)</u>	<u>(328,928)</u>
Total accounts receivable, net	<u>\$ 261,079</u>	<u>\$ 711,184</u>

Accounts payable at August 31, 2012 and 2011 consisted of amounts payable to vendors.

Accrued liabilities at August 31, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Accrued interest payable	\$ 46,609	\$ 49,570
Accrued liability to U.S. Department of Education	65,288	63,016
Other accrued liabilities	<u>74,683</u>	<u>132,917</u>
Total accrued liabilities	<u>\$ 186,580</u>	<u>\$ 245,503</u>

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 2012 and 2011 for which monies have not been received nor funds expended.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

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 2012 and 2011 and a state contribution rate of 6.0% for fiscal year 2012 and 6.644% for fiscal year 2011. In certain instances the reporting district is required to make all or a portion of the state's contribution for fiscal years 2012 and 2011.

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 6.0% and 6.4% for fiscal years 2012 and 2011, respectively. The College contributes 1.31% for all employees. Benefits fully vest after one

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 10 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)

State-Sponsored Benefit Plans (Continued)

year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The calculated retirement expense to the state for the College for the fiscal year ended August 31, 2012 was approximately \$178,000. The College received approximately \$150,000. See Note 19 for further information on the shortfall. For the fiscal years ended August 31, 2011 and 2010, the retirement expense to the state for the College was approximately \$199,000 and \$186,500. The amounts received represent the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all College employees was \$3,792,863, \$3,811,057 and \$3,715,566 for fiscal years 2012, 2011 and 2010, respectively. The total payroll of employees covered by the Teacher Retirement System was \$2,967,904, \$3,256,822 and \$3,164,552 and the total payroll of employees covered by the Optional Retirement Program was approximately \$88,000, \$146,000 and \$162,600 for fiscal years 2012, 2011 and 2010, 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.

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.

For the year ended August 31, 2011, the State's contribution per full-time employee and retiree was \$413 per month and totaled approximately \$423,000 for the year. The cost of providing those benefits for 34 retirees was approximately \$189,000 and for 72 active employees was approximately \$234,000.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

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, 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 \$ 187,531,401

	<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	.22217	-	.22217

<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><u>\$ 415,199</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 415,199</u></u>

At August 31, 2011:

Assessed valuation of the College	\$ 189,977,658
Less: Exemptions	890,256
Less: Abatements	<u>1,310,399</u>

Net assessed valuation of the College \$ 187,777,003

	<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	.221929	-	.221929

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 13 - PROPERTY TAX (CONTINUED)

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 398,210	\$ -	\$ 398,210
Delinquent taxes collected	12,596	-	12,596
Penalties and interest collected	<u>4,400</u>	<u>-</u>	<u>4,400</u>
Total collections	<u>\$ 415,206</u>	<u>\$ -</u>	<u>\$ 415,206</u>

Taxes levied for the year ended August 31, 2012 and 2011 were approximately \$417,000 and \$415,000, 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, 2012 and 2011 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 2012 and 2011 (including penalties and interest) from Gray County totaled approximately \$734,000 and \$772,000, respectively, and from Childress County totaled approximately \$127,000 and \$128,000, respectively.

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, 2012 and 2011.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

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, 2012 and 2011, the College received funds consisting of donations and scholarships for students from CCF totaling \$10,495 and \$10,060, 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 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/>.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 18 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Funding Policy

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

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB 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, 2012, 2011 and 2010 were \$437,874, \$232,941, and \$205,918, 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.

On August 31, 2012, 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

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 19 - COMMITMENTS, CONTINGENCIES AND LAWSUITS (CONTINUED)

Teacher Retirement System (TRS) Shortfall (Continued)

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).

Clarendon College does not believe it is responsible for the shortfall in funding for TRS contributions per Section 67(b)(3) which is approximately \$28,000 for the fiscal year ended August 31, 2012. This amount is not accrued and is being disclosed as a possible contingent liability for fiscal year ended August 31, 2012.

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

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OTHER SUPPLEMENTAL INFORMATION

**CLARENDON COLLEGE
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2012</u>	<u>2011</u>
TUITION						
State-funded courses						
In-district resident tuition	\$ 94,108	\$ -	\$ 94,108	\$ -	\$ 94,108	\$ 212,654
Out-of-district resident tuition	1,012,313	-	1,012,313	-	1,012,313	1,058,594
Non-resident tuition	160,851	-	160,851	-	160,851	97,185
TPEG - Credit (set aside)*	73,241	-	73,241	-	73,241	82,688
Non-state funded continuing education	1,850	-	1,850	-	1,850	2,479
Total tuition	<u>1,342,363</u>	<u>-</u>	<u>1,342,363</u>	<u>-</u>	<u>1,342,363</u>	<u>1,453,600</u>
FEES						
Building use fee	724,014	-	724,014	-	724,014	799,322
Out-of-district fee	515,045	-	515,045	-	515,045	401,410
General fee	573,106	-	573,106	-	573,106	566,209
Laboratory fee	182,906	-	182,906	-	182,906	194,992
Other fees	233,549	-	233,549	-	233,549	230,985
Total fees	<u>2,228,620</u>	<u>-</u>	<u>2,228,620</u>	<u>-</u>	<u>2,228,620</u>	<u>2,192,918</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Scholarship allowances	(221,007)	-	(221,007)	-	(221,007)	(269,237)
Remissions and exemptions	(138,592)	-	(138,592)	-	(138,592)	(81,879)
TPEG allowances	(33,934)	-	(33,934)	-	(33,934)	(54,828)
Federal grants to students	(1,818,822)	-	(1,818,822)	-	(1,818,822)	(1,902,316)
Other federal grants	(188,577)	-	(188,577)	-	(188,577)	(161,215)
Total scholarship allowances and discounts	<u>(2,400,932)</u>	<u>-</u>	<u>(2,400,932)</u>	<u>-</u>	<u>(2,400,932)</u>	<u>(2,469,475)</u>
Total net tuition and fees	<u>1,170,051</u>	<u>-</u>	<u>1,170,051</u>	<u>-</u>	<u>1,170,051</u>	<u>1,177,043</u>

**CLARENDON COLLEGE
SCHEDULE A, CONTINUED
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2012</u>	<u>2011</u>
ADDITIONAL OPERATING REVENUES						
Federal grants and contracts	-	110,287	110,287	-	110,287	383,273
State grants and contracts	-	208,087	208,087	-	208,087	515,832
Local grants and contracts	873,707	269,635	1,143,342	-	1,143,342	1,169,517
Other operating revenues	<u>35,844</u>	<u>-</u>	<u>35,844</u>	<u>255,960</u>	<u>291,804</u>	<u>90,651</u>
Total additional operating revenues	<u>909,551</u>	<u>588,009</u>	<u>1,497,560</u>	<u>255,960</u>	<u>1,753,520</u>	<u>2,159,273</u>
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	503,398	503,398	518,438
Less: Discounts	-	-	-	(330,114)	(330,114)	(272,721)
Residential	-	-	-	1,009,566	1,009,566	1,022,351
Less: Discounts	-	-	-	(426,369)	(426,369)	(493,514)
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>756,481</u>	<u>756,481</u>	<u>774,554</u>
TOTAL OPERATING REVENUES	<u>\$ 2,079,602</u>	<u>\$ 588,009</u>	<u>\$ 2,667,611</u>	<u>\$ 1,012,441</u>	<u>\$ 3,680,052</u>	<u>\$ 4,110,870</u>
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, \$73,241 and \$82,688 for years August 31, 2012 and 2011, 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, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	Operating Expenses				2012	2011
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	\$ 2,291,644	\$ -	\$ 194,358	\$ 212,867	\$ 2,698,869	\$ 2,601,762
Academic support	304,094	-	25,497	47,274	376,865	439,815
Student services	306,033	-	25,359	93,350	424,742	433,877
Institutional support	468,378	-	37,651	459,170	965,199	963,088
Operation and maintenance of plant	281,706	-	82,306	606,303	970,315	998,960
Total unrestricted educational activities	<u>3,651,855</u>	<u>-</u>	<u>365,171</u>	<u>1,418,964</u>	<u>5,435,990</u>	<u>5,437,502</u>
RESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	-	355,723	-	(1,361)	354,362	448,814
Academic support	-	66,900	-	-	66,900	78,234
Student services	-	73,939	-	-	73,939	73,019
Institutional support	76,526	89,801	-	8,309	174,636	192,354
Scholarship expense	-	-	-	832,080	832,080	1,142,146
Total restricted educational activities	<u>76,526</u>	<u>586,363</u>	<u>-</u>	<u>839,028</u>	<u>1,501,917</u>	<u>1,934,567</u>
Total educational activities	<u>3,728,381</u>	<u>586,363</u>	<u>365,171</u>	<u>2,257,992</u>	<u>6,937,907</u>	<u>7,372,069</u>
AUXILIARY ENTERPRISES	<u>64,482</u>	<u>-</u>	<u>24,550</u>	<u>1,478,457</u>	<u>1,567,489</u>	<u>1,201,457</u>
DEPRECIATION EXPENSE						
Buildings and other real estate improvements	-	-	-	363,757	363,757	322,114
Equipment and furniture	-	-	-	486,098	486,098	397,722
Total depreciation expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,855</u>	<u>849,855</u>	<u>719,836</u>
TOTAL OPERATING EXPENSES	<u>\$ 3,792,863</u>	<u>\$ 586,363</u>	<u>\$ 389,721</u>	<u>\$ 4,586,304</u>	<u>\$ 9,355,251</u>	<u>\$ 9,293,362</u>
				(Exhibit 2)	(Exhibit 2)	

**CLARENDON COLLEGE
SCHEDULE C
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2012</u>	<u>2011</u>
NONOPERATING REVENUES:					
State appropriations:					
Education and general state support	\$ 2,540,249	\$ -	\$ -	\$ 2,540,249	\$ 2,473,033
State group insurance	-	278,712	-	278,712	424,022
State retirement matching	-	153,222	-	153,222	197,341
Total state appropriations	<u>2,540,249</u>	<u>431,934</u>	<u>-</u>	<u>2,972,183</u>	<u>3,094,396</u>
Ad valorem taxes for maintenance and operations	410,816	-	-	410,816	442,331
Federal revenue, nonoperating	2,957,167	-	-	2,957,167	3,363,341
Gifts	206,681	-	-	206,681	209,817
Investment income	86,378	82,449	-	168,827	96,220
Other nonoperating revenues	14,298	-	-	14,298	6,438
Total nonoperating revenues	<u>6,215,589</u>	<u>514,383</u>	<u>-</u>	<u>6,729,972</u>	<u>7,212,543</u>
NONOPERATING EXPENSES:					
Interest on capital-related debt	277,199	-	-	277,199	287,329
Loss on disposal of assets	2,641	-	-	2,641	32,850
Total nonoperating expenses	<u>279,840</u>	<u>-</u>	<u>-</u>	<u>279,840</u>	<u>320,179</u>
NET NONOPERATING REVENUES	<u>\$ 5,935,749</u>	<u>\$ 514,383</u>	<u>\$ -</u>	<u>\$ 6,450,132</u>	<u>\$ 6,892,364</u>
				(Exhibit 2)	(Exhibit 2)

**CLARENDON COLLEGE
SCHEDULE D
SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
CURRENT							
Unrestricted	\$ 3,039,140	\$ -	\$ -	\$ -	\$ 3,039,140	\$ 3,039,140	\$ -
Restricted	-	1,380,787	-	-	1,380,787	1,380,787	-
Auxiliary enterprises	(271,298)	-	-	-	(271,298)	(271,298)	-
LOAN	-	-	-	-	-	-	-
ENDOWMENT							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	1,533,700	-	1,533,700	-	1,533,700
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
PLANT							
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt service	-	238,000	-	-	238,000	-	238,000
Investment in plant	-	-	-	11,422,825	11,422,825	-	11,422,825
Total net assets, August 31, 2012	2,767,842	1,618,787	1,533,700	11,422,825	17,343,154 (Exhibit 1)	4,148,629	13,194,525
Total net assets, August 31, 2011	2,203,839	1,636,357	1,449,702	11,278,323	16,568,221 (Exhibit 1)	3,602,196	12,966,025
NET INCREASE (DECREASE) IN NET ASSETS	\$ 564,003	\$ (17,570)	\$ 83,998	\$ 144,502	\$ 774,933 (Exhibit 2)	\$ 546,433	\$ 228,500

**CLARENDON COLLEGE
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2012**

<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	-	\$ 43,554
Federal Work Study Program	84.033	-	28,148
Federal Pell Grant Program	84.063	-	2,885,465
Federal Direct Student Loans	84.268	-	<u>3,078,189</u>
Total Direct Programs			<u>6,035,356</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	06621	<u>110,287</u>
Total Pass-Through from Texas Higher Education Coordinating Board			<u>110,287</u>
Total U.S. Department of Education			<u>6,145,643</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 6,145,643</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CLARENDON COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2012

NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION

Federal grants and contracts revenue - per Schedule A	\$ 110,287
Nonoperating federal revenue - per Schedule C	2,957,167
Federal Direct Student Loans	<u>3,078,189</u>
Total federal revenues per Schedule of Expenditures of Federal Awards	<u>\$ 6,145,643</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 AWARDS
YEAR ENDED AUGUST 31, 2012**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Workforce Commission		
Workforce Investment Act Program	-	\$ 22,892
Total Texas Workforce Commission		<u>22,892</u>
Texas Department of Assistive and Rehabilitative Services		
Tuition Waiver	-	26,000
Total Texas Department of Assistive and Rehabilitative Services		<u>26,000</u>
Texas Higher Education Coordinating Board		
Texas Grant Program	-	117,165
Texas Educational Opportunity Grant	-	31,651
Early High School Graduation Scholarship	-	3,432
Texas College Work-Study Program	-	5,928
Texas Engineering Extension Service	-	1,019
Total Texas Higher Education Coordinating Board		<u>159,195</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 208,087</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, 2012

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>\$ 208,087</u>
Total Grants and Contracts Revenue per Schedule F	<u>\$ 208,087</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 the basic financial statements of Clarendon College (the College) as of and for the year ended August 31, 2012, and have issued our report thereon dated December 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

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accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Connor, McMillon, Mitchell & Shennum, PLLC

Amarillo, Texas
December 13, 2012

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**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program
and on Internal Control Over Compliance in Accordance with
OMB Circular A-133 and the State of Texas Single Audit Circular**

Board of Regents
Clarendon College
Clarendon, Texas

Compliance

We have audited Clarendon College's (the College) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the State of Texas Single Audit Circular that could have a direct and material effect on each of the College's major federal programs and state programs for the year ended August 31, 2012. The College's major federal programs and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas Single Audit Circular. Those standards, OMB Circular A-133 and State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular and which are described in the accompanying schedule of findings and questioned costs as items 2012-01 through 2012-05.

Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered

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the College's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-01 through 2012-05. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The College's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the board, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Connor, McMillen, Mitchell & Skennum, PLLC

Amarillo, Texas
December 13, 2012

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**CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2012**

SECTION I - Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:

The Auditor's report expresses an unqualified 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? yes X no
- Significant deficiency(ies) identified? X yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? 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, 2012

SECTION II - Financial Statement Findings

None reported.

SECTION III - Federal and State Award Findings and Questioned Costs

Finding 2012-01

Program: Student Financial Aid Cluster

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.

Criteria: Per the OMB A-133 Compliance Supplement, all students withdrawing who owe a refund to the Department of Education (DOE) are to have a Return to Title IV completed and returned within 30 days of withdrawal.

Cause: The College has a manual system in place to alert Financial Aid that a student has withdrawn. If the document from the registrar's office is not sent to Financial Aid, a return calculation is not completed.

Effect: The College does not have the correct information to process a billing statement and collect on any revenue owed to the school. The DOE could penalize Clarendon College on future awards due to not being in compliance with OMB A-133 requirements on returning funds.

Context: A sample of 27 student files was reviewed. This item represents three items tested.

Recommendation: Implement procedures and controls to ensure all students withdrawals/drop slips are sent to Financial Aid.

Views of Responsible Officials and Corrective Action Plan: Due to the fact that the College has students taking courses at many locations and/or cities, the Registrar's office is accepting faxed withdrawal forms. A copy of the drop/withdrawal form will be sent to Financial Aid, as well as placed in the students' files. A withdrawal form will be completed for each student who is enrolled and subsequently drops at any time prior to or after the semester classes begin. The process will require Financial Aid staff to sign the form verifying all schedule changes are approved and Return to Title IV is calculated, as needed. As a check and balance, Financial Aid staff run the Summary By Student for the Registration Status Term report for the current term of enrollment on a weekly basis and review the awards and number of hours enrolled to determine if any awards are inaccurate. Additionally, the Financial Aid module of CAMS will be upgraded in the Summer of 2013 to automated packaging that will systemically adjust the award amounts to the appropriate enrollment status which will eliminate the need for manual review of awards.

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2012

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

Finding 2012-02

Program: Student Financial Aid Cluster

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

Criteria: Per OMB-A133 Compliance Supplement, each year the DOE provides a chart for determining Pell awards. The payment schedule is used to determine the maximum annual amount a student would receive for a full academic year given set criteria.

Cause: The College received an incorrect Pell chart and did not destroy it when they received the correct chart. Also, the College does not have an automated system for calculating Pell awards.

Effect: The College can become liable to the DOE for overpayment or lose future aid.

Context: A sample of 40 expenditures was selected for test work. These items represent three items tested. Test work was expanded to review other awards that may have been improperly awarded. During the test work two additional over awards were identified.

Recommendation: The College should ensure the Pell chart is the current version from the DOE before awards are calculated. Additionally, review procedures by the Financial Aid management would help to identify any errors.

Views of Responsible Officials and Corrective Action Plan: The Pell chart the College received from the Department of Education was incorrect. There was a corrected Pell chart sent from the Department of Education, but the incorrect one was used initially. A number of students were incorrectly awarded based on the incorrect Pell chart. Financial Aid staff will review the most current Pell charts to determine the reasonableness of the progression of the award amounts, as this was an obvious error in the chart. Had this review been performed, it could have been identified. Financial Aid staff will run the Summary by Student for the Registration Status Term report for the current term of enrollment on a weekly basis and review the awards and number of hours enrolled to determine if any awards are inaccurate. Additionally, the Financial Aid module of CAMS will be upgraded in the Summer of 2013 to automated packaging that will systemically adjust the award amounts to the appropriate enrollment status which will eliminate the need for manual reviews of awards.

Finding 2012-03

Program: Student Financial Aid Cluster

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.

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2012

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

Finding 2012-03 (Continued)

Criteria: Per OMB A-133 Circular, disbursements to students should be scheduled and disbursements should not take place before this date. All refund checks are due to the student within 14 days of the first class day.

Cause: The student had an adjustment on the account which caused it not to be identified properly when a report for refunds was prepared.

Effect: The College is not in compliance with the regulations regarding Student Financial Aid refunds and this could cause the DOE to withdraw support.

Context: A sample of 40 expenditures was selected for test work. This item represents one item tested.

Recommendation: The College should implement procedures to ensure all student accounts, whether adjusted or not, are being reviewed in a timely manner so that refund checks are issued on a timely basis.

Views of Responsible Officials and Corrective Action Plan: Refunds are calculated by specific term throughout the semester. In addition to the term refund calculation, the business office will run a refund report for all terms and for all students, including students with holds on their account, to ensure no student is missed on the refund listing. This student's refund was cut and disbursed.

Finding 2012-04

Program: Student Financial Aid Cluster

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

Criteria: Per the OMB A-133 Compliance Supplement, all student statuses are to be reported on a timely basis to the National Clearinghouse.

Cause: The College does not have a system in place to check that all student status reports are timely filed.

Effect: The National Clearinghouse does not have timely information to process the student's future aid and/or determine loan payment requirements.

Context: A sample of 71 expenditures was selected for test work. This item represents four items tested.

Recommendation: We recommend the College implement procedures and controls to ensure status reports are timely filed.

Views of Responsible Officials and Corrective Action Plan: This was a finding last year, but procedures were changed in Spring 2012. All findings relate to Fall 2011. The report to the National Clearinghouse is now submitted by the Registrar and has been submitted on a timely basis.

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2012

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

Finding 2012-05

Program: Student Financial Aid Cluster

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.

Criteria: Per OMB A-133 Compliance Supplement, each year the DOE provides a chart for determining Pell awards. The payment schedule is used to determine the maximum annual amount a student would receive for a full academic year given certain criteria.

Cause: The student financial aid processor manually calculated the award incorrectly, and there was no review of the calculation by the Student Financial Aid management.

Effect: The College can become liable to the DOE for underpayment or lose future aid. Also, the student is penalized due to being liable to repay the funds due to receiving a loan verses a grant.

Context: A sample of 40 expenditures was selected for test work and improper awards were found (see Finding 2012-02). Test work was expanded to review other awards that may have been improperly awarded. During the test work this under award was identified.

Recommendation: Financial Aid management should work with financial aid processors to ascertain they understand the proper calculation. Furthermore, a review process should be implemented to ascertain that all awards are being calculated correctly.

Views of Responsible Officials and Corrective Action Plan: The student's account will be corrected by Financial Aid management. The Pell will be awarded appropriately and a reduction will be made to the student's loan disbursement. Going forward, Financial Aid training meetings will be held monthly by the Director to review award processes and procedures and keep staff members properly trained and to review guidelines on a consistent basis.

**CLARENDON COLLEGE
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2012**

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.

Corrective Action Plan: Due to the fact that the College has students taking courses at many locations and/or cities, the Registrar's office is accepting faxed withdrawal forms. A copy of the drop/withdrawal form will be sent to Financial Aid, as well as placed in the students' files. A withdrawal form will be completed for each student who is enrolled and subsequently drops at any time prior to or after the semester classes begin. The process will require Financial Aid staff to sign the form verifying all schedule changes are approved and Return to Title IV is calculated, as needed. As a check and balance, Financial Aid staff run the Summary By Student for the Registration Status Term report for the current term of enrollment on a weekly basis and review the awards and number of hours enrolled to determine if any awards are inaccurate. Additionally, the Financial Aid module of CAMS will be upgraded in the Summer of 2013 to automated packaging that will systemically adjust the award amounts to the appropriate enrollment status which will eliminate the need for manual review of awards.

Finding 2012-02

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

Corrective Action Plan: The Pell chart the College received from the Department of Education was incorrect. There was a corrected Pell chart sent from the Department of Education, but the incorrect one was used initially. A number of students were incorrectly awarded based on the incorrect Pell chart. Financial Aid staff will review the most current Pell charts to determine the reasonableness of the progression of the award amounts, as this was an obvious error in the chart. Had this review been performed, it could have been identified. Financial Aid staff will run the Summary by Student for the Registration Status Term report for the current term of enrollment on a weekly basis and review the awards and number of hours enrolled to determine if any awards are inaccurate. Additionally, the Financial Aid module of CAMS will be upgraded in the Summer of 2013 to automated packaging that will systemically adjust the award amounts to the appropriate enrollment status which will eliminate the need for manual reviews of awards.

**CLARENDON COLLEGE
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2012**

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.

Corrective Action Plan: Refunds are calculated by specific term throughout the semester. In addition to the term refund calculation, the business office will run a refund report for all terms and for all students, including students with holds on their account, to ensure no student is missed on the refund listing. This student's refund was cut and disbursed.

Finding 2012-04

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

Corrective Action Plan: This was a finding last year, but procedures were changed in Spring 2012. All findings relate to Fall 2011. The report to the National Clearinghouse is now submitted by the Registrar and has been submitted on a timely basis.

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.

Corrective Action Plan: The student's account will be corrected by Financial Aid management. The Pell will be awarded appropriately and a reduction will be made to the student's loan disbursement. Going forward, Financial Aid training meetings will be held monthly by the Director to review award processes and procedures and keep staff members properly trained and to review guidelines on a consistent basis.

CLARENDON COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended August 31, 2012

Significant Deficiencies

Finding 2011-01

Condition: Students that had graduated during the fiscal year were not reported correctly to the NSC as graduating. Instead, they were reported as withdrawing.

Current Status: Once a student changes schedules, it is reflected in the reporting table. CAMS, software, has been modified to pick up correct values in the reporting table. A verification report is compared to data submitted. Students are reported to the NSC correctly.

Finding 2011-02

Condition: Reporting of student status changes to the NSC was not done within 30 days of the status change.

Current Status: The report to the National Clearinghouse is now submitted by the Registrar and has been submitted on a timely basis since Spring 2012.

Finding 2011-03

Condition: The vendors of purchases over \$25,000 (covered transaction) were not verified to ensure they are not suspended or debarred.

Current Status: Grant administrator is informed of all criteria for any grant applied or awarded. All purchases over \$25,000 are verified. All vendors did provide buy American certificates. The College will take steps to ensure all future grant requirements are documented to ensure compliance.

Finding 2011-04

Condition: Reports for the grant were not being filed on a timely basis.

Current Status: We did receive an Initial determination letter from the State Energy Conservation Office of the Texas Comptroller of Public Accounts. We were not sure if we had to submit reports, if no expenditures had occurred. Therefore, we had not submitted August 2010, October 2010, January 2011, February 2011, and March 2011. We did finally get an answer and, therefore, did submit all reports. All of the reports have been submitted and accepted. Our contact has closed out our case.

CLARENDON COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended August 31, 2012

Significant Deficiencies (Continued)

Finding 2011-05

Condition: There is no review or approval of grant reports prior to being submitted to the respective agencies by the grant administrator.

Current Status: All grant criteria has been reviewed and complied with the grant administrator. The grant administrator will secure approvals by the Business Office, if purchases are required, and the President's Office to ensure accuracy and informative before any report is submitted.

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**STATISTICAL SUPPLEMENT
(Unaudited)**

Clarendon College
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2003 to 2012
 (unaudited)
 (amounts expressed in thousands)

	For the Fiscal Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	\$ 11,423	\$ 11,278	\$ 11,641	\$ 10,358	\$ 6,782	\$ 6,930	\$ 6,965	\$ 6,656	\$ 6,565	\$ 5,517
Restricted - nonexpendable	1,534	1,450	1,548	1,545	1,184	1,129	573	532	483	597
Restricted - expendable	1,619	1,636	714	630	650	542	961	506	150	150
Unrestricted	2,767	2,204	955	940	1,618	1,593	1,499	1,796	2,047	2,882
Total net assets	\$ 17,343	\$ 16,568	\$ 14,858	\$ 13,473	\$ 10,234	\$ 10,194	\$ 9,998	\$ 9,490	\$ 9,245	\$ 9,146

**Clarendon College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2003 to 2012
(unaudited)**

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	\$ 1,170	\$ 1,177	\$ 1,541	\$ 1,349	\$ 1,133	\$ 898	\$ 1,133	\$ 812	\$ 664	\$ 383
Governmental grants and contracts										
Federal grants and contracts	110	383	138	100	111	1,161	1,226	1,024	1,018	790
State grants and contracts	208	516	78	94	86	56	52	43	55	519
Local grants and contracts	1,143	1,169	911	917	-	-	-	-	-	-
Nongovernmental grants and contracts	-	-	-	-	-	-	-	4	53	-
Auxiliary enterprises	757	775	929	880	941	855	604	628	482	308
Other operating revenues	292	91	81	77	68	220	216	90	87	115
Total operating revenues	3,680	4,111	3,678	3,417	2,339	3,190	3,231	2,601	2,359	2,115
State appropriations	2,972	3,094	3,133	2,693	2,712	2,652	2,653	2,541	2,520	2,714
Ad valorem taxes	411	442	409	425	352	342	343	329	301	278
Federal revenue, nonoperating	2,957	3,363	2,586	1,484	1,192	-	-	-	-	-
Gifts	207	210	474	281	210	244	482	474	99	182
Investment income	169	96	124	256	206	222	164	116	124	198
Other nonoperating revenues	14	7	7	-	4	2	-	276	-	7
Total nonoperating revenues	6,730	7,212	6,733	5,139	4,676	3,462	3,642	3,736	3,044	3,379
TOTAL REVENUES	\$ 10,410	\$ 11,323	\$ 10,411	\$ 8,556	\$ 7,015	\$ 6,652	\$ 6,873	\$ 6,337	\$ 5,403	\$ 5,494

For the Year Ended August 31,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	11.24%	10.40%	14.80%	15.77%	16.15%	13.50%	16.48%	12.81%	12.29%	6.97%
Governmental grants and contracts										
Federal grants and contracts	1.06%	3.38%	1.33%	1.17%	1.58%	17.45%	17.84%	16.16%	18.84%	14.38%
State grants and contracts	2.00%	4.56%	0.75%	1.10%	1.23%	0.84%	0.76%	0.68%	1.02%	9.44%
Local grants and contracts	10.98%	10.32%	8.75%	10.72%	0.00%	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%	0.06%	0.98%	0.00%
Auxiliary enterprises	7.27%	6.85%	8.92%	10.29%	13.41%	12.85%	8.79%	9.93%	8.92%	5.61%
Other operating revenues	2.80%	0.80%	0.78%	0.90%	0.97%	3.31%	3.14%	1.42%	1.61%	2.11%
Total operating revenues	35.35%	36.31%	35.33%	39.95%	33.34%	47.95%	47.01%	41.06%	43.66%	38.51%
State appropriations	28.55%	27.33%	30.09%	31.47%	38.66%	39.86%	38.60%	40.10%	46.64%	49.39%
Ad valorem taxes	3.95%	3.90%	3.93%	4.97%	5.02%	5.14%	4.99%	5.19%	5.57%	5.06%
Federal revenue, nonoperating	28.41%	29.70%	24.84%	17.34%	16.99%	0.00%	0.00%	0.00%	0.00%	0.00%
Gifts	1.99%	1.85%	4.55%	3.28%	2.99%	3.67%	7.01%	7.48%	1.83%	3.31%
Investment income	1.62%	0.85%	1.19%	2.99%	2.94%	3.35%	2.39%	1.83%	2.30%	3.60%
Other nonoperating revenues	0.13%	0.06%	0.07%	0.00%	0.06%	0.03%	0.00%	4.34%	0.00%	0.13%
Total nonoperating revenues	64.65%	63.69%	64.67%	60.05%	66.66%	52.05%	52.99%	58.94%	56.34%	61.49%
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 2003 to 2012
(unaudited)

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$ 3,053	\$ 3,051	\$ 2,977	\$ 2,317	\$ 2,280	\$ 2,272	\$ 2,136	\$ 1,902	\$ 1,763	\$ 1,865
Public service	-	-	-	-	-	-	1	4	12	20
Academic support	444	518	529	505	432	389	333	330	377	296
Student services	499	507	465	489	392	381	386	336	292	354
Institutional support	1,140	1,155	1,082	1,072	952	954	848	923	900	947
Operation and maintenance of plant	970	999	972	1,012	1,147	803	1,071	813	741	741
Scholarships and fellowships	832	1,142	872	-	-	-	-	-	-	-
Auxiliary enterprises	1,567	1,201	1,415	1,378	1,127	1,002	1,015	844	759	654
Depreciation	850	720	587	529	506	485	457	388	330	252
Total operating expenses	9,355	9,293	8,899	7,302	6,836	6,286	6,247	5,540	5,174	5,129
Interest on capital related debt	277	287	300	124	132	129	116	139	150	152
Other nonoperating expense	3	33	-	8	8	41	-	-	-	-
Total nonoperating expenses	280	320	300	132	140	170	116	139	150	152
Prior period adjustment	-	-	-	-	-	-	-	-	396	78
TOTAL EXPENSES	\$ 9,635	\$ 9,613	\$ 9,199	\$ 7,434	\$ 6,976	\$ 6,456	\$ 6,363	\$ 5,679	\$ 5,720	\$ 5,359

For the Year Ended August 31,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	31.69%	31.74%	32.36%	31.17%	32.68%	35.19%	33.57%	33.50%	30.82%	34.79%
Public service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.07%	0.21%	0.37%
Academic support	4.61%	5.39%	5.76%	6.79%	6.19%	6.03%	5.23%	5.81%	6.59%	5.52%
Student services	5.18%	5.28%	5.05%	6.58%	5.62%	5.90%	6.07%	5.92%	5.11%	6.60%
Institutional support	11.83%	12.01%	11.76%	14.42%	13.65%	14.78%	13.33%	16.26%	15.73%	17.67%
Operation and maintenance of plant	10.07%	10.39%	10.57%	13.61%	16.44%	12.44%	16.83%	14.32%	12.95%	13.82%
Scholarships and fellowships	8.64%	11.88%	9.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Auxiliary enterprises	16.26%	12.49%	15.38%	18.53%	16.16%	15.52%	15.95%	14.86%	13.27%	12.20%
Depreciation	8.82%	7.49%	6.38%	7.12%	7.25%	7.51%	7.18%	6.81%	5.77%	4.73%
Total operating expenses	97.10%	96.67%	96.74%	98.22%	97.99%	97.37%	98.18%	97.55%	90.45%	95.70%
Interest on capital related debt	2.87%	2.99%	3.26%	1.67%	1.89%	2.00%	1.82%	2.45%	2.62%	2.85%
Other nonoperating expense	0.03%	0.34%	0.00%	0.11%	0.12%	0.63%	0.00%	0.00%	0.00%	0.00%
Total nonoperating expenses	2.90%	3.33%	3.26%	1.78%	2.01%	2.63%	1.82%	2.45%	2.62%	2.85%
Prior period adjustment	-	-	-	-	-	-	-	-	6.93%	1.45%
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
2012	\$ 24	\$ 14 - 23	\$ 42	\$ 42	\$ 19	\$ -	\$ -	\$ -	\$ 1,188	\$ 1,020	\$ 1,296	2.41%	5.88%
2011	24	10 - 19	42	42	17	-	-	-	1,116	996	1,224	0.00%	0.00%
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%
2003	16	15	35	35	-	-	-	-	-	612	792	41.67%	32.00%

	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
2012	\$ 24	\$ 23	\$ 73	\$ 73	\$ 19	\$ -	\$ -	\$ -	\$ 1,668	\$ 1,668	\$ -	4.51%	4.51%
2011	24	19	73	73	17	-	-	-	1,596	1,596	-	0.00%	0.00%
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%
2003	16	15	50	50	-	-	-	-	972	972	-	32.79%	32.79%

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)
2011-12	\$ 193,284,690	\$ 5,753,289	\$ 187,531,401	97.02%	\$ 0.22217	\$ -	\$ 0.22217
2010-11	193,346,397	5,569,394	187,777,003	97.12%	0.22193	-	0.22193
2009-10	194,835,093	5,957,400	188,877,693	96.94%	0.22193	-	0.22193
2008-09	184,795,906	3,797,400	180,998,506	97.95%	0.20650	-	0.20650
2007-08	175,698,973	3,926,332	171,772,641	97.77%	0.20650	-	0.20650
2006-07	172,942,729	3,203,577	169,739,152	98.15%	0.20650	-	0.20650
2005-06	168,651,914	2,344,640	166,307,274	98.61%	0.02650	-	0.02650
2004-05	162,184,264	2,222,145	159,962,119	98.63%	0.20650	-	0.20650
2003-04	153,500,470	1,244,598	152,255,872	99.19%	0.19870	-	0.19870
2002-03	152,833,750	1,040,818	151,792,932	99.32%	0.18324	-	0.18324

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
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
2002-03	2,156,089	867	2,487	386,380	66,288	452,668	4.76

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)**

		Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
Taxpayer	Type of Business	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
BNSF Railway Company	Railroad	\$ 21,607,420	\$ 19,050,130	\$ 16,026,810	\$ 14,587,580	\$ 13,908,194	\$ 12,739,084	\$ 11,260,564	\$ -	\$ 9,536,445	\$ 9,870,998
Southwestern Electric Power Co	Utility	7,588,370	4,639,390	4,926,830	4,352,630	-	-	-	-	-	-
Nustar Logistics LP	Utility	-	3,128,380	2,899,150	2,992,790	2,765,930	2,564,340	-	-	-	-
Cattlemens Feedlot LTD	Cattle/Feedlot	2,790,135	2,604,186	2,694,247	2,685,900	2,759,507	-	-	-	-	-
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	1,039,994
Ritchie Birkbeck GC Trust	Ranch	1,681,674	1,681,815	1,823,316	1,825,756	1,815,949	1,813,864	1,813,864	-	1,670,806	1,555,154
Sunoco Pipeline LP	Utility	-	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	-	1,455,938	1,533,658	1,697,839	1,740,192	1,987,192	1,972,379	-	1,969,582	1,957,447
Rio Bravo Cattle Feeders	Cattle/Feedlot	-	1,374,975	1,692,178	1,111,405	-	-	-	-	-	-
Clarendon Hotel Corporation	Hotel	-	1,220,000	1,156,782	1,289,357	2,214,187	2,226,627	2,244,327	-	-	-
Jjob, LTD	Ranch	1,048,450	1,043,533	1,119,277	1,098,393	1,078,603	-	-	-	1,009,860	-
J Lee Milligan Inc	Construction	-	1,027,200	-	-	-	-	-	-	-	-
Level 3 Communications LLC	Utility	-	936,610	927,390	1,058,170	1,151,215	1,409,770	1,134,840	-	1,370,310	1,938,030
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	1,277,769
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	2,513,374
Crow Hollow LLC	Cattle/Feedlot	-	-	-	-	-	3,044,310	3,014,250	-	1,490,425	1,458,789
Valero Logistise OP LP	Utility	-	-	-	-	-	-	1,910,690	-	2,429,280	1,835,140
Crofoot Cattle Co	Cattle/Feedlot	539,558	-	-	-	-	-	1,085,526	-	-	-
Oneok Westex Transmission	Utility	-	-	-	-	-	-	1,074,190	-	-	-
Western Wireless Corp	Utility	-	-	-	-	-	-	-	-	1,617,770	1,114,750
Suna Land Holding LTD	Car Dealer	-	-	-	-	-	-	-	-	1,468,664	1,212,589
Sun Pipe Line Services Co	Utility	-	-	-	-	-	-	-	-	-	1,570,074
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 Birkbest 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		\$ 43,323,752	\$ 44,973,437	\$ 40,082,571	\$ 38,861,585	\$ 34,469,521	\$ 31,173,653	\$ 32,258,062	\$ -	\$ 28,342,477	\$ 27,344,108
Total Taxable Assessed Value		\$ 187,531,401	\$ 187,777,003	\$ 188,877,693	\$ 180,998,506	\$ 171,772,641	\$ 169,739,152	\$ 166,307,274	\$ 159,962,119	\$ 152,255,872	\$ 151,792,932

**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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
BNSF Railway Company	Railroad	11.52%	10.15%	8.49%	8.06%	8.10%	7.51%	6.77%	0.00%	6.26%	6.50%
Southwestern Electric Power Co	Utility	4.05%	2.47%	2.61%	2.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nustar Logistics LP	Utility	0.00%	1.67%	1.53%	1.65%	1.61%	1.51%	0.00%	0.00%	0.00%	0.00%
Cattlemens Feedlot LTD	Cattle/Feedlot	1.49%	1.39%	1.43%	1.48%	1.61%	0.00%	0.00%	0.00%	0.00%	0.00%
Matthews, Kade L. Trust #1	Ranch	0.94%	0.91%	0.65%	0.68%	0.71%	0.00%	0.72%	0.00%	0.75%	0.69%
Ritchie Birkbeck GC Trust	Ranch	0.90%	0.90%	0.97%	1.01%	1.06%	1.07%	1.09%	0.00%	1.10%	1.02%
Sunoco Pipeline LP	Utility	0.00%	0.89%	0.00%	0.00%	0.75%	0.82%	0.00%	0.00%	0.00%	0.00%
Oneok Westex Transportation	Utility	0.00%	0.86%	0.65%	0.72%	0.00%	0.00%	0.65%	0.00%	0.00%	0.00%
McLean Feed Yard LTD	Cattle/Feedlot	0.00%	0.78%	0.81%	0.94%	1.01%	1.17%	1.19%	0.00%	1.29%	1.29%
Rio Bravo Cattle Feeders	Cattle/Feedlot	0.00%	0.73%	0.90%	0.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Clarendon Hotel Corporation	Hotel	0.00%	0.65%	0.61%	0.71%	1.29%	1.31%	1.35%	0.00%	0.00%	0.00%
Jjob, LTD	Ranch	0.56%	0.56%	0.59%	0.61%	0.63%	0.00%	0.00%	0.00%	0.66%	0.00%
J Lee Milligan Inc	Construction	0.00%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Level 3 Communications LLC	Utility	0.00%	0.50%	0.49%	0.58%	0.67%	0.83%	0.68%	0.00%	0.90%	1.28%
Greenbelt Electric Co-Op, Inc.	Utility	0.00%	0.49%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Roach, TL	Ranch	0.49%	0.48%	0.51%	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Valor Telecommunications of TX, LP	Utility	0.00%	0.00%	0.51%	0.78%	0.95%	0.94%	1.07%	0.00%	1.25%	0.84%
Automotive Properties LP	Car Dealer	0.00%	0.00%	0.00%	0.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AEP West Texas Utilities	Utility	0.00%	0.00%	0.00%	0.00%	1.68%	1.41%	1.62%	0.00%	1.80%	1.66%
Crow Hollow LLC	Cattle/Feedlot	0.00%	0.00%	0.00%	0.00%	0.00%	1.79%	1.81%	0.00%	0.98%	0.96%
Valero Logistise OP LP	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%	0.00%	1.60%	1.21%
Crofoot Cattle Co	Cattle/Feedlot	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.65%	0.00%	0.00%	0.00%
Oneok Westex Transportation	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.65%	0.00%	0.00%	0.00%
Western Wireless Corp	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.06%	0.73%
Suna Land Holding LTD	Car Dealer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.96%	0.80%
Sun Pipe Line Services Co	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%
Totals		20.24%	23.98%	21.23%	21.46%	20.07%	18.36%	19.40%	0.00%	18.61%	18.01%

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
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%
2003	278,237	-	278,237	255,841	92.0%	19,156	-	274,997	98.84%

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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt										
Revenue bonds	\$ 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	\$ 2,500,000
Notes	-	-	-	330,597	385,093	460,834	29,159	-	27,094	36,873
Capital lease obligations	3,740,000	3,885,000	4,025,000	-	-	-	-	-	-	-
Total outstanding debt	\$ 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	\$ 2,536,873
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	\$ 643
Per FTSE	5,709	4,676	4,859	2,055	2,949	2,728	2,197	2,408	2,710	2,926
As a percentage of Taxable Assessed Value	2.84%	3.00%	3.10%	1.27%	1.44%	1.56%	1.39%	1.46%	1.61%	1.67%

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

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

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Taxable assessed value	\$ 187,531,401	\$ 187,777,003	\$ 188,877,693	\$ 180,998,506	\$ 171,772,641	\$ 169,739,152	\$ 166,307,274	\$ 159,962,119	\$ 152,255,872	\$ 151,792,932
General obligation bonds:										
Statutory tax levy limit for debt service	\$ 937,657	\$ 938,885	\$ 944,388	\$ 904,993	\$ 858,863	\$ 848,696	\$ 831,536	\$ 799,811	\$ 761,279	\$ 758,965
Less: funds restricted for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Total net general obligation debt	937,657	938,885	944,388	904,993	858,863	848,696	831,536	799,811	761,279	758,965
Current year debt service requirements	-	-	-	-	-	-	-	-	-	-
Excess of statutory limit for debt service over current requirements	\$ 937,657	\$ 938,885	\$ 944,388	\$ 904,993	\$ 858,863	\$ 848,696	\$ 831,536	\$ 799,811	\$ 761,279	\$ 758,965
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	
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
2003	44,212	132,637	44,212	221,061	-	136,906	136,906	1.61

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
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%
2002	3,887	106,274	27,341	4.6%

Source: Texas Workforce Commission

**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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Faculty										
Full-Time	35	37	33	31	32	31	30	30	29	26
Part-Time	41	52	46	48	41	47	34	33	39	32
Total	76	89	79	79	73	78	64	63	68	58
Percent										
Full-Time	46.1%	41.6%	41.8%	39.2%	43.8%	39.7%	46.9%	47.6%	42.6%	44.8%
Part-Time	53.9%	58.4%	58.2%	60.8%	56.2%	60.3%	53.1%	52.4%	57.4%	55.2%
Staff and Administrators										
Full-Time	43	47	46	43	36	37	34	33	34	37
Part-Time	4	2	3	7	7	3	4	2	6	0
Total	47	49	49	50	43	40	38	35	40	37
Percent										
Full-Time	91.5%	95.9%	93.9%	86.0%	83.7%	92.5%	89.5%	94.3%	85.0%	100.0%
Part-Time	8.5%	4.1%	6.1%	14.0%	16.3%	7.5%	10.5%	5.7%	15.0%	0.0%
FTSE per Full-Time Faculty	26.80	32.51	34.00	26.97	30.25	33.90	32.37	30.17	29.90	31.08
FTSE per Full-Time Staff Member	21.81	25.60	24.39	19.44	26.89	28.41	28.56	27.42	25.50	21.84
Average Annual Faculty Salary	\$ 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 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 Hours	1,045	77.93%	1,140	72.02%	1,162	81.72%	1,025	82.73%	937	83.89%
31-60 Hours	250	18.64%	394	24.89%	243	17.09%	196	15.82%	172	15.40%
>60 Hours	4	0.30%	8	0.51%	12	0.84%	14	1.13%	3	0.27%
Unclassified	42	3.13%	41	2.58%	5	0.35%	4	0.32%	5	0.44%
Total	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	100.00%	1,117	100.00%

<u>Semester Hour Load</u>	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	10	0.75%	23	1.45%	8	0.56%	1	0.08%	25	2.23%
3-5 semester hours	246	18.35%	364	22.99%	304	21.38%	234	18.89%	220	19.70%
6-8 Semester hours	287	21.40%	316	19.96%	331	23.28%	254	20.50%	241	21.58%
9-11 semester hours	189	14.09%	189	11.94%	145	10.20%	160	12.91%	127	11.37%
12-14 semester hours	324	24.16%	379	23.94%	266	18.70%	225	18.16%	186	16.65%
15-17 semester hours	223	16.63%	246	15.54%	257	18.07%	245	19.77%	206	18.44%
18 & over	62	4.62%	66	4.18%	111	7.81%	120	9.69%	112	10.03%
Total	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	100.00%	1,117	100.00%

Average course load	10.3	9.9	10.2	10.8	10.4
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<u>Tuition Status</u>	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	172	12.83%	305	19.27%	270	18.99%	241	19.45%	231	20.68%
Texas Resident (out-of-District)	1,128	84.12%	1,221	77.13%	1,080	75.95%	888	71.67%	787	70.46%
Non-Resident Tuition	41	3.05%	57	3.60%	72	5.06%	110	8.88%	99	8.86%
Total	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	100.00%	1,117	100.00%

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

Gender	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	533	39.75%	786	49.65%	675	47.47%	614	49.56%	508	45.48%
Male	808	60.25%	797	50.35%	747	52.53%	625	50.44%	609	54.52%
Total	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	100.00%	1,117	100.00%

Ethnic Origin	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	867	64.65%	959	60.58%	987	69.41%	865	69.81%	747	66.88%
Hispanic	252	18.79%	302	19.08%	293	20.60%	231	18.64%	206	18.44%
African American	63	4.70%	97	6.13%	103	7.24%	104	8.39%	117	10.47%
Asian	8	0.60%	16	1.01%	15	1.05%	16	1.29%	19	1.70%
Foreign	11	0.82%	7	0.44%	11	0.78%	9	0.73%	10	0.90%
Native American	21	1.57%	10	0.63%	11	0.78%	11	0.89%	13	1.16%
Other	119	8.87%	192	12.13%	2	0.14%	3	0.25%	5	0.45%
Total	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	100.00%	1,117	100.00%

Age	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	409	30.50%	451	28.49%	401	28.20%	370	29.86%	337	30.17%
18 -21	549	40.94%	552	34.87%	532	37.41%	509	41.08%	474	42.44%
22 - 24	94	7.01%	117	7.39%	102	7.17%	87	7.02%	93	8.33%
25 - 35	175	13.05%	300	18.95%	234	16.46%	194	15.66%	156	13.97%
36 - 50	96	7.16%	126	7.96%	123	8.65%	67	5.41%	46	4.12%
51 & over	18	1.34%	37	2.34%	30	2.11%	12	0.97%	11	0.97%
Total	1,341	100.00%	1,583	100.00%	1,422	100.00%	1,239	100.00%	1,117	100.00%

Average Age	23	24	24	23	22
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Clarendon College
Statistical Supplement 17
Transfers to Senior Institutions
2010-11 Graduates, Completers, and Non-Returners as of Fall 2011
(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	116	8	-	124	51.88%
2 Texas Tech University	42	1	-	43	17.99%
3 University of North Texas	13	-	-	13	5.44%
4 Angelo State University	12	-	-	12	5.02%
5 Tarleton State University	7	1	-	8	3.35%
6 Texas A&M University - College Station	6	-	-	6	2.51%
7 University of Texas - San Antonio	4	-	-	4	1.67%
8 Midwestern State University	4	-	-	4	1.66%
9 Other - Texas State University	3	1	-	4	1.66%
10 University of Texas - Austin	3	-	-	3	1.26%
11 Lamar University Institute of Technology	3	-	-	3	1.26%
12 Texas A&M University - Corpus Christi	2	-	-	2	0.84%
13 University of Texas - Pan American	2	-	-	2	0.84%
14 Sam Houston State University	1	-	-	1	0.42%
15 Stephen F. Austin State University	1	-	-	1	0.42%
16 University of Texas - Arlington	1	-	-	1	0.42%
17 Texas A&M University - Galveston	1	-	-	1	0.42%
18 Texas Women's University	1	-	-	1	0.42%
19 Texas A&M University - Commerce	1	-	-	1	0.42%
20 Sul Ross State University	-	1	-	1	0.42%
21 Texas Tech University Health Science Center	1	-	-	1	0.42%
22 University of Texas - Permian Basin	-	1	-	1	0.42%
23 Sul Ross State University - Rio Grande College	1	-	-	1	0.42%
24 Texas A&M International University	1	-	-	1	0.42%
25 Southwest Texas State University	-	-	-	-	0.00%
26 University of Houston - University Park	-	-	-	-	0.00%
27 Prairie View A&M University	-	-	-	-	0.00%
28 University of Houston - Downtown	-	-	-	-	0.00%
29 University of Texas - Dallas	-	-	-	-	0.00%
30 Texas A&M University - Kingsville	-	-	-	-	0.00%
31 University of Houston - Victoria	-	-	-	-	0.00%
32 University of Texas Health Science Center - Houston	-	-	-	-	0.00%
33 Texas Southern University	-	-	-	-	0.00%
34 University of Texas - Tyler	-	-	-	-	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	226	13	-	239	100.00%

Clarendon College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2008 to 2012
(unaudited)

	Fiscal Year				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Academic buildings	9	9	8	5	5
Square footage (in thousands)	115,210	115,210	80,910	51,460	51,460
Libraries*	1	1	2	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	56,672	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	93,547	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	9,835	9,835
Transportation					
Cars	7	7	7	7	6
Light Trucks/Vans (includes Instructional)	8	8	8	7	7
Buses (Instructional)	8	8	8	8	8