

**BORGER JUNIOR COLLEGE DISTRICT**  
Borger, Texas

**ANNUAL FINANCIAL REPORT**  
August 31, 2014 and 2013

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**BORGER JUNIOR COLLEGE DISTRICT  
ORGANIZATIONAL DATA  
August 31, 2014**

**Board of Regents**

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	<u>Officers</u>	Term Expires <u>May</u>
Scott Radach	Chair	2020
Jay Campbell	Vice Chair	2018
Marlene McKinney	Secretary	2016

	<u>Members</u>	
Shad Goldston	Borger, Texas	2018
Kelly McDonald	Borger, Texas	2018
Tonya Moore	Borger, Texas	2016
Patrick Nonhof	Borger, Texas	2016
Andy Green	Borger, Texas	2020
Pete Stynes	Borger, Texas	2020

**Principal Administrative Officers**

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Dr. Jud Hicks	President
Shannon Carroll	Vice President for Academic Affairs
Dr. Lew Hunnicutt	Vice President of Extended Services
David Carr	Dean of Career and Technical Education
Bridey McCormack	Director of Accounting
Debra Wells	Executive Assistant to the President

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## Independent Auditor's Report

Board of Regents  
Borger Junior College District  
Borger, Texas

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Borger Junior College District (the College) and its discretely presented component unit as of and for the years ended August 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material, respects, the respective financial position of the College and of its discretely presented component unit as

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of August 31, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 22 to the financial statements, in 2014, the College adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 10-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the College and its discretely presented component unit. The accompanying supplemental information listed in the table of contents, Schedules A, B, C and D, is likewise presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule E, and Schedule of Expenditures of State of Texas Awards, Schedule F, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2014, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Connor McMillon Mitchell & Shumnum PLLC*

Amarillo, Texas  
November 17, 2014

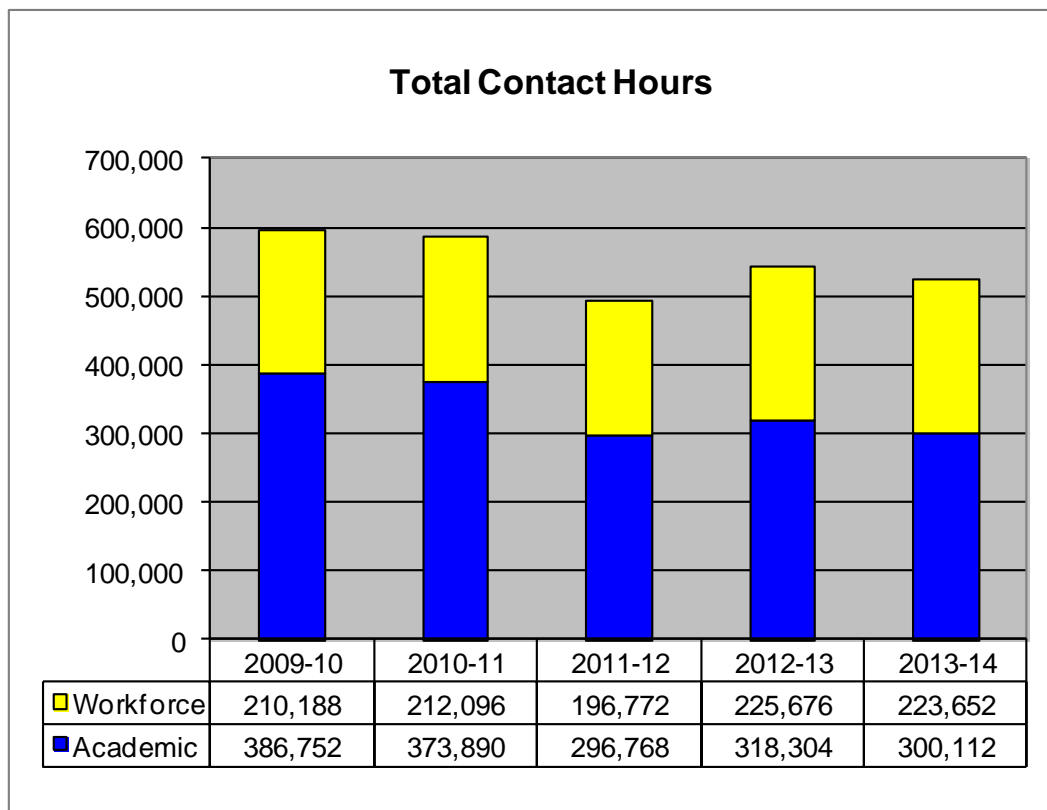
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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2014**

**Financial and Enrollment Highlights**

- The institution's net position at year-end was \$11,936,593, a decrease of \$679,163 or 5.4% for the year. Net investment in capital assets decreased \$203,115 with current year depreciation of \$678,566.
- Contact hours enrollment showed a decrease of 20,216 hours or 3.7% from 543,980 in 2012-2013 to 523,764 in 2013-2014. Academic contact hours decreased 18,192 or 5.7% while workforce contact hours showed a slight decrease of 2,024 or 0.9%.



**Statements of Net Position**

The Statements of Net Position include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2014**

**Statements of Net Position (Continued)**

	<b>Primary Institution</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Current assets</b>			
Cash and cash equivalents	\$ 884,360	\$ 726,170	\$ 1,301,044
Accounts receivables, net	1,294,544	1,251,203	1,185,152
Other current assets	16,797	42,317	86,851
Total current assets	<u>2,195,701</u>	<u>2,019,690</u>	<u>2,573,047</u>
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	348,775	383,310	191,402
Other long-term investments	-	367,588	527,588
Capital assets, net	13,421,337	13,751,379	13,997,563
Other noncurrent assets	1,600	41,459	46,441
Total noncurrent assets	<u>13,771,712</u>	<u>14,543,736</u>	<u>14,762,994</u>
<b>Total assets</b>	<u>\$ 15,967,413</u>	<u>\$ 16,563,426</u>	<u>\$ 17,336,041</u>
<b>Current liabilities</b>			
Accounts payable	\$ 27,388	\$ 32,897	\$ 10,290
Accrued liabilities	199,046	176,582	221,722
Accrued compensated absences - current portion	85,553	65,332	74,988
Funds held for others	183,039	168,142	209,281
Unearned revenues	1,447,269	1,289,265	1,347,697
Capital lease obligation - current portion	70,723	-	-
Note payable - current portion	112,875	107,568	134,953
Total current liabilities	<u>2,125,893</u>	<u>1,839,786</u>	<u>1,998,931</u>
<b>Noncurrent liabilities</b>			
Capital lease obligation	74,917	-	-
Notes payable	510,010	622,884	730,452
Bonds payable	1,320,000	1,485,000	1,650,000
Total noncurrent liabilities	<u>1,904,927</u>	<u>2,107,884</u>	<u>2,380,452</u>
<b>Total liabilities</b>	<u>4,030,820</u>	<u>3,947,670</u>	<u>4,379,383</u>
<b>Net Position</b>			
Invested in capital, net of related debt	11,332,812	11,535,927	11,482,158
Restricted for:			
Expendable:			
Student aid	348,775	358,310	685,475
Equipment	-	25,000	195,000
Unrestricted	255,006	696,519	594,025
<b>Total net position</b>	<u>11,936,593</u>	<u>12,615,756</u>	<u>12,956,658</u>
<b>Total liabilities and net position</b>	<u>\$ 15,967,413</u>	<u>\$ 16,563,426</u>	<u>\$ 17,336,041</u>

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2014**

**Current Assets:**

Cash and cash equivalents consist of cash in the local financial institution's accounts and TexPool; all are interest-bearing accounts. Unrestricted cash and cash equivalents increased by \$158,190 or 21.8%, which is reflected in the Statement of Cash Flows.

Accounts receivable consists primarily of student receivables related to tuition and fees for the fall 2014 semester. Accounts receivable increased by \$43,341 or 3.5%, increasing the balance to \$1,294,544.

Other current assets decreased by \$25,520, reflecting a balance of \$16,797.

**Noncurrent Assets:**

Restricted cash and cash equivalents consist of agency and state scholarship funds. The balance of restricted cash and cash equivalents decreased \$34,535 reflecting a balance of \$348,775. The restricted cash means it is designated for scholarships.

Capital assets consist of land, library books, construction in progress, buildings, land improvements and equipment and totals approximately \$26.9 million at year-end. Accumulated depreciation totals approximately \$13.5 million, resulting in net capital assets of approximately \$13.4 million. This reflects a decrease of \$330,042 in net capital assets. Capital assets are detailed in Note 5 of the notes to the financial statements. At year-end, asset additions totaled \$348,524, and depreciation expense was \$678,566. The asset additions include buildings/land improvements (\$76,507); furniture, vehicles, and other equipment (\$268,539); and library books (\$3,478).

**Current Liabilities:**

Accounts payable and accrued liabilities represent amounts due at year-end for goods and services received prior to year-end, but for which cash has not been expended. At year-end the balance of accounts payable was \$27,388. The balance of accrued liabilities was \$199,046 for 2014 compared to a balance of \$176,582 for 2013. Accrued compensated absences was \$85,553, \$65,322, and \$74,988 at August 31, 2014, 2013, and 2012, respectively.

Unearned revenues represent payments recorded primarily for tuition and fees, resident hall and food service from students for the upcoming fall 2014 semester. Unearned revenues (\$1,447,269) increased \$158,004 over last year's ending balance or 12.3%. The increase in unearned revenues is primarily due to an increase in student enrollment for fall 2014 as compared to fall 2013.

Notes and bonds payable (current portion) represent the College's long-term debt which is payable within the next fiscal year. Total debt, including the addition of a capital lease obligation (\$145,640) for the purchase of computers, of \$2,088,525 decreased \$126,927 (current and noncurrent) or 5.7% from the prior year, reflecting the scheduled payment of existing debt.

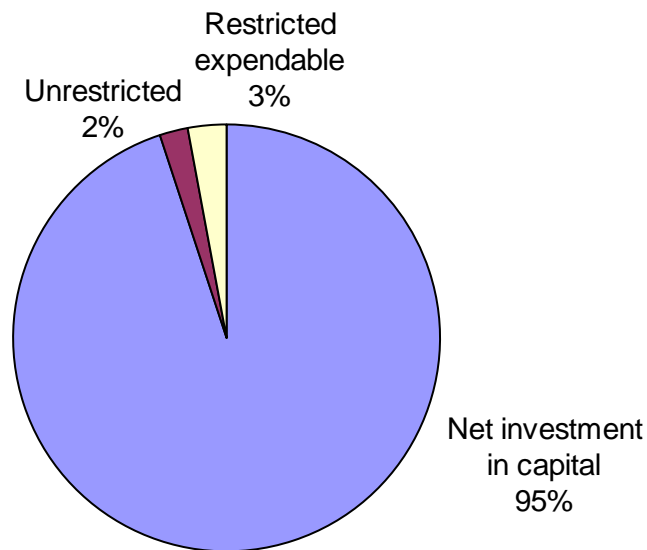
**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2014**

**Noncurrent Liabilities:**

Notes and bonds payable represent the College's long-term debt which is payable more than twelve months from year-end. Long-term debt consists primarily of revenue bonds related to the construction of the Center for Access & Innovation completed in 2002.

**Net Position:**

**Net Position  
(Primary Institution)**



Net position represents the difference between the College's assets and deferred outflows of resources and liabilities and deferred inflows of resources. Total net position at August 31, 2014, was approximately \$11.9 million. Compared to the prior year, net position decreased \$679,163 or 5.4% for the current year. Net investment in capital, net of related debt of approximately \$11.3 million represents 95% of the total net position.

Restricted expendable net position consists of \$348,775 set aside for student aid. These balances have specific restrictions placed on them by parties external to the College, such as donors and grant agencies.

Unrestricted net position totals \$255,066, which was a decrease of \$441,513 or 63% over the year-end 2013 balance. Unrestricted net position represents those balances from operational activities that have not been restricted by parties external to the College.



**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2014**

**Statements of Revenues, Expenses and Changes in Net Position**

The Statements of Revenues, Expenses and Changes in Net Position present the operating results of the College, as well as the nonoperating revenues and expenses.

	<b>Primary Institution</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Operating revenues</b>			
Tuition and fees, net	\$ 1,009,840	\$ 769,545	\$ 619,626
Grants and contracts	707,409	822,383	687,469
Auxiliary enterprises	718,938	699,427	764,988
Other	75,795	64,665	61,534
Total operating revenues	<u>2,511,982</u>	<u>2,356,020</u>	<u>2,133,617</u>
<b>Operating expenses</b>			
Institutional expense	7,769,328	7,337,114	7,294,402
Auxiliary enterprises	1,188,712	1,154,941	1,208,774
Depreciation	678,566	690,415	732,359
Total operating expenses	<u>9,636,606</u>	<u>9,182,470</u>	<u>9,235,535</u>
Operating loss	<u>(7,124,624)</u>	<u>(6,826,450)</u>	<u>(7,101,918)</u>
<b>Nonoperating revenues (expenses)</b>			
State appropriations	2,726,513	2,560,652	2,595,720
Ad valorem taxes	1,503,577	1,455,476	1,382,564
Federal revenue, nonoperating	1,993,812	2,177,240	2,148,755
Gifts	332,002	418,085	568,559
Investment income, net of investment expenses	12,642	14,746	23,282
Interest on capital related debt	(112,922)	(87,649)	(124,170)
Gain (loss) on disposal of fixed assets	-	(9,207)	23,415
Other nonoperating revenues (expenses)	<u>(10,163)</u>	<u>(43,795)</u>	<u>(42,055)</u>
Net nonoperating revenues (expenses)	<u>6,445,461</u>	<u>6,485,548</u>	<u>6,576,070</u>
Decrease in net position	(679,163)	(340,902)	(525,848)
<b>Net Position – Beginning of year</b>	<u>12,615,756</u>	<u>12,956,658</u>	<u>13,482,506</u>
<b>Net Position – End of year</b>	<u>\$ 11,936,593</u>	<u>\$ 12,615,756</u>	<u>\$ 12,956,658</u>

**Operating Revenues:**

Tuition and fees, net of discounts, was \$1,009,840 for the year and represents an increase of \$240,295 or 31.2% compared to the previous year balance of \$769,545. For 2014 gross tuition and fees increased \$12,065 and discounts (primarily federal grants to students) decreased \$228,230. Federal grants to students totaled \$1,742,958 for the current year, compared to the prior year balance of \$1,911,751, a decrease of \$168,793 or 8.8%. Gross tuition and fees are netted against discounts and scholarship allowances. Fiscal year (FY) 2014 discounts consist of

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2014**

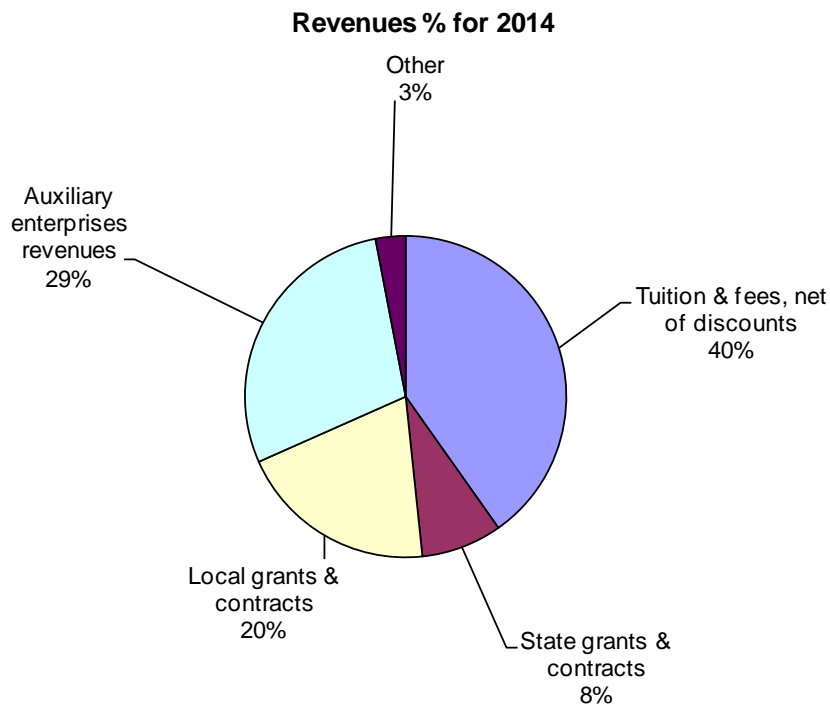
**Operating Revenues (Continued):**

federal grants to students of \$1,742,958, scholarship allowances of \$394,435, and TPEG/state remissions and exemptions of \$46,720. In FY 2013 discounts consist of federal grants to students of \$1,911,751, scholarship allowances of \$418,365 and TPEG/state remissions and exemptions of \$82,227.

Grants and contracts totaled \$707,409 for the year. This includes all restricted revenues made available by government agencies. Grant revenues are recorded only to the extent the funds have been expended for the designated purpose. Total grants and contracts decreased \$114,974 or 14% over the previous year balance of \$822,383. The FY 2012 balance was \$687,469.

Auxiliary enterprises consists of various enterprise entities that provide goods or services to students, faculty, staff or the general public and charge a fee directly related to the cost of those goods or services. Auxiliary revenue was \$718,938 for the year, an increase of \$19,511 or 2.8% from the prior year balance of \$699,427. The FY 2012 balance was \$764,988. The Borger Community Activity Center and the residential life are the primary auxiliary components, which generated \$442,103 and \$284,699 (net of discounts) in revenue, respectively, in the current year.

The chart below depicts the various components of revenue as a percentage of total revenues. Tuition and fees (net of discounts) are the largest component at 40%.



**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2014**

**Operating Expenses by Functional Classification:**

	Primary Institution					
	2014	%	2013	%	2012	%
Instruction	\$ 4,341,319	45%	\$ 4,094,642	44%	\$ 3,986,808	43%
Academic support	177,381	2%	158,260	2%	195,025	2%
Student services	505,947	6%	551,576	6%	665,594	8%
Institutional support	1,744,864	18%	1,672,599	18%	1,577,756	17%
Operations and maintenance of plant	786,357	8%	754,516	8%	736,720	8%
Scholarships and fellowships	213,460	2%	105,521	2%	132,499	1%
Auxiliary enterprises	1,188,712	12%	1,154,941	13%	1,208,774	13%
Depreciation	678,566	7%	690,415	7%	732,359	8%
<b>Total by function</b>	<b>\$ 9,636,606</b>	<b>100%</b>	<b>\$ 9,182,470</b>	<b>100%</b>	<b>\$ 9,235,535</b>	<b>100%</b>

Instruction includes expenses for all activities that are part of the College's instructional programs – academic, workforce and technical. Instruction expenses of \$4,341,319 increased \$246,677 or 6% compared to the previous year balance of \$4,094,642. Salaries and benefits combined account for approximately \$3 million or 70.4% of total instruction. The FY 2012 balance was \$3,986,808. Instruction continues to outdistance all other classifications, accounting for 45% of the total expenses by function.

Academic support includes expenses to provide support services for the College. This includes costs associated with libraries, academic administration, curriculum development, and technical support including computer service. Academic support totaled \$177,381, representing a 12.1% increase from the prior year balance of \$158,260.

Student services consists of expenses related to providing the office of admissions and records and activities that primarily contribute to student's emotional and physical well-being and their intellectual, cultural, and social development outside the context of the formal instructional programs. Student services expenses of \$505,947 decreased by \$45,629 or 8.3% compared to the previous balance of \$551,576. The FY 2012 balance was \$665,594.

Institutional support consists of expenses incurred for central executive-level management, fiscal operations, administrative data processing, employee and records, support services (excluding auxiliary enterprises), and community and alumni relations (including development and fund raising). Institutional support totaling \$1,744,864 increased \$72,265 or 4.3% from the prior year balance of \$1,672,599. The FY 2012 balance was \$1,577,756.

Operations and maintenance of plant consists of all expenses of operations and maintenance of the physical plant. Included are maintenance and repairs to buildings, utilities, and salaries and benefits for maintenance and custodial staffs. Operational and maintenance totaling \$786,357 increased by \$31,841 or 4.2% from the prior year balance of \$754,516. The FY 2012 balance was \$736,720.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2014**

**Operating Expenses by Functional Classification (Continued):**

Scholarships and fellowships include amounts awarded for scholarships, which the College grants to students, by the College's own selection process, or from an entitlement program. As a result of additional contributions from donors, scholarships and fellowships increased by \$107,939 or 102.3%.

Auxiliary enterprises' expenses include all costs to operate the activity center, resident halls, and food service. Auxiliary enterprises totaled \$1,188,712, an increase of \$33,771 or 2.9% as compared to the prior year balance of \$1,154,941. The FY 2012 balance was \$1,208,774.

**Operating Expenses by Natural Classification:**

	Primary Institution					
	2014	%	2013	%	2012	%
Salaries and wages	\$ 3,979,986	41%	\$ 3,784,109	41%	\$ 3,827,690	41%
State and local benefits	1,295,207	13%	1,300,746	14%	1,244,422	13%
Scholarships and fellowships	213,460	2%	105,521	1%	132,499	1%
Other expenses	2,280,675	24%	2,146,738	23%	2,089,791	24%
Auxiliary enterprises	1,188,712	13%	1,154,941	13%	1,208,774	13%
Depreciation	678,566	7%	690,415	8%	732,359	8%
<b>Total by natural classification</b>	<b>\$ 9,636,606</b>	<b>100%</b>	<b>\$ 9,182,470</b>	<b>100%</b>	<b>\$ 9,235,535</b>	<b>100%</b>

Salaries and wages, along with benefits, clearly represent the largest operating expense, accounting for 54% of the total expenses. Total dollar expenses for salaries and wages, including benefits, increased \$190,338 over last year, and, as a percentage of total expenses, salaries and wages, including benefits, decreased by 1%.

Overall, operating expenses increased \$454,136 or 4.9%.

**Nonoperating Revenues (Expenses):**

State appropriations of \$2,726,513 indicates an increase (\$165,861 or 6.5%) in revenue from the previous year balance of \$2,560,652.

Ad valorem taxes of \$1,503,577 were up in 2014 by 3.3% or \$48,101 from the prior year balance of \$1,455,476. The tax rate is capped at \$0.22 per \$100 of valuation, so the increase was a result of slightly higher values in 2014 versus 2013.

Federal revenue, nonoperating of \$1,993,812 decreased \$183,428 or 8.4% from the previous year balance of \$2,177,240. Federal revenue, nonoperating consists of all Title IV financial aid funds.

Current year gifts of \$332,202, generally considered one-time in nature, decreased from the 2013 level by \$86,083 or 20.6%. This was reflective of the volatility of large, nonrecurring donations and the year-to-year fluctuations that can exist.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2014**

**Nonoperating Revenues (Expenses) (Continued):**

Investment income, net of investment expenses of \$12,642 decreased \$2,104 from the previous year's amount of \$14,746.

**Statements of Cash Flows**

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the College's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Cash provided (used) from:			
Operating activities	\$ (6,268,302)	\$ (6,160,039)	\$ (6,338,475)
Noncapital financing activities	6,548,265	6,378,966	6,702,924
Capital and related financing activities	(548,514)	(836,057)	(952,744)
Investing activities	<u>392,206</u>	<u>234,164</u>	<u>33,818</u>
Increase (decrease) in cash	123,655	(382,966)	(554,477)
<b>Cash (restricted and unrestricted) – beginning of year</b>	<u>1,109,480</u>	<u>1,492,446</u>	<u>2,046,923</u>
<b>Cash (restricted and unrestricted) – end of year</b>	<u>\$ 1,233,135</u>	<u>\$ 1,109,480</u>	<u>\$ 1,492,446</u>

The primary cash receipts from operating activities consist of tuition, fees, and grant revenues. Cash outlays include payment of wages, benefits, supplies, utilities, and scholarships. Federal funds received for student programs continue to be a significant cash source for operating activities.

State appropriations and ad valorem tax revenues are the primary sources of noncapital financing. Other noncapital financing activity includes gifts and endowments. Increases in future ad valorem tax revenue are not likely given that the local tax rate is capped at its current level as a result of Board action in 1965. No evidence of significant increases in property values is readily foreseeable. Gifts from private donations continue to be an important revenue source.

The main financing activities include the purchase of capital assets primarily related to facilities, equipment, and technology enhancements. The reinvesting in the infrastructure of the College continues to be emphasized.

Cash and cash equivalents (restricted and unrestricted) for FY 2014 increased \$123,655, compared to a decrease of \$382,966 for FY 2013 and a decrease of \$554,477 in FY 2012. The balance of cash and cash equivalents for 2014 was \$1,233,135 which was comprised of unrestricted cash and cash equivalents of \$884,360 and restricted cash and cash equivalents of \$348,775.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Component Unit**

The Frank Phillips College Development Corporation, considered a component unit, continues to play a vital role in the College's ability to achieve its stated mission. In 2014 the Development Corporation contributed \$36,684 in scholarships to the College as compared to \$33,228 in FY 2013. In addition, the Development Corporation received gifts in the amount of \$50,160, much of which is invested to provide returns to fund future scholarships. With the investment markets showing improvement, investment income, net of expenses showed a gain of \$200,768 for the year as compared to gains of \$145,356 in 2013. Overall, the Development Corporation's net position increased \$211,958, an increase of 15.9% from the previous year-end total net position.

**Factors That Will Affect the Future for Frank Phillips College**

Frank Phillips College made some investments in 2014 that we anticipate will have a payoff in 2015. Most notable is the investment in instructional support as we continue to strive for quality in the classroom. In regard to career and technical education, 2015 looks to be another year of expansion with the addition of two significant grants. Another noteworthy development is the anticipated increase in the College's taxable values due to the expansion of two tax-paying entities – one in the retail sector and one in the industrial/chemical sector. Together, it is anticipated that this will provide a substantial increase in tax revenue for the College beginning in 2015.

## **FINANCIAL STATEMENTS**

**BORGER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF NET POSITION - PRIMARY INSTITUTION  
AUGUST 31, 2014 AND 2013  
Exhibit 1A**

		<b>Primary Institution</b>	
		<b>2014</b>	<b>2013</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	884,360	\$ 726,170
Accounts receivable, net		1,294,544	1,251,203
Inventories		13,480	10,306
Other assets		3,317	32,011
Total current assets		2,195,701	2,019,690
<b>NONCURRENT ASSETS</b>			
Restricted cash and cash equivalents		348,775	383,310
Other long-term investments		-	367,588
Capital assets, net		13,421,337	13,751,379
Other noncurrent assets		1,600	41,459
Total noncurrent assets		13,771,712	14,543,736
<b>TOTAL ASSETS</b>		<b>\$ 15,967,413</b>	<b>\$ 16,563,426</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$	27,388	\$ 32,897
Accrued liabilities		199,046	176,582
Accrued compensable absences - current portion		85,553	65,332
Funds held for others		183,039	168,142
Unearned revenues		1,447,269	1,289,265
Capital lease obligation - current portion		70,723	-
Notes payable - current portion		112,875	107,568
Total current liabilities		2,125,893	1,839,786
<b>NONCURRENT LIABILITIES</b>			
Capital lease obligation		74,917	-
Notes payable		510,010	622,884
Bonds payable		1,320,000	1,485,000
Total noncurrent liabilities		1,904,927	2,107,884
<b>TOTAL LIABILITIES</b>		4,030,820	3,947,670
<b>NET POSITION</b>			
Net investment in capital assets		11,332,812	11,535,927
Restricted for:			
Expendable:			
Student aid		348,775	358,310
Equipment		-	25,000
Unrestricted		255,006	696,519
Total net position (Schedule D)		11,936,593	12,615,756
<b>TOTAL LIABILITIES AND NET POSITION</b>		<b>\$ 15,967,413</b>	<b>\$ 16,563,426</b>

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



**BORGER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF NET POSITION - COMPONENT UNIT  
AUGUST 31, 2014 AND 2013  
Exhibit 1B**

		<b>Component Unit - Foundation</b>	
		<b>2014</b>	<b>2013</b>
<b>ASSETS</b>			
Cash and cash equivalents		\$ 47,203	\$ 35,391
Short-term investments		1,494,806	1,294,660
<b>TOTAL ASSETS</b>		<b>\$ 1,542,009</b>	<b>\$ 1,330,051</b>
<b>NET POSITION</b>			
Net position restricted for:			
Expendable - Other, primarily donor restrictions		\$ 1,542,009	\$ 1,330,051
<b>TOTAL NET POSITION</b>		<b>\$ 1,542,009</b>	<b>\$ 1,330,051</b>

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

**BORGER JUNIOR COLLEGE DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**PRIMARY INSTITUTION**  
**YEARS ENDED AUGUST 31, 2014 AND 2013**  
**Exhibit 2A**

	<u>Primary Institution</u>	
	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Tuition and fees, net of discounts of \$2,184,113 and \$2,412,343 in 2014 and 2013, respectively	\$ 1,009,840	\$ 769,545
State grants and contracts	204,271	324,533
Local grants and revenues	503,138	497,850
Auxiliary enterprises, net of discounts of \$173,890 and \$170,011 in 2014 and 2013, respectively	718,938	699,427
General operating revenues	<u>75,795</u>	<u>64,665</u>
Total operating revenues (Schedule A)	<u>2,511,982</u>	<u>2,356,020</u>
<b>OPERATING EXPENSES</b>		
Instruction	4,341,319	4,094,642
Academic support	177,381	158,260
Student services	505,947	551,576
Institutional support	1,744,864	1,672,599
Operation and maintenance of plant	786,357	754,516
Scholarships and fellowships	213,460	105,521
Auxiliary enterprises	1,188,712	1,154,941
Depreciation	<u>678,566</u>	<u>690,415</u>
Total operating expenses (Schedule B)	<u>9,636,606</u>	<u>9,182,470</u>
Operating loss	<u>(7,124,624)</u>	<u>(6,826,450)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	2,726,513	2,560,652
Ad valorem property taxes	1,503,577	1,455,476
Federal revenue, nonoperating	1,993,812	2,177,240
Gifts	332,002	418,085
Investment income, net of investment expenses	12,642	14,746
Interest on capital related debt	(112,922)	(87,649)
Gain (loss) on disposal of capital assets	-	(9,207)
Other nonoperating revenues (expenses), net	<u>(10,163)</u>	<u>(43,795)</u>
Net nonoperating revenues (Schedule C)	<u>6,445,461</u>	<u>6,485,548</u>
Decrease in net position	(679,163)	(340,902)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>12,615,756</u>	<u>12,956,658</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 11,936,593</u>	<u>\$ 12,615,756</u>

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

**BORGER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
COMPONENT UNIT  
YEARS ENDED AUGUST 31, 2014 AND 2013  
Exhibit 2B**

	<b>Component Unit - Foundation</b>	
	<b>2014</b>	<b>2013</b>
<b>OPERATING EXPENSES</b>		
Institutional support	\$ 2,286	\$ 2,866
Scholarships and fellowships	36,684	33,228
Total operating loss	38,970	36,094
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gifts	50,160	50,975
Investment income, net of investment expenses	200,768	145,356
Net nonoperating revenues	250,928	196,331
Increase in net position	211,958	160,237
<b>NET POSITION - BEGINNING OF YEAR</b>	1,330,051	1,169,814
<b>NET POSITION - END OF YEAR</b>	\$ 1,542,009	\$ 1,330,051

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

**BORGER JUNIOR COLLEGE DISTRICT**  
**STATEMENTS OF CASH FLOWS - PRIMARY INSTITUTION**  
**YEARS ENDED AUGUST 31, 2014 AND 2013**  
**Exhibit 3A**

	<b>Primary Institution</b>	
	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 1,762,731	\$ 1,432,841
Receipts from grants and contracts	788,382	769,754
Payments to suppliers for goods or services	(3,182,821)	(3,049,932)
Payments to or on behalf of employees	(5,511,039)	(5,383,675)
Payments of scholarships	(213,460)	(145,464)
Other payments or receipts	87,905	216,437
Net cash used by operating activities	<u>(6,268,302)</u>	<u>(6,160,039)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	2,726,513	2,560,652
Ad valorem tax revenues	1,506,101	1,459,784
Receipts from nonoperating federal revenue	1,993,812	2,177,240
Gifts and grants (other than capital)	332,002	225,085
Other	(10,163)	(43,795)
Net cash provided by noncapital financing activities	<u>6,548,265</u>	<u>6,378,966</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(123,524)	(456,688)
Principal payments on debt and capital leases	(351,927)	(299,953)
Proceeds from sale of fixed assets	-	3,250
Cash paid for interest	(73,063)	(82,666)
Net cash used by capital and related financing activities	<u>(548,514)</u>	<u>(836,057)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales and maturities of investments	367,588	160,000
Investment earnings	24,618	74,164
Net cash provided by investing activities	<u>392,206</u>	<u>234,164</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	123,655	(382,966)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>1,109,480</u>	<u>1,492,446</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 1,233,135</u>	<u>\$ 1,109,480</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>		
Operating loss	\$ (7,124,624)	\$ (6,826,450)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	678,566	690,415
Changes in assets and liabilities:		
Receivables, net	(45,865)	(70,360)
Inventories	(3,174)	2,699
Other assets	16,718	(12,125)
Accounts payable	(5,509)	17,149
Unearned revenue	158,004	(58,432)
Funds held for others	14,897	151,861
Accrued liabilities	42,685	(54,796)
Net cash used by operating activities	<u>\$ (6,268,302)</u>	<u>\$ (6,160,039)</u>
Equipment purchased under capital lease	<u>\$ (225,000)</u>	<u>\$ -</u>
Capital lease obligation	<u>\$ 225,000</u>	<u>\$ -</u>

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

**BORGER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS - COMPONENT UNIT  
YEARS ENDED AUGUST 31, 2014 AND 2013  
Exhibit 3B**

	<b>Component Unit - Foundation</b>	
	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers for goods or services	\$ (2,286)	\$ (2,866)
Payments of scholarships	(36,684)	(33,228)
Net cash used by operating activities	(38,970)	(36,094)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Gifts and grants (other than capital)	50,160	50,975
Net cash provided by noncapital financing activities	50,160	50,975
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from sale of investments	-	43,000
Cash paid for purchasing investments	(200,722)	(600,913)
Cash received on maturities of investments	576	343,057
Investment earnings	200,768	145,356
Net cash provided (used) by investing activities	622	(69,500)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	11,812	(54,619)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	35,391	90,010
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 47,203	\$ 35,391
<b>Reconciliation of operating loss to net cash used by operating activities:</b>		
Operating loss	\$ (38,970)	\$ (36,094)
Net cash used by operating activities	\$ (38,970)	\$ (36,094)

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

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2014 and 2013**

**NOTE 1 - REPORTING ENTITY**

Borger Junior College District (Frank Phillips College or the College) was established in 1948, in accordance with the laws of the State of Texas, to serve the educational needs of Borger, Texas, and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Government Accounting Standards Board (GASB) Statement No. 14, *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.

The Frank Phillips College Development Corporation (the Foundation) 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 nor does it fund or is it obligated to pay debt related to the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. During the years ended August 31, 2014 and 2013, the Foundation distributed approximately \$37,000 and \$33,000, respectively, to the College for restricted purposes.

**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 Colleges*. The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities.

**Tuition Discounting**

*Texas Public Education Grants*

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). 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, Higher Education Act Program Funds*

Certain Title IV Higher Education Act (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.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2014 and 2013**

**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 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.

**Basis of Accounting**

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

**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.

**Deferred Inflows**

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

**Deferred Outflows**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB. A typical deferred outflow for community colleges is a deferred charge on refunding debt

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2014 and 2013**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

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

**Inventories**

Inventories consist of consumable office supplies and pro shop. Inventories are valued at the lower of cost or market using the first-in, first-out (FIFO) method and are charged to expense as consumed.

**Capital Assets**

Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 and an estimated useful life in excess of 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.

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

**Unearned Revenues**

Tuition and fees of \$1,447,269 and \$1,289,265 have been reported as unearned revenue at August 31, 2014 and 2013, respectively.

**Estimates**

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



**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2014 and 2013**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 operations of the book store and food service are not performed by the College. When both restricted and unrestricted resources are available for use, it is the College's practice to use restricted resources first and then unrestricted resources as they are needed.

**Reclassification**

Certain amounts in 2013 were reclassified to conform to the 2014 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.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

	<u><b>2014</b></u>	<u><b>2013</b></u>
Bank deposits		
Demand deposits	\$ 758,281	\$ 619,905
Cash and cash equivalents		
Petty cash on hand	3,839	3,839
TexPool	<u>471,015</u>	<u>485,736</u>
	<u>474,854</u>	<u>489,575</u>
<b>Total cash and cash equivalents</b>	<u><b>\$ 1,233,135</b></u>	<u><b>\$ 1,109,480</b></u>
	<u><b>2014</b></u>	<u><b>2013</b></u>
Unrestricted cash and cash equivalents - current	\$ 884,360	\$ 726,170
Restricted cash and cash equivalents - noncurrent	<u>348,775</u>	<u>383,310</u>
<b>Total cash and cash equivalents</b>	<u><b>\$ 1,233,135</b></u>	<u><b>\$ 1,109,480</b></u>

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2014 and 2013**

**NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Reconciliation of cash and cash equivalents and investments to Exhibit 1A:

<u>Type of Security</u>	<u>Market Value</u>	
	<u>2014</u>	<u>2013</u>
Certificate of deposits	\$ —	\$ 367,588
<b>Total investments</b>	—	367,588
Total cash and cash equivalents	<u>1,233,135</u>	<u>1,109,480</u>
<b>Total investments and cash and cash equivalents</b>	<u>\$ 1,233,135</u>	<u>\$ 1,477,068</u>

**Custodial Credit Risk:** For an investment, custodial credit risk 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's investments are registered and held by the College or by its agent in the College's name.

**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, 2014, the College did not have any investments in commercial paper or no-load money market mutual funds.

The following is a summary of the short-term investments at fair value of the Foundation at August 31, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
Managed equity funds	\$ 1,032,060	\$ 835,485
Certificates of deposit	<u>462,746</u>	<u>459,175</u>
<b>Total short-term investments at fair value</b>	<u>\$ 1,494,806</u>	<u>\$ 1,294,660</u>

**Participation in External Investment Pools**

As of August 31, 2014, the carrying amount of amounts invested in investment pools was \$471,015. Investment pools are recorded at cost, which approximated market value at August 31, 2014. All investment pools are uninsured and are not registered with the Securities and Exchange Commission. Investment pools are not subject to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2014 and 2013**

**NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The College's investment in investment pools is TexPool Participant Services. TexPool Participant Services' regulatory oversight agent is the Texas Treasury Safekeeping Trust Company and their credit risk rating is AAAM. Their financial reports may be obtained by writing Federated Investment Management Company, 1001 Texas Avenue, Suite 1400, Houston, TX 77002.

**NOTE 5 - CAPITAL ASSETS**

Capital assets activity for the year ended August 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Not depreciated:				
Land	\$ 333,687	\$ -	\$ -	\$ 333,687
Construction in process, net	-	15,050	15,050	-
Total not depreciated	<u>333,687</u>	<u>15,050</u>	<u>15,050</u>	<u>333,687</u>
Other capital assets:				
Buildings	15,904,862	-	-	15,904,862
Land improvements	5,602,302	76,507	-	5,678,809
Furniture, machinery, vehicles and other equipment	1,291,335	19,499	-	1,310,834
Telecommunications and peripheral equipment	2,323,191	249,040	-	2,572,231
Library books	1,174,046	3,478	-	1,177,524
Total other capital assets	<u>26,295,736</u>	<u>348,524</u>	<u>-</u>	<u>26,644,260</u>
Total cost of capital assets	<u>26,629,423</u>	<u>363,574</u>	<u>15,050</u>	<u>26,977,947</u>
Accumulated depreciation:				
Buildings	5,982,765	264,098	-	6,246,863
Land improvements	2,807,650	229,405	-	3,037,055
Furniture, machinery, vehicles and other equipment	910,213	75,326	-	985,539
Telecommunications and peripheral equipment	2,052,411	101,515	-	2,153,926
Library books	1,125,005	8,222	-	1,133,227
Total accumulated depreciation	<u>12,878,044</u>	<u>678,566</u>	<u>-</u>	<u>13,556,610</u>
Capital assets, net	<u>\$13,751,379</u>	<u>\$ (314,992)</u>	<u>\$ 15,050</u>	<u>\$13,421,337</u>

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2014 and 2013**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Not depreciated:				
Land	\$ 333,687	\$ -	\$ -	\$ 333,687
Construction in process, net	-	110,946	110,946	-
Total not depreciated	<u>333,687</u>	<u>110,946</u>	<u>110,946</u>	<u>333,687</u>
Other capital assets:				
Buildings	15,904,862	-	-	15,904,862
Land improvements	5,491,356	110,946	-	5,602,302
Furniture, machinery, vehicles and other equipment	1,264,728	45,772	19,165	1,291,335
Telecommunications and peripheral equipment	2,026,420	296,771	-	2,323,191
Library books	1,170,847	3,199	-	1,174,046
Total other capital assets	<u>25,858,213</u>	<u>456,688</u>	<u>19,165</u>	<u>26,295,736</u>
Total cost of capital assets	<u>26,191,900</u>	<u>567,634</u>	<u>130,111</u>	<u>26,629,423</u>
Accumulated depreciation:				
Buildings	5,718,664	264,101	-	5,982,765
Land improvements	2,546,684	260,966	-	2,807,650
Furniture, machinery, vehicles and other equipment	838,414	78,507	6,708	910,213
Telecommunications and peripheral equipment	1,974,284	78,127	-	2,052,411
Library books	1,116,291	8,714	-	1,125,005
Total accumulated depreciation	<u>12,194,337</u>	<u>690,415</u>	<u>6,708</u>	<u>12,878,044</u>
Capital assets, net	<u>\$13,997,563</u>	<u>\$ (122,781)</u>	<u>\$ 123,403</u>	<u>\$13,751,379</u>

Included in capital assets are the following capital leases:

	<u>2014</u>	<u>2013</u>
Telecommunications and peripheral equipment	\$ 225,000	\$ -
Less: Accumulated depreciation	<u>22,673</u>	<u>-</u>
<b>Total</b>	<u>\$ 202,327</u>	<u>\$ -</u>

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Future minimum lease payments under a noncancellable operating lease with initial or remaining terms of one year or more are as follows:

<u>Year Ending August 31,</u>	
2015	\$ 71,100
2016	<u>33,900</u>
<b>Total future minimum lease payments</b>	<b><u>\$ 105,000</u></b>

**NOTE 6 - NONCURRENT LIABILITIES**

Noncurrent liability activity for the year ended August 31, 2014 was as follows:

	<u>September 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>August 31, 2014</u>	<u>Current Portion</u>
Bonds and notes					
Maintenance tax notes - Series 2007	\$ 730,452	\$ -	\$ 107,567	\$ 622,885	\$ 112,875
Combined Fee Revenue Refunding Bonds - Series 2012	1,485,000	-	165,000	1,320,000	-
Total bonds and notes	<u>2,215,452</u>	<u>-</u>	<u>272,567</u>	<u>1,942,885</u>	<u>112,875</u>
Capital lease	-	225,000	79,360	145,640	70,723
Accrued compensated absences	<u>65,332</u>	<u>92,829</u>	<u>72,608</u>	85,553	<u>85,553</u>
Total	<u>\$ 2,280,784</u>	<u>\$ 317,829</u>	<u>\$ 424,535</u>	2,174,078	<u>\$ 269,151</u>
Due in one year				<u>(269,151)</u>	
				<u>\$ 1,904,927</u>	

Noncurrent liability activity for the year ended August 31, 2013 was as follows:

	<u>September 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>August 31, 2013</u>	<u>Current Portion</u>
Bonds and notes					
Notes payable to bank	\$ 32,443	\$ -	\$ 32,443	\$ -	\$ -
Maintenance tax notes - Series 2007	832,962	-	102,510	730,452	107,568
Combined Fee Revenue Refunding Bonds - Series 2012	<u>1,650,000</u>	<u>-</u>	<u>165,000</u>	<u>1,485,000</u>	<u>-</u>
Total bonds and notes	<u>2,515,405</u>	<u>-</u>	<u>299,953</u>	<u>2,215,452</u>	<u>107,568</u>
Accrued compensated absences	<u>74,988</u>	<u>76,609</u>	<u>86,265</u>	65,332	<u>65,332</u>
Total	<u>\$ 2,590,393</u>	<u>\$ 76,609</u>	<u>\$ 386,218</u>	2,280,784	<u>\$ 172,900</u>
Due in one year				<u>(172,900)</u>	
				<u>\$ 2,107,884</u>	

**BORGER JUNIOR COLLEGE DISTRICT  
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**NOTE 7 - DEBT AND LEASE OBLIGATIONS**

Debt service requirements at August 31, 2014, were as follows:

<b>For the Year Ended August 31,</b>	<b>Combined Fee Revenue Refunding Bond Series 2012</b>		<b>Maintenance Tax Notes Series 2007</b>		<b>Totals</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2015	\$ -	\$ 16,500	\$ 112,875	\$ 30,733	\$ 112,875	\$ 47,233
2016	170,000	30,875	118,444	25,164	288,444	56,039
2017	180,000	26,500	124,288	19,320	304,288	45,820
2018	185,000	21,938	130,421	13,187	315,421	35,125
2019	185,000	17,313	136,857	6,752	321,857	24,065
2020-2022	600,000	22,751	-	-	600,000	22,751
<b>Total</b>	<b>\$ 1,320,000</b>	<b>\$ 135,877</b>	<b>\$ 622,885</b>	<b>\$ 95,156</b>	<b>\$ 1,942,885</b>	<b>\$ 231,033</b>

Obligations under capital leases at August 31, 2014, were as follows:

<b>For the Year Ended August 31,</b>	<b>Total</b>
2015	\$ 79,360
2016	<u>79,360</u>
Total minimum lease payments	158,720
Less: Amount representing interest costs	<u>(13,080)</u>
<b>Present value of minimum lease payment</b>	<b><u>\$ 145,640</u></b>

**NOTE 8 - BONDS AND NOTES PAYABLE**

General information related to bonds payable and the note payable is summarized below:

Combined Fee Revenue Refunding Bonds - Series 2012

On March 28, 2012, the College issued the Combined Fee Revenue Refunding Bonds - Series 2012 in the amount of \$1,800,000 to refund the Combined Fee Revenue Bonds - Series 2001 issue. The refunding was undertaken to reduce total debt service payments over the next ten years by approximately \$187,000 and resulted in an economic gain of approximately \$164,000. The 2001 Series are considered fully redeemed and the liability has been removed from the College's books. The outstanding principal for the 2012 issue matures annually through September 1, 2021, with principal amounts ranging from \$170,000 to \$205,000 and provide for an interest rate of 2.50%. Balance outstanding at August 31, 2014 and 2013 is \$1,320,000 and \$1,485,000, respectively.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 - BONDS AND NOTES PAYABLE (CONTINUED)**

Maintenance Tax Notes - Series 2007

To renovate the College's facility, \$1,300,000 Maintenance Tax Notes, issued on June 28, 2007, interest at 4.934%. Source of revenue for debt service is all available current revenues of the College, including maintenance and operation tax revenues. Annual payments varying from \$112,875 to \$136,857, with a maturity date of February 1, 2019. Balance outstanding at August 31, 2014 and 2013 is \$622,885 and \$730,452, respectively.

**NOTE 9 - EMPLOYEES' RETIREMENT PLAN**

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

*Teacher Retirement System of Texas (TRS) – Defined Benefit Plan*

*Plan Description.* The College contributes to the 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](http://www.trs.state.tx.us), under the TRS Publications heading.

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% 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 2014 and 2013 and a state contribution rate of 6.8% and 6.4% for fiscal years 2014 and 2013, respectively. Senate Bill (S.B.) 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

*Optional Retirement Plan – Defined Contribution Plan*

*Plan Description.* Participation in the Optional Retirement Program is in lieu of participation in the TRS. 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.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2014 and 2013**

**NOTE 9 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

*Funding Policy.* Contribution requirements are not actuarially determined, but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.60% and 6.65%, respectively. The College contributes 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. S.B. 1812, effective September 1, 2013, limits the amounts of the state's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the state for the College was approximately \$77,000, \$216,000, and \$220,000 for the fiscal years ended August 31, 2014, 2013, and 2012, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll for all College employees was approximately \$4,279,000, \$4,015,000, and \$4,039,000 for fiscal years 2014, 2013, and 2012, respectively. The total payroll of employees covered by the TRS was approximately \$3,235,000, \$2,994,000, and \$3,066,000 and the total payroll of employees covered by the Optional Retirement Program was approximately \$364,000, \$366,000, and \$361,000 for fiscal years 2014, 2013, and 2012, respectively.

*College-Sponsored Defined Contribution Plan*

The College has a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code. Under the provisions of the plan, employees are eligible to participate when they have attained the age of 18 and have been credited with one year of service. Employee deferral contributions are not limited by the plan. The College's contributions are discretionary. The related expense was approximately \$80,000, \$71,000, and \$56,000 for the years ended August 31, 2014, 2013, and 2012, respectively.

**NOTE 10 - 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 11 - COMPENSATED ABSENCES**

Full-time employees earn annual leave from 80 to 120 hours per year depending on the number of years employed by the College. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year. However, accrued leave time accumulated over the set maximum (0 to 5 years a maximum of 40 hours and over 5 years a maximum of 80 hours) will be forfeited on the employee's anniversary date. Employees with at least six months of service who terminate their employment are entitled to payment for accumulated annual leave up to the set maximum as stated above.



**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 - COMPENSATED ABSENCES (CONTINUED)**

Compensated absences liabilities are reported as a current liability as the average maturity of such liability is considered to be less than one year. As a result, the College recognized the accrued liability for unpaid annual leave in the amount of \$85,553 and \$65,332 at August 31, 2014 and 2013, respectively. Sick leave, which can be accumulated up to 50 days, is earned at the rate of eight hours per month; however, sick leave is not paid at termination. The College's policy is to recognize the cost of sick leave when utilized by employees. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

**NOTE 12 - 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 other provision has been recorded in the accompanying financial statements for such contingencies.

On August 31, 2014, there were no pending legal claims involving the College.

**NOTE 13 - RISK FINANCING**

The College does not participate in public entity risk pools. Claims and judgments are accounted for in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. Property and casualty risks are insured through insurance contracts. Workers compensation risks are substantially covered by insurance. Health claims are fully covered by the state of Texas.

**NOTE 14 - DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

Receivables at August 31, 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
Student receivables, net of allowance of \$294,394 and \$250,338 for 2014 and 2013, respectively	\$ 1,203,520	\$ 1,079,469
Taxes receivable, net of allowance of \$112,638 and \$114,025 for 2014 and 2013, respectively	46,325	48,849
Government grants and contracts	33,661	114,634
Other	<u>11,038</u>	<u>8,251</u>
<b>Total accounts receivable, net</b>	<u><b>\$ 1,294,544</b></u>	<u><b>\$ 1,251,203</b></u>

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 - DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES (CONTINUED)**

Accounts payable at August 31, 2014 and 2013, consisted of the following:

	<u>2014</u>	<u>2013</u>
Vendors payable and other	\$ 27,388	\$ 32,897
<b>Total accounts payable</b>	<u>\$ 27,388</u>	<u>\$ 32,897</u>

**NOTE 15 - CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2A and Schedule A. For federal and nonfederal contract and grant awards, funds expended, but not collected, are reported as accounts receivable on Exhibit 1A. 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.

**NOTE 16 - 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. The state's contribution per full-time employee was \$503 per month for Health Select for the year ended August 31, 2014 and totaled approximately \$364,000 for the year ended August 31, 2014. The state's contribution per full-time employee was \$470 per month for Health Select for the year ended August 31, 2013 and totaled approximately \$330,000 for the year ended August 31, 2013. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

**NOTE 17 - AD VALOREM TAX**

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

**At August 31, 2014:**

Assessed valuation of the District	\$ 877,088,490
Less: exemptions and abatements	<u>196,998,460</u>
<b>Net assessed valuation of the District</b>	<u>\$ 680,090,030</u>

**BORGER JUNIOR COLLEGE DISTRICT  
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**NOTE 17 - AD VALOREM TAX (CONTINUED)**

**At August 31, 2014 (Continued):**

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$ .22000	\$ .50000	\$ .72000
Tax rate per \$100 valuation for assessed	.22000	.00000	.22000

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 1,440,167	\$ -	\$ 1,440,167
Delinquent taxes collected	40,745	-	40,745
Penalties and interest collected	<u>29,837</u>	<u>-</u>	<u>29,837</u>
<b>Total collections</b>	<u>\$ 1,510,749</u>	<u>\$ -</u>	<u>\$ 1,510,749</u>

**At August 31, 2013:**

Assessed valuation of the District	\$ 860,134,880
Less: exemptions and abatements	<u>184,868,130</u>
<b>Net assessed valuation of the District</b>	<u>\$ 675,266,450</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$ .22000	\$ .50000	\$ .72000
Tax rate per \$100 valuation for assessed	.22000	.00000	.22000

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 1,402,819	\$ -	\$ 1,402,819
Delinquent taxes collected	35,832	-	35,832
Penalties and interest collected	<u>25,712</u>	<u>-</u>	<u>25,712</u>
<b>Total collections</b>	<u>\$ 1,464,363</u>	<u>\$ -</u>	<u>\$ 1,464,363</u>

Taxes levied for the years ended August 31, 2014 and 2013 were approximately \$1,471,000 and \$1,451,000, 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, 2014 and 2013 were 97.9% and 96.68%, respectively, of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

**BORGER JUNIOR COLLEGE DISTRICT  
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**NOTE 18 - BRANCH CAMPUS MAINTENANCE TAX**

A branch campus maintenance tax that is established by election is levied by Ochiltree County. 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 District. Collections are transferred to the College to be used for operation of a branch campus in Perryton, Texas. This revenue is reported under local grant contracts. Collections in fiscal years 2014 and 2013 (including penalties and interest) from Ochiltree County totaled approximately \$503,000 and \$498,000, respectively.

**NOTE 19 - INCOME TAXES**

The College is exempt from income taxes under Internal Revenue Code Section 115, "Income of States, Municipalities, Etc.," although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), "Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations." The College had no unrelated business income tax liability for the years ended August 31, 2014 and 2013.

**NOTE 20 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description**

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. 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.

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

**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 No. 45.

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**NOTE 20 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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.

Beginning September 1, 2013, S.B. 1812 limited the state's contribution to 50% of eligible employees for community colleges.

The College's contributions to SRHP for the years ended August 31, 2014, 2013, and 2012 were \$5,536, \$7,763, and \$5,198, respectively, which equaled the required contributions each year.

**NOTE 21 - COMPONENT UNIT**

**Frank Phillips College Development Corporation - Discrete Component Unit**

The Foundation was established as a separate nonprofit organization to raise funds to provide student scholarships and assistance in the development and growth of the College. Under Governmental Standards Board Statement No. 61, *The Financial Reporting Entity Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

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

**NOTE 22 - NEW GASB PRONOUNCEMENTS**

The GASB has issued several new pronouncements that the College has reviewed for application to their accounting and reporting.

*Recently Issued and Adopted Accounting Pronouncements*

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for financial statements for periods beginning after December 15, 2012. This Statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The implementation of GASB Statement No. 65 is considered a change in accounting principle. Statement No. 65 reclassifies and recognizes certain items that were formerly reported as assets and liabilities as one of the following financial statement elements:

- Deferred outflows of resources
- Deferred inflows of resources

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**NOTE 22 - NEW GASB PRONOUNCEMENTS (CONTINUED)**

*Recently Issued and Adopted Accounting Pronouncements (Continued)*

Concepts Statement No. 4 requires that deferred outflows and deferred inflows be recognized only in those instances specifically identified in GASB pronouncements. Statement No. 65 provides that guidance. The implementation of GASB Statement No. 65 did not have a material impact on the College's financial statements as of August 31, 2014. Bond issuance cost of \$39,859 was written off during the current year. Net position for August 31, 2013, was not restated with the implementation of GASB No. 65.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. GASB No. 66 improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASB No. 66 does not have any significant impact on the College's financial statements.

*Recently Issued Accounting Pronouncements*

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. GASB No. 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the College's financial statements.

The GASB has issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2013.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, was issued in November 2013. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government

**BORGER JUNIOR COLLEGE DISTRICT  
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**NOTE 22 - NEW GASB PRONOUNCEMENTS (CONTINUED)**

*Recently Issued Accounting Pronouncements (Continued)*

recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. This Statement is effective for the 2015 fiscal year, implementation of which is currently being evaluated.

**NOTE 23 - SUBSEQUENT EVENT**

The College has evaluated for inclusion as a subsequent event disclosure only those events that occurred prior to November 17, 2014, the date the financial statements were available to be issued.

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

## **OTHER SUPPLEMENTAL INFORMATION**



**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE A  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2014  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2014</u>	<u>2013</u>
<b>TUITION</b>						
State-funded courses						
In-district resident tuition	\$ 325,063	\$ -	\$ 325,063	\$ -	\$ 325,063	\$ 330,677
Out-of-district resident tuition	535,773	-	535,773	-	535,773	558,968
Non-resident tuition	81,397	-	81,397	-	81,397	86,748
TPEG - Credit (set aside)*	44,407	-	44,407	-	44,407	51,405
Non-state funded continuing education	<u>563,443</u>	<u>-</u>	<u>563,443</u>	<u>-</u>	<u>563,443</u>	<u>585,506</u>
Total tuition	<u>1,550,083</u>	<u>-</u>	<u>1,550,083</u>	<u>-</u>	<u>1,550,083</u>	<u>1,613,304</u>
<b>FEES</b>						
General fee	654,561	-	654,561	-	654,561	655,796
Student service fee	-	-	-	139,009	139,009	155,313
Laboratory fee	94,849	-	94,849	-	94,849	92,781
Other fees	<u>755,451</u>	<u>-</u>	<u>755,451</u>	<u>-</u>	<u>755,451</u>	<u>664,694</u>
Total fees	<u>1,504,861</u>	<u>-</u>	<u>1,504,861</u>	<u>139,009</u>	<u>1,643,870</u>	<u>1,568,584</u>
<b>SCHOLARSHIP ALLOWANCES AND DISCOUNTS</b>						
Scholarship allowances	-	-	-	(394,435)	(394,435)	(418,365)
TPEG allowances	(20,231)	-	(20,231)	-	(20,231)	(42,284)
Title IV Federal grants	(1,716,958)	-	(1,716,958)	-	(1,716,958)	(1,881,751)
Other Federal grants	(26,000)	-	(26,000)	-	(26,000)	(30,000)
Remissions and exemptions - state	<u>(26,489)</u>	<u>-</u>	<u>(26,489)</u>	<u>-</u>	<u>(26,489)</u>	<u>(39,943)</u>
Total scholarship allowances and discounts	<u>(1,789,678)</u>	<u>-</u>	<u>(1,789,678)</u>	<u>(394,435)</u>	<u>(2,184,113)</u>	<u>(2,412,343)</u>
Total net tuition and fees	<u>1,265,266</u>	<u>-</u>	<u>1,265,266</u>	<u>(255,426)</u>	<u>1,009,840</u>	<u>769,545</u>

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE A, CONTINUED  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2014  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2014</u>	<u>2013</u>
<b>ADDITIONAL OPERATING REVENUES</b>						
Federal grants and contracts	-	-	-	-	-	-
State grants and contracts	-	204,271	204,271	-	204,271	324,533
Local grants and contracts	503,138	-	503,138	-	503,138	497,850
General operating revenues	<u>75,795</u>	<u>-</u>	<u>75,795</u>	<u>-</u>	<u>75,795</u>	<u>64,665</u>
Total additional operating revenues	<u>578,933</u>	<u>204,271</u>	<u>783,204</u>	<u>-</u>	<u>783,204</u>	<u>887,048</u>
<b>AUXILIARY ENTERPRISES</b>						
Bookstore	-	-	-	-	-	-
Less: Discounts	-	-	-	(7,864)	(7,864)	(6,186)
Residential	-	-	-	450,725	450,725	459,147
Less: Discounts	-	-	-	(166,026)	(166,026)	(163,825)
Other Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>442,103</u>	<u>442,103</u>	<u>410,291</u>
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,938</u>	<u>718,938</u>	<u>699,427</u>
<b>TOTAL OPERATING REVENUES</b>	<u>\$ 1,844,199</u>	<u>\$ 204,271</u>	<u>\$ 2,048,470</u>	<u>\$ 463,512</u>	<u>\$ 2,511,982</u>	<u>\$ 2,356,020</u>
					(Exhibit 2A)	(Exhibit 2A)

\*In accordance with Education Code 56.033, \$44,407 and \$51,405 for years August 31, 2014 and 2013, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE B  
SCHEDULE OF OPERATING EXPENSES BY OBJECT  
YEAR ENDED AUGUST 31, 2014  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)**

	Operating Expenses			2014	2013	
	Salaries and Wages	Benefits				Other Expenses
		State	Local			
<b>UNRESTRICTED EDUCATIONAL ACTIVITIES</b>						
Instruction	\$ 2,574,448	\$ -	\$ 485,227	\$ 996,671	\$ 4,056,346	\$ 3,751,318
Academic support	56,246	-	21,274	82,449	159,969	141,261
Student services	206,171	-	51,126	16,071	273,368	281,481
Institutional support	742,443	-	219,111	701,126	1,662,680	1,567,781
Operation and maintenance of plant	278,966	-	52,579	423,932	755,477	714,206
Scholarship and fellowships	-	-	-	192,783	192,783	81,080
Total unrestricted educational activities	<u>3,858,274</u>	<u>-</u>	<u>829,317</u>	<u>2,413,032</u>	<u>7,100,623</u>	<u>6,537,127</u>
<b>RESTRICTED EDUCATIONAL ACTIVITIES</b>						
Instruction	-	284,973	-	-	284,973	343,324
Academic support	-	12,494	-	4,918	17,412	16,999
Student services	121,712	30,026	25,333	55,508	232,579	270,095
Institutional support	-	82,184	-	-	82,184	104,818
Operation and maintenance of plant	-	30,880	-	-	30,880	40,310
Scholarship and fellowships	-	-	-	20,677	20,677	24,441
Total restricted educational activities	<u>121,712</u>	<u>440,557</u>	<u>25,333</u>	<u>81,103</u>	<u>668,705</u>	<u>799,987</u>
Total educational activities	<u>3,979,986</u>	<u>440,557</u>	<u>854,650</u>	<u>2,494,135</u>	<u>7,769,328</u>	<u>7,337,114</u>
<b>AUXILIARY ENTERPRISES</b>	184,674	-	51,172	952,866	1,188,712	1,154,941
<b>DEPRECIATION EXPENSE - buildings and other real estate improvements</b>	-	-	-	493,503	493,503	525,067
<b>DEPRECIATION EXPENSE - equipment and furniture</b>	-	-	-	185,063	185,063	165,348
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 4,164,660</u>	<u>\$ 440,557</u>	<u>\$ 905,822</u>	<u>\$ 4,125,567</u>	<u>\$ 9,636,606</u>	<u>\$ 9,182,470</u>
				(Exhibit 2A)	(Exhibit 2A)	

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE C  
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES  
YEAR ENDED AUGUST 31, 2014  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2014</u>	<u>2013</u>
<b>NONOPERATING REVENUES</b>					
State appropriations:					
Education and general state support	\$ 2,285,956	\$ -	\$ -	\$ 2,285,956	\$ 2,015,171
State group insurance	-	363,617	-	363,617	329,562
State retirement matching	-	76,940	-	76,940	215,919
Total state appropriations	2,285,956	440,557	-	2,726,513	2,560,652
Maintenance ad valorem taxes	1,503,577	-	-	1,503,577	1,455,476
Federal revenue, nonoperating	-	1,993,812	-	1,993,812	2,177,240
Gifts	145,689	186,313	-	332,002	418,085
Investment income	325	12,317	-	12,642	14,746
Total nonoperating revenues	<u>3,935,547</u>	<u>2,632,999</u>	<u>-</u>	<u>6,568,546</u>	<u>6,626,199</u>
<b>NONOPERATING EXPENSES</b>					
Interest on capital related debt	112,922	-	-	112,922	87,649
Loss on disposal of capital assets	-	-	-	-	9,207
Other nonoperating expenses	10,163	-	-	10,163	43,795
Total nonoperating expenses	<u>123,085</u>	<u>-</u>	<u>-</u>	<u>123,085</u>	<u>140,651</u>
<b>NET NONOPERATING REVENUES</b>	<u>\$ 3,812,462</u>	<u>\$ 2,632,999</u>	<u>\$ -</u>	<u>\$ 6,445,461</u>	<u>\$ 6,485,548</u>
				(Exhibit 2A)	(Exhibit 2A)

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE D  
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
YEAR ENDED AUGUST 31, 2014  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
<b>CURRENT</b>							
Unrestricted	\$ (227,162)	\$ -	\$ -	\$ -	\$ (227,162)	\$ (227,162)	\$ -
Board designated	482,168	-	-	-	482,168	482,168	-
Restricted	-	348,775	-	-	348,775	-	348,775
Auxiliary enterprises	-	-	-	-	-	-	-
<b>LOAN</b>	-	-	-	-	-	-	-
<b>ENDOWMENT</b>							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
<b>PLANT</b>							
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Investment in plant	-	-	-	11,332,812	11,332,812	-	11,332,812
Total net position, August 31, 2014	<u>255,006</u>	<u>348,775</u>	<u>-</u>	<u>11,332,812</u>	<u>11,936,593</u> (Exhibit 1A)	<u>255,006</u>	<u>11,681,587</u>
Total net position, August 31, 2013	<u>696,519</u>	<u>383,310</u>	<u>-</u>	<u>11,535,927</u>	<u>12,615,756</u> (Exhibit 1A)	<u>696,519</u>	<u>11,919,237</u>
<b>NET DECREASE IN NET POSITION</b>	<u>\$ (441,513)</u>	<u>\$ (34,535)</u>	<u>\$ -</u>	<u>\$ (203,115)</u>	<u>\$ (679,163)</u> (Exhibit 2A)	<u>\$ (441,513)</u>	<u>\$ (237,650)</u>

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2014**

<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>
<b>U.S. Department of Education</b>			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	84.007	-	\$ 14,002
Federal Work Study Program	84.033	-	15,206
Federal Pell Grant Program	84.063	-	1,702,955
Federal Direct Student Loans	84.268	-	1,083,099
TEACH Grant	84.379	-	465
TRIO Cluster			
Title IV - TRIO	84.042	-	<u>210,337</u>
Total Direct Programs			<u>3,026,064</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	142037	<u>50,847</u>
Total Pass-Through from Texas Higher Education Coordinating Board			<u>50,847</u>
<b>Total U.S. Department of Education</b>			<u>3,076,911</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,076,911</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**BORGER JUNIOR COLLEGE DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**August 31, 2014**

**NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION**

Federal grants and contracts revenue - per Schedule A	\$ -
Nonoperating federal revenue from Schedule C	1,993,812
Federal Direct Student Loans	<u>1,083,099</u>
<b>Total federal revenues per Schedule of Expenditures of Federal Awards</b>	<b><u>\$ 3,076,911</u></b>

**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.

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS  
YEAR ENDED AUGUST 31, 2014**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Direct Programs:		
Texas Grant	-	\$ 109,002
Work Study Awards	-	5,471
Texas Educational Opportunity Grant	-	<u>89,798</u>
Total Texas Higher Education Coordinating Board		<u>204,271</u>
<b>Total Expenditures of State of Texas Awards</b>		<b><u>\$ 204,271</u></b>

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



**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS  
August 31, 2014**

**NOTE 1 - STATE ASSISTANCE RECONCILIATION**

State grants and contracts revenue – per Schedule A	<u>\$ 204,271</u>
Total state expenditures per Schedule A expenditures of State of Texas Awards	<u>\$ 204,271</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  
Borger Junior College District  
Borger, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Borger Junior College District (the College) and its discretely presented component unit as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 17, 2014.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

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***Purpose of this Report***

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

*Connor McMillon Mitchell & Shemum PLLC*

Amarillo, Texas  
November 17, 2014

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

Board of Regents  
Borger Junior College District  
Borger, Texas

***Report on Compliance for Each Major Federal Program***

We have audited Borger Junior College District's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2014. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2014.



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### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

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

### ***Report on Internal Control over Compliance***

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001, which we consider to be a significant deficiency.

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

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

*Connor McMillon Mitchell : Spennemo Ph.D.*

Amarillo, Texas  
November 17, 2014

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**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended August 31, 2014**

**SECTION II - Financial Statement Findings**

None

**SECTION III - Findings and Questioned Costs - Major Federal Award Programs**

**Finding 2014-001**

*Program:* 84.268 Federal Direct Student Loans  
84.063 Federal Pell Grant Program

*Compliance Requirement:* Special Test – N – Disbursement to or on behalf of Student Compliance Requirement.

*Criteria:* As part of the College's internal controls over Special Test, the College has a policy in place to obtain a signed direct deposit authorization form for all students before issuing a student ID which also acts as their debit card. The College disburses funds directly to the students through their debit cards.

*Condition:* Two students did not have signed direct deposit authorization forms.

*Question Cost:* N/A

*Context:* A sample of 136 students files were reviewed. This finding represents two items of 136 students tested — one student receiving Pell Awards and one student receiving Direct Student Loans.

*Cause:* The College's policy is to obtain all necessary documentation from the student before processing student IDs/debit cards. The College failed to fully comply with their policy.

*Effect:* A student could receive unauthorized disbursements.

*Recommendation:* Implement control procedures to ensure compliance with their policy.

*Views of Responsible Officials and Corrective Action Plan:* The College's procedure is to not process student IDs/debit cards until all proper documentation is obtained. The College will review the students' files for all proper documentation before issuing the student IDs/debit cards. The College is attempting to contact the students to obtain signatures. Dr. Jud Hicks, President, will ensure that the College continues to strive to improve and comply with policy.

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended August 31, 2014**

**Finding 2014-001**

*Condition:* Two students did not have signed direct deposit authorization forms.

*Corrective Action  
Plan:*

The College's procedure is to not process student IDs/debit cards until all proper documentation is obtained. The College will review the students' files for all proper documentation before issuing the student IDs/debit cards. The College is attempting to contact the students to obtain signatures. Dr. Jud Hicks, President, will ensure that the College continues to strive to improve and comply with policy.



**BORGER JUNIOR COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended August 31, 2014**

**Finding 2013-001**

*Condition:* One student dropped a class on September 17, 2012 causing the student's enrollment status to change from full time to half time. This change was not reported accurately to the National Student Loan Data System via the National Student Loan Clearinghouse.

*Recommendation:* The College should ensure that the first report of the semester is generated at the beginning of the semester, properly reviewed and that all manual corrections are made.

*Current Status:* Controls implemented by the College appear to be effective. There were no exceptions noted in the current year's testing procedures.

**STATISTICAL SUPPLEMENT  
(Unaudited)**

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**Borger Junior College District**  
**Statistical Supplement 1**  
**Net Position by Component**  
**Fiscal Years 2005 to 2014**  
(unaudited)

	<b>For the Fiscal Year Ended August 31,</b>									
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Net investment in capital assets	\$ 11,332,812	\$ 11,535,927	\$ 11,482,158	\$ 11,426,820	\$ 11,431,135	\$ 11,629,807	\$ 10,170,371	\$ 9,465,913	\$ 9,551,507	\$ 9,181,577
Restricted - expendable	348,775	383,310	880,475	690,876	699,154	921,165	794,065	752,267	673,511	674,000
Unrestricted	255,006	696,519	594,025	1,364,810	1,127,470	1,397,624	1,647,619	2,439,263	2,167,686	1,917,750
<b>Total primary government net position</b>	<b>\$ 11,936,593</b>	<b>\$ 12,615,756</b>	<b>\$ 12,956,658</b>	<b>\$ 13,482,506</b>	<b>\$ 13,257,759</b>	<b>\$ 13,948,596</b>	<b>\$ 12,612,055</b>	<b>\$ 12,657,443</b>	<b>\$ 12,392,704</b>	<b>\$ 11,773,327</b>

**Borger Junior College District**  
**Statistical Supplement 2**  
**Revenues by Source**  
**Fiscal Years 2005 to 2014**  
(unaudited)

	For the Year Ended August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>OPERATING REVENUES</b>										
Tuition and fees (net of discounts)	\$ 1,009,840	\$ 769,545	\$ 619,626	\$ 155,904	\$ 366,868	\$ 1,297,890	\$ 1,284,954	\$ 1,378,217	\$ 1,307,469	\$ 707,547
Governmental grants and contracts										
Federal grants and contracts	-	-	-	27,640	61,903	106,135	427,959	2,034,040	1,979,900	3,327,920
State grants and contracts	204,271	324,533	221,298	250,546	162,650	1,678,469	746,687	242,327	523,783	47,686
Local grants and revenues	503,138	497,850	466,171	500,454	411,309	473,320	386,272	350,931	365,713	390,498
Auxiliary enterprises	718,938	699,427	764,988	959,784	922,877	894,734	801,071	833,016	777,793	696,413
Other operating revenues	75,795	64,665	61,534	101,952	71,492	65,335	78,783	89,824	93,319	57,699
<b>Total operating revenues</b>	<b>2,511,982</b>	<b>2,356,020</b>	<b>2,133,617</b>	<b>1,996,280</b>	<b>1,997,099</b>	<b>4,515,883</b>	<b>3,725,726</b>	<b>4,928,355</b>	<b>5,047,977</b>	<b>5,227,763</b>
<b>NONOPERATING REVENUES</b>										
State appropriations	2,726,513	2,560,652	2,595,720	3,448,548	3,497,483	3,548,225	3,556,008	3,681,545	3,659,461	3,264,914
Ad valorem taxes	1,503,577	1,455,476	1,382,564	1,378,499	1,370,015	1,338,732	1,230,116	1,166,418	1,107,960	1,084,361
Federal revenue, nonoperating	1,993,812	2,177,240	2,148,755	2,726,219	2,716,379	1,755,556	1,599,178	-	-	-
Gifts	332,002	418,085	568,559	215,497	292,323	435,672	317,139	489,532	190,965	422,259
Investment income	12,642	14,746	23,282	24,353	21,084	36,146	100,293	161,782	138,245	59,396
Gain (loss) on disposal of fixed assets	-	(9,207)	23,415	246,005	(7,805)	(17,230)	(33,443)	-	-	-
Other nonoperating revenues (losses)	(10,163)	(43,795)	(42,055)	262,792	(468,571)	200,835	173,732	209,876	206,778	1,687,090
<b>Total nonoperating revenues</b>	<b>6,558,383</b>	<b>6,573,197</b>	<b>6,700,240</b>	<b>8,301,913</b>	<b>7,420,908</b>	<b>7,297,936</b>	<b>6,943,023</b>	<b>5,709,153</b>	<b>5,303,409</b>	<b>6,518,020</b>
<b>TOTAL REVENUES</b>	<b>\$ 9,070,365</b>	<b>\$ 8,929,217</b>	<b>\$ 8,833,857</b>	<b>\$ 10,298,193</b>	<b>\$ 9,418,007</b>	<b>\$ 11,813,819</b>	<b>\$ 10,668,749</b>	<b>\$ 10,637,508</b>	<b>\$ 10,351,386</b>	<b>\$ 11,745,783</b>

	For the Year Ended August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>OPERATING REVENUES</b>										
Tuition and fees (net of discounts)	11.13%	8.62%	7.01%	1.51%	3.90%	10.99%	12.04%	12.96%	12.63%	6.02%
Governmental grants and contracts										
Federal grants and contracts	0.00%	0.00%	0.00%	0.27%	0.66%	0.90%	4.01%	19.12%	19.13%	28.33%
State grants and contracts	2.25%	3.63%	2.51%	2.43%	1.73%	14.21%	7.00%	2.28%	5.06%	0.41%
Local grants and contracts	5.55%	5.58%	5.28%	4.86%	4.37%	4.01%	3.62%	3.30%	3.53%	3.32%
Auxiliary enterprises	7.93%	7.83%	8.66%	9.32%	9.80%	7.57%	7.51%	7.83%	7.51%	5.94%
Other operating revenues	0.84%	0.72%	0.70%	0.99%	0.76%	0.55%	0.74%	0.84%	0.91%	0.49%
<b>Total operating revenues</b>	<b>27.69%</b>	<b>26.39%</b>	<b>24.16%</b>	<b>19.38%</b>	<b>21.21%</b>	<b>38.23%</b>	<b>34.92%</b>	<b>46.33%</b>	<b>48.77%</b>	<b>44.51%</b>
<b>NONOPERATING REVENUES</b>										
State appropriations	30.06%	28.68%	29.38%	33.49%	37.14%	30.03%	33.33%	34.61%	35.35%	27.80%
Ad valorem taxes	16.58%	16.30%	15.65%	13.39%	14.55%	11.33%	11.53%	10.97%	10.70%	9.23%
Federal revenue, nonoperating	21.98%	24.38%	24.32%	26.47%	28.84%	14.86%	14.99%	0.00%	0.00%	0.00%
Gifts	3.66%	4.68%	6.44%	2.09%	3.10%	3.69%	2.97%	4.60%	1.84%	3.59%
Investment income	0.14%	0.17%	0.26%	0.24%	0.22%	0.31%	0.94%	1.52%	1.34%	0.51%
Gain (loss) on disposal of fixed assets	0.00%	-0.10%	0.27%	2.39%	-0.08%	-0.15%	-0.31%	0.00%	0.00%	0.00%
Other nonoperating revenues	-0.11%	-0.49%	-0.48%	2.55%	-4.98%	1.70%	1.63%	1.96%	2.00%	14.36%
<b>Total nonoperating revenues</b>	<b>72.31%</b>	<b>73.61%</b>	<b>75.84%</b>	<b>80.62%</b>	<b>78.79%</b>	<b>61.77%</b>	<b>65.08%</b>	<b>53.66%</b>	<b>51.23%</b>	<b>55.49%</b>
<b>TOTAL REVENUES</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Borger Junior College District  
Statistical Supplement 3  
Program Expense by Function  
Fiscal Years 2005 to 2014  
(unaudited)**

	For the Fiscal Year Ending August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>OPERATING EXPENSES</b>										
Instruction	\$ 4,341,319	\$ 4,094,642	\$ 3,986,808	\$ 3,716,540	\$ 3,470,225	\$ 3,627,995	\$ 3,912,721	\$ 3,907,856	\$ 3,706,467	\$ 3,413,388
Academic support	177,381	158,260	195,025	186,775	245,343	245,325	186,370	302,189	161,633	104,620
Student services	505,947	551,576	665,594	1,031,212	1,075,264	1,243,005	1,410,509	1,236,241	1,168,440	1,150,089
Institutional support	1,744,864	1,672,599	1,577,756	1,782,942	1,817,377	1,796,175	1,855,781	1,562,190	1,609,081	1,532,230
Operation and maintenance of plant	786,357	754,516	736,720	891,378	832,873	809,491	776,676	861,692	789,477	692,741
Scholarships and fellowships	213,460	105,521	132,499	99,268	128,161	149,017	144,065	171,937	91,987	65,261
Auxiliary enterprises	1,188,712	1,154,941	1,208,774	1,384,104	1,469,777	1,500,679	1,412,890	1,492,709	1,322,369	1,254,105
Depreciation	678,566	690,415	732,359	798,156	879,255	893,506	803,301	650,003	681,381	566,945
<b>Total operating expenses</b>	<b>9,636,606</b>	<b>9,182,470</b>	<b>9,235,535</b>	<b>9,890,375</b>	<b>9,918,275</b>	<b>10,265,193</b>	<b>10,502,313</b>	<b>10,184,817</b>	<b>9,530,835</b>	<b>8,779,379</b>
<b>NONOPERATING EXPENSES</b>										
Interest on capital-related debt	112,922	87,649	124,170	181,071	190,569	212,085	211,824	187,952	201,174	108,977
<b>Total nonoperating expenses</b>	<b>112,922</b>	<b>87,649</b>	<b>124,170</b>	<b>181,071</b>	<b>190,569</b>	<b>212,085</b>	<b>211,824</b>	<b>187,952</b>	<b>201,174</b>	<b>108,977</b>
<b>TOTAL EXPENSES</b>	<b>\$ 9,749,528</b>	<b>\$ 9,270,119</b>	<b>\$ 9,359,705</b>	<b>\$ 10,071,446</b>	<b>\$ 10,108,844</b>	<b>\$ 10,477,278</b>	<b>\$ 10,714,137</b>	<b>\$ 10,372,769</b>	<b>\$ 9,732,009</b>	<b>\$ 8,888,356</b>

	For the Fiscal Year Ending August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>OPERATING EXPENSES</b>										
Instruction	44.53%	44.17%	42.60%	36.90%	34.33%	34.63%	36.52%	37.67%	38.09%	38.40%
Academic support	1.82%	1.71%	2.08%	1.85%	2.43%	2.34%	1.74%	2.91%	1.66%	1.18%
Student services	5.19%	5.95%	7.11%	10.24%	10.64%	11.86%	13.16%	11.92%	12.01%	12.94%
Institutional support	17.90%	18.04%	16.86%	17.70%	17.98%	17.14%	17.32%	15.06%	16.53%	17.24%
Operation and maintenance of plant	8.07%	8.14%	7.87%	8.85%	8.24%	7.73%	7.25%	8.31%	8.11%	7.79%
Scholarships and fellowships	2.19%	1.14%	1.42%	0.99%	1.27%	1.42%	1.34%	1.66%	0.95%	0.74%
Auxiliary enterprises	12.19%	12.46%	12.91%	13.74%	14.54%	14.32%	13.19%	14.39%	13.58%	14.11%
Depreciation	6.96%	7.45%	7.82%	7.92%	8.70%	8.53%	7.50%	6.27%	7.00%	6.38%
<b>Total operating expenses</b>	<b>98.84%</b>	<b>99.05%</b>	<b>98.66%</b>	<b>98.20%</b>	<b>98.11%</b>	<b>97.98%</b>	<b>98.02%</b>	<b>98.19%</b>	<b>97.93%</b>	<b>98.77%</b>
<b>NONOPERATING EXPENSES</b>										
Interest on capital related debt	1.16%	0.95%	1.34%	1.80%	1.89%	2.02%	1.98%	1.81%	2.07%	1.23%
<b>Total nonoperating expenses</b>	<b>1.16%</b>	<b>0.95%</b>	<b>1.34%</b>	<b>1.80%</b>	<b>1.89%</b>	<b>2.02%</b>	<b>1.98%</b>	<b>1.81%</b>	<b>2.07%</b>	<b>1.23%</b>
<b>TOTAL EXPENSES</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Borger Junior College District**  
**Statistical Supplement 4**  
**Tuition and Fees**  
**Fiscal Year**  
(unaudited)

Academic Year (Fall)	Processing Fee (per student)	Resident: Fees per semester credit hour (SCH)							
		In District Tuition	Out-of-District Tuition	General Use Fees	Student Service Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In District	Increase from Prior Year Out-of-District
2013	\$ 18	\$ 36	\$ 59	\$ 36	\$ 8	\$ 1,013	\$ 1,289	0.0%	0.0%
2012	18	36	59	36	8	1,013	1,289	0.0%	0.0%
2011	18	36	59	36	8	1,013	1,289	0.0%	0.0%
2010	18	36	59	36	8	1,013	1,289	5.0%	5.9%
2009	18	32	53	36	8	965	1,217	0.0%	0.0%
2008	18	32	53	36	8	965	1,217	4.4%	3.5%
2007	13	32	53	36	5	924	1,176	6.9%	5.4%
2006	13	30	51	33	5	864	1,116	9.1%	9.4%
2005	13	27	46	30	5	792	1,020	11.2%	11.4%
2004	10	24	41	27	5	712	916	0.0%	0.0%

Academic Year (Fall)	Registration Fee (per student)	Non-Resident: Fees per semester credit hour (SCH)							
		Non-resident Tuition Out-of-State	Non-resident Tuition International	General Use Fees	Student Service Fees	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
2013	\$ 18	\$ 36	\$ 66	\$ 36	\$ 8	\$ 1,373	\$ 1,373	0.0%	0.0%
2012	18	66	66	36	8	1,373	1,373	0.0%	0.0%
2011	18	66	66	36	8	1,373	1,373	0.0%	0.0%
2010	18	66	66	36	8	1,373	1,373	5.5%	5.5%
2009	18	60	60	36	8	1,301	1,301	0.0%	0.0%
2008	18	60	60	36	8	1,301	1,301	3.3%	3.3%
2007	13	60	60	36	5	1,260	1,260	5.0%	5.0%
2006	13	58	58	33	5	1,200	1,200	8.7%	8.7%
2005	13	53	53	30	5	1,104	1,104	10.4%	10.4%
2004	10	48	48	27	5	1,000	1,000	0.0%	0.0%

**Borger Junior College District**  
**Statistical Supplement 5**  
**Assessed Value and Taxable Assessed Value of Property**  
**Last Ten Fical Years**  
(unaudited)

Fiscal Year	Assessed Valuation of Property	Less Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rates		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2013-14	\$ 877,088,490	\$ 196,998,460	680,090,030	77.54%	0.22000	0.00	0.22000
2012-13	860,134,580	184,868,130	675,266,450	78.51%	0.22000	0.00	0.22000
2011-12	836,477,160	176,414,950	660,062,210	78.91%	0.22000	0.00	0.22000
2010-11	779,639,210	164,535,300	615,103,910	78.90%	0.22000	0.00	0.22000
2009-10	795,586,800	166,208,910	629,377,890	79.11%	0.22000	0.00	0.22000
2008-09	787,849,110	163,212,880	624,636,230	79.28%	0.22000	0.00	0.22000
2007-08	757,259,280	150,817,020	606,442,260	80.08%	0.22000	0.00	0.22000
2006-07	687,281,080	136,332,120	550,948,960	80.16%	0.22000	0.00	0.22000
2005-06	654,871,900	131,089,630	523,782,270	79.98%	0.22000	0.00	0.22000
2004-05	627,100,050	131,144,980	495,955,070	79.09%	0.22000	0.00	0.22000

**Source:** Local appraisal district

(a) per \$100 taxable assessed valuation



**Borger Junior College District**  
**Statistical Supplement 6**  
**State Appropriation per FTSE and Contact Hour**  
**Fiscal Year**  
(unaudited)

Fiscal Year	Appropriation per FTSE			Appropriation per contact hour			
	State Appropriations	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriations per Contact Hour
2013-14	\$ 2,285,956	1,142	\$ 2,002	300,112	223,652	523,764	\$ 4.36
2012-13	2,015,171	1,191	1,692	318,034	225,676	543,710	3.71
2011-12	2,062,851	1,041	1,982	296,768	196,772	493,540	4.18
2010-11	2,632,570	1,247	2,111	373,890	212,096	585,986	4.49
2009-10	2,663,017	1,171	2,274	386,752	210,188	596,940	4.46
2008-09	2,715,708	1,290	2,105	394,256	203,946	598,202	4.54
2007-08	2,715,709	1,356	2,003	394,288	297,919	692,207	3.92
2006-07	2,862,550	1,365	2,097	403,616	339,563	743,179	3.85
2005-06	2,862,542	1,217	2,352	402,032	312,285	714,317	4.01
2004-05	2,494,568	1,393	1,791	441,744	327,181	768,925	3.24

**Notes:**

FTSE is defined as the number of full-time students, plus the total hours taken by part-time students, divided by 12.

(a) source CBM001

(b) source CBM00A

**Borger Junior College District  
Statistical Supplement 7  
Principal Tax Payers  
Fiscal Year  
(unaudited)**

Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)											
Taxpayer	Type of Business	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Agrium U.S. Inc	Chemical	\$ 47,178,070	\$ 45,416,180	\$ 41,737,380	\$ 43,937,070	\$ 41,530,310	\$ 43,181,610	\$ 39,247,400	\$ 39,318,290	\$ 42,472,080	\$ 41,119,660
DCP Midstream (Duke Energy)	Energy	42,315,800	39,822,240	37,504,430	37,699,430	36,382,340	36,918,040	28,957,650	24,882,220	21,860,750	20,755,310
Southwestern Public Service	Utility	14,016,010	13,100,650	11,716,510	11,716,510	9,750,130	9,624,230	9,757,440	10,989,850	11,354,680	11,750,330
National Oil Well	Energy	7,085,930	-	-	-	-	-	-	-	-	-
Traditions Oil & Gas	Energy	6,851,210	7,451,240	-	-	-	-	-	-	-	-
Turner Energy Services	Energy	6,067,160	6,748,650	-	-	-	3,322,570	3,902,700	-	-	-
Pahandle Northern Railroad Co	Transportation	5,965,350	5,783,480	3,014,400	3,014,400	-	-	-	-	-	-
Linn Energy Holding	Energy	4,974,150	4,876,240	6,582,760	6,582,760	9,195,910	6,326,340	4,588,730	3,328,880	-	-
Linn Gas Marketing	Energy	4,537,880	-	-	-	-	-	-	-	-	-
Rice Construction Company	Construction	4,107,130	3,716,850	-	-	-	-	-	-	-	-
Cody Company	Energy	3,721,010	4,325,560	-	-	3,020,030	-	4,092,690	2,893,430	1,941,690	-
Baker Corp	Energy	3,397,180	-	-	-	-	-	-	-	2,022,220	-
Phillips 66	Energy	3,059,430	3,526,530	5,079,630	5,079,630	5,851,020	6,078,150	6,839,450	6,285,950	9,040,280	8,991,880
Air Liquide American	Industrial	2,900,160	-	-	-	-	-	-	2,368,380	2,119,290	-
Univar USA Inc	Energy	2,852,230	-	-	-	-	-	-	-	-	-
DJ's Well Service	Energy	2,807,300	-	-	-	-	-	-	-	-	-
Southwestern Bell Telephone	Utility	2,508,930	-	3,360,770	3,360,770	3,857,130	4,424,560	4,786,960	5,487,850	5,423,950	5,183,100
Conoco Phillips Company	Energy	2,444,440	-	-	-	-	-	-	-	-	-
Texas Gas Service Company	Energy	2,388,160	-	-	-	-	-	-	-	-	-
Chevron Phillips Chemical	Chemical	1,313,840	-	-	-	-	-	-	-	-	-
<b>Totals</b>		<b>\$ 170,491,370</b>	<b>\$ 134,767,620</b>	<b>\$ 108,995,880</b>	<b>\$ 111,390,570</b>	<b>\$ 109,586,870</b>	<b>\$ 109,875,500</b>	<b>\$ 102,173,020</b>	<b>\$ 95,554,850</b>	<b>\$ 96,234,940</b>	<b>\$ 87,800,280</b>
<b>Total Taxable Value</b>		<b>\$ 680,090,030</b>	<b>\$ 675,266,450</b>	<b>\$ 660,062,210</b>	<b>\$ 615,103,910</b>	<b>\$ 629,377,890</b>	<b>\$ 624,636,230</b>	<b>\$ 606,442,260</b>	<b>\$ 550,948,960</b>	<b>\$ 523,782,270</b>	<b>\$ 495,955,070</b>

% of Taxable Assessed Value (TAV) by Tax Year											
Taxpayer	Type of Business	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Agrium U.S. Inc	Chemical	6.94%	6.73%	6.32%	7.14%	6.60%	6.91%	6.47%	7.14%	8.11%	8.29%
DCP Midstream (Duke Energy)	Energy	6.22%	5.90%	5.68%	6.13%	5.78%	5.91%	4.78%	4.52%	4.17%	4.18%
Southwestern Public Service	Utility	2.06%	1.94%	1.78%	1.90%	1.55%	1.54%	1.61%	1.99%	2.17%	2.37%
National Oil Well	Energy	1.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Traditions Oil & Gas	Energy	1.01%	1.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Turner Energy Services	Energy	0.89%	1.00%	0.00%	0.00%	0.00%	0.00%	0.64%	0.00%	0.00%	0.00%
Pahandle Northern Railroad Co	Transportation	0.88%	0.86%	0.46%	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Linn Energy Holding	Energy	0.73%	0.72%	1.00%	1.07%	1.46%	1.01%	0.76%	0.60%	0.00%	0.00%
Linn Gas Marketing	Energy	0.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rice Construction Company	Construction	0.60%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cody Company	Energy	0.55%	0.64%	0.00%	0.00%	0.48%	0.00%	0.67%	0.53%	0.37%	0.00%
Baker Corp	Energy	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.39%	0.00%
Phillips 66	Energy	0.45%	0.52%	0.77%	0.83%	0.93%	0.97%	1.13%	1.14%	1.73%	1.81%
Air Liquide American	Industrial	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.43%	0.40%	0.00%
Univar USA Inc	Energy	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
DJ's Well Service	Energy	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwestern Bell Telephone	Utility	0.37%	0.00%	0.51%	0.55%	0.61%	0.71%	0.79%	1.00%	1.04%	1.05%
Conoco Phillips Company	Energy	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Texas Gas Service Company	Energy	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Chevron Phillips Chemical	Chemical	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Totals</b>		<b>25.06%</b>	<b>19.96%</b>	<b>16.51%</b>	<b>18.11%</b>	<b>17.41%</b>	<b>17.59%</b>	<b>16.85%</b>	<b>17.34%</b>	<b>18.37%</b>	<b>17.70%</b>

Source: Local County Appraisal District

**Borger Junior College District**  
**Statistical Supplement 8**  
**Property Tax Levies and Collections**  
**Last Ten Years**  
(unaudited)

<b>Fiscal Year Ended August 31</b>	<b>Levy (a)</b>	<b>Cumulative Levy Adjustments</b>	<b>Adjusted Tax Levy (b)</b>	<b>Collections - Year of Levy (c)</b>	<b>Percentage</b>	<b>Prior Collections of Prior Levies (d)</b>	<b>Current Collections of Prior Levies (e)</b>	<b>Total Collections (c+d+e)</b>	<b>Cumulative Collections of Adjusted Levy</b>
2014	\$ 1,471,000	-	\$ 1,471,000	\$ 1,440,167	97.90%	\$ -	\$ 40,745	\$ 1,480,912	100.67%
2013	1,451,000	-	1,451,000	1,402,819	96.68%	-	35,832	1,438,651	99.15%
2012	1,353,000	-	1,353,000	1,305,349	96.48%	-	71,228	1,376,577	101.74%
2011	1,383,000	-	1,383,000	1,299,457	93.96%	-	23,599	1,323,056	95.67%
2010	1,374,000	-	1,374,000	1,322,861	96.28%	-	29,286	1,352,147	98.41%
2009	1,334,000	-	1,334,000	1,292,079	96.86%	-	19,479	1,311,558	98.32%
2008	1,212,000	-	1,212,000	1,175,903	97.02%	-	24,783	1,200,686	99.07%
2007	1,152,000	-	1,152,000	1,120,605	97.27%	-	40,872	1,161,477	100.82%
2006	1,091,000	-	1,091,000	1,049,828	96.23%	-	28,824	1,078,652	98.87%
2005	1,072,000	-	1,072,000	1,026,207	95.73%	-	45,623	1,071,830	99.98%

**Sources:**

- (a) as reported in the 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

**Borger Junior College District**  
**Statistical Supplement 9**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
(unaudited)

	For the Year Ended August 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>General bonded debt:</b>										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
<b>Net general bonded debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other debt:</b>										
Revenue bonds	1,320,000	1,485,000	1,650,000	1,755,000	1,885,000	2,005,000	2,120,000	2,230,000	2,352,000	2,469,000
Notes	622,885	730,452	865,405	1,153,836	1,592,644	1,969,355	2,300,550	2,665,720	1,379,696	1,573,943
Capital leases obligations	145,640	-	-	-	147,533	216,132	281,500	351,750	-	-
<b>Total outstanding debt</b>	<b>\$ 2,088,525</b>	<b>\$ 2,215,452</b>	<b>\$ 2,515,405</b>	<b>\$ 2,908,836</b>	<b>\$ 3,625,177</b>	<b>\$ 4,190,487</b>	<b>\$ 4,702,050</b>	<b>\$ 5,247,470</b>	<b>\$ 3,731,696</b>	<b>\$ 4,042,943</b>
<b>General Bonded Debt Ratios:</b>										
Per capita	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Per FTSE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As a percentage of taxable assessed value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total outstanding debt ratios:</b>										
Per capita	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 281	\$ 283
Per FTSE	\$ 1,829	\$ 1,860	\$ 2,416	\$ 2,333	\$ 3,096	\$ 3,248	\$ 3,645	\$ 3,844	3,066	2,902
As a percentage of taxable assessed value	0.31%	0.33%	0.38%	0.47%	0.58%	0.67%	0.78%	0.95%	0.71%	0.82%

**Notes:**

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

**Borger Junior College District  
Statistical Supplement 10  
Legal Debt Limit Margin  
Last Ten Fiscal Years  
(unaudited)**

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
<b>Total assessed value</b>	\$ 680,090,030	\$ 675,266,450	\$ 660,062,210	\$ 615,103,910	\$ 629,377,890	\$ 624,636,230	\$ 606,442,260	\$ 550,948,960	\$ 523,782,270	\$ 495,955,070
<b>General obligation bonds:</b>										
Statutory taxable limit for debt service	\$ 3,400,450	\$ 3,376,332	\$ 3,300,311	\$ 3,075,520	\$ 3,146,889	\$ 3,123,181	\$ 3,032,211	\$ 2,754,745	\$ 2,618,911	\$ 2,479,775
Less: Funds restricted for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Total net general obligation debt	3,400,450	3,376,332	3,300,311	3,075,520	3,146,889	3,123,181	3,032,211	2,754,745	2,618,911	2,479,775
Current year debt service requirements	112,875	107,568	134,953	320,874	482,296	670,565	704,973	458,528	234,197	236,653
<b>Excess of statutory limit for debt service over current requirements</b>	\$ 3,287,575	\$ 3,268,764	\$ 3,165,358	\$ 2,754,646	\$ 2,664,593	\$ 2,452,616	\$ 2,327,238	\$ 2,296,217	\$ 2,384,714	\$ 2,243,122
<b>Net current requirements as a % of statutory limit</b>	3.32%	3.19%	4.09%	10.43%	15.33%	21.47%	23.25%	16.65%	8.94%	9.54%

**Notes:**

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

**Borger Junior College District**  
**Statistical Supplement 11**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year Ended August 31	Pledged Revenues										Debt Service Requirements			
	Tuition	Technology Fee	Registration Fees	General Use Fees	Community Education Fees	Interest Income	Vending Income	Vending Commission	Bookstore Commission	Total	Principal	Interest	Total	Coverage Ratio
2014	\$ 35,925	\$ -	\$ -	\$ 282,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,448	\$ 165,000	\$ 39,859	\$ 204,859	1.55
2013	39,007	-	-	295,900	-	-	-	-	-	334,907	165,000	46,128	211,128	1.59
2012	34,072	-	-	276,700	-	-	-	-	-	310,772	150,000	71,022	221,022	1.41
2011	37,957	-	-	308,175	-	-	-	-	-	346,132	130,000	92,662	222,662	1.55
2010	39,697	-	-	316,750	-	-	-	-	-	356,447	120,000	98,982	218,982	1.63
2009	40,417	-	-	319,787	-	-	-	-	-	360,204	115,000	105,998	220,998	1.63
2008	42,015	-	-	332,813	-	-	-	-	-	374,828	110,000	112,708	222,708	1.68
2007	43,260	-	-	336,450	-	-	-	-	-	379,710	122,000	119,622	241,622	1.57
2006	38,842	-	-	321,275	-	-	-	-	-	360,117	117,000	126,232	243,232	1.48
2005	47,482	-	-	351,475	-	-	-	-	-	398,957	112,000	132,537	244,537	1.63

Source: Continuing Disclosure for Borger Junior College District Report filed annually with Southwest Securities.

**Borger Junior College District  
 Statistical Supplement 12  
 Demographic and Economic Statistics - Taxing District  
 Last Eight Fiscal Years**

(unaudited)

Note: Information on the Borger Junior College District is not available, thus information is presented on the closest entity to approximate the College's district which is the City of Borger.

<b>Calendar Year</b>	<b>City of Borger Population</b>	<b>City of Borger Personal Income</b>	<b>City of Borger Personal Income Per Capita</b>	<b>City of Borger Unemployment Rate</b>
2013	13,024	\$ 272,839,776	\$ 20,949	4.2%
2012	13,077	254,766,114	19,482	5.6%
2011	13,240	298,098,600	22,515	6.3%
2010	13,251	278,111,988	20,988	7.3%
2009	12,655	266,995,190	21,098	7.0%
2008	12,901	246,138,179	19,079	7.0%
2007	13,305	229,258,455	17,231	4.0%
2006	13,262	223,716,678	16,869	4.1%

**Sources:**

Population from U.S. Bureau of Census

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from the Texas Workforce Commission

**Note:** Information was only available for the years as indicated.

**Borger Junior College District**  
**Statistical Supplement 13**  
**Principal Employers (in the Borger area)**  
(unaudited)

**Current Fiscal Year**

<b>Employer</b>	<b>Number of Employees</b>	<b>% of Total Employment</b>
Phillips 66 (Conoco Phillips Refinery)	1,030	INA
Borger ISD	423	INA
Chevron Phillips Chemical Co.	360	INA
Austin Industrial	229	INA
H.B. Zachary	250	INA
Golden Plains Community Hospital	193	INA
Wal-Mart	325	INA
United Supermarket	160	INA
Sid Richardson	140	INA
<b>Total</b>	<b>INA</b>	<b>INA</b>

**Ten Years Prior**

<b>Employer</b>	<b>Number of Employees</b>	<b>% of Total Employment</b>
Conoco Phillips Refinery	INA	INA
Borger ISD	INA	INA
Chevron Phillips Chemical Co.	INA	INA
Austin Industrial	INA	INA
H.B. Zachary	INA	INA
Golden Plains Community Hospital	INA	INA
Wal-Mart	INA	INA
United Supermarket	INA	INA
Sid Richardson	INA	INA
<b>Total</b>	<b>INA</b>	<b>INA</b>

Source:  
Borger Economic Development Corp  
Texas Metropolitan Statistical Area Data

Information for prior years is unavailable; therefore, this schedule will be implemented prospectively.



**Borger Junior College District**  
**Statistical Supplement 14**  
**Faculty, Staff, and Administrators Statistics**  
**Last Ten Fiscal Years**  
(unaudited)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Faculty</b>										
Full-time	30	30	30	28	26	30	30	30	31	32
Part-time	40	43	55	45	60	81	84	82	81	73
Total	70	73	85	73	86	111	114	112	112	105
<b>Percent</b>										
Full-time	42.9%	41.1%	35.3%	38.4%	30.2%	27.0%	26.3%	26.8%	27.7%	30.5%
Part-time	57.1%	58.9%	64.7%	61.6%	69.8%	73.0%	73.7%	73.2%	72.3%	69.5%
<b>Staff and Administrators</b>										
Full-time	62	59	58	66	70	73	66	77	70	76
Part-time	9	9	9	10	10	10	12	18	16	6
Total	71	68	67	76	80	83	78	95	86	82
<b>Percent</b>										
Full-time	87.3%	86.8%	86.6%	86.8%	87.5%	88.0%	84.6%	81.1%	81.4%	92.7%
Part-time	12.7%	13.2%	13.4%	13.2%	12.5%	12.0%	15.4%	18.9%	18.6%	7.3%
<b>FTSE per full-time faculty</b>	38	40	35	45	45	43	45	46	39	44
<b>FTSE per full-time staff member</b>	18	20	18	19	17	18	21	18	17	18
<b>Average annual faculty salary</b>	\$ 40,454	\$ 37,536	\$ 37,710	\$ 40,203	\$ 36,000	\$ 32,494	\$ 37,722	\$ 36,579	\$ 35,558	\$ 35,534

**Borger Junior College District**  
**Statistical Supplement 15**  
**Enrollment Details**  
**Last Ten Fiscal Years**  
(unaudited)

Student Classification	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	802	70.23%	1,011	84.89%	755	72.53%	843	67.60%	931	79.50%	909	70.47%	911	67.18%	1,150	84.25%	830	68.20%	963	69.13%
31-60 hours	235	20.58%	129	10.83%	226	21.71%	270	21.65%	201	17.16%	242	18.76%	275	20.28%	185	13.55%	273	22.43%	274	19.67%
> 60 hours	105	9.19%	51	4.28%	60	5.76%	134	10.75%	39	3.33%	139	10.78%	170	12.54%	30	2.20%	114	9.37%	156	11.20%
<b>Total</b>	<b>1,142</b>	<b>100.00%</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>

Semester Hour Load	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	0	0.00%	3	0.25%	2	0.19%	2	0.16%	-	0.00%	19	1.47%	44	3.24%	86	6.30%	1	0.08%	96	6.89%
3-5 semester hours	198	17.34%	243	20.40%	214	20.56%	258	20.69%	226	19.30%	305	23.64%	268	19.76%	264	19.34%	281	23.09%	261	18.74%
6-8 semester hours	288	25.22%	238	19.98%	184	17.68%	207	16.60%	250	21.35%	261	20.23%	300	22.12%	301	22.05%	249	20.46%	306	21.97%
9-11 semester hours	155	13.57%	159	13.35%	118	11.34%	94	7.54%	135	11.53%	120	9.30%	138	10.18%	136	9.96%	118	9.70%	119	8.54%
12-14 semester hours	319	27.93%	337	28.30%	296	28.43%	381	30.55%	359	30.66%	288	22.33%	312	23.01%	318	23.30%	301	24.73%	306	21.97%
15-17 semester hours	157	13.75%	176	14.78%	203	19.50%	268	21.49%	176	15.03%	218	16.90%	219	16.15%	184	13.48%	187	15.37%	209	15.00%
18 and over	25	2.19%	35	2.94%	24	2.31%	37	2.97%	25	2.14%	79	6.13%	75	5.54%	76	5.57%	80	6.57%	96	6.89%
<b>Total</b>	<b>1,142</b>	<b>100.00%</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>

Average course load                      11                      10                      10                      10                      10                      11                      11                      10                      11                      10

Tuition Status	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas resident (In-District)	366	32.05%	399	33.50%	342	32.85%	390	31.28%	399	34.07%	389	30.16%	359	26.47%	482	35.31%	428	35.17%	555	39.84%
Texas resident (Out-of-state)	736	64.45%	763	64.06%	648	62.25%	750	60.14%	709	60.55%	786	60.93%	923	68.07%	814	59.63%	709	58.26%	758	54.41%
Non-resident tuition	40	3.50%	29	2.43%	51	4.90%	107	8.58%	63	5.38%	115	8.91%	74	5.46%	69	5.05%	80	6.57%	80	5.74%
<b>Total</b>	<b>1,142</b>	<b>100.00%</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>

**Borger Junior College District**  
**Statistical Supplement 16**  
**Student Profile**  
**Last Ten Fiscal Years**  
(unaudited)

Gender	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	609	53.33%	681	57.18%	603	57.93%	679	54.45%	653	55.76%	727	56.36%	759	55.97%	786	57.58%	711	58.42%	835	59.94%
Male	533	46.67%	510	42.82%	438	42.07%	568	45.55%	518	44.24%	563	43.64%	597	44.03%	579	42.42%	506	41.58%	558	40.06%
<b>Total</b>	<b>1,142</b>	<b>100.00%</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>

Ethnic Origin	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	780	68.30%	708	59.45%	663	63.69%	843	67.60%	802	68.49%	877	67.98%	1,036	76.40%	1,031	75.52%	965	79.29%	1,083	77.75%
Hispanic	201	17.60%	264	22.17%	250	24.02%	274	21.97%	267	22.80%	294	22.79%	239	17.63%	282	20.66%	195	16.02%	238	17.09%
African American	53	4.64%	41	3.44%	45	4.32%	82	6.58%	52	4.44%	59	4.57%	40	2.95%	30	2.20%	28	2.30%	38	2.73%
Asian	8	0.70%	5	0.42%	5	0.48%	7	0.56%	7	0.60%	5	0.39%	3	0.22%	2	0.15%	4	0.33%	5	0.36%
Foreign	5	0.44%	11	0.92%	23	2.21%	12	0.96%	6	0.51%	22	1.71%	30	2.21%	9	0.66%	16	1.31%	18	1.29%
Native American	32	2.80%	23	1.93%	17	1.63%	18	1.44%	25	2.13%	32	2.48%	7	0.52%	11	0.81%	6	0.49%	11	0.79%
Other	63	5.52%	139	11.67%	38	3.65%	11	0.89%	12	1.02%	1	0.08%	1	0.07%	-	0.00%	3	0.25%	-	0.00%
<b>Total</b>	<b>1,142</b>	<b>100.00%</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>

Tuition Status	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	316	27.67%	315	26.45%	255	24.50%	241	19.33%	327	27.92%	312	24.19%	332	24.48%	398	29.16%	312	25.64%	280	20.10%
18-21	521	45.62%	530	44.50%	481	46.21%	666	53.41%	521	44.49%	641	49.69%	609	44.91%	522	38.24%	538	44.21%	593	42.57%
22-24	82	7.18%	81	6.80%	85	8.17%	87	6.98%	70	5.98%	92	7.13%	105	7.74%	85	6.23%	83	6.82%	110	7.90%
25-35	152	13.31%	182	15.28%	142	13.64%	162	12.99%	163	13.92%	149	11.55%	167	12.32%	181	13.26%	179	14.71%	224	16.08%
36-50	61	5.34%	68	5.71%	64	6.15%	74	5.93%	69	5.89%	76	5.89%	114	8.41%	134	9.82%	91	7.48%	146	10.48%
51 & over	10	0.88%	15	1.26%	14	1.34%	17	1.36%	21	1.79%	20	1.55%	29	2.14%	45	3.30%	14	1.15%	40	2.87%
<b>Total</b>	<b>1,142</b>	<b>100.00%</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>
Average age	21		22		22		22		22		22		23		22		21		23	

**Borger Junior College District**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**2012-2013 Fall Students as of Fall 2013**  
(unaudited)  
(Includes only public senior colleges in Texas)

<b>Rank</b>	<b>Texas Public Senior College</b>	<b>Transfer Student Count Academic</b>	<b>Transfer Student Count Technical</b>	<b>Transfer Student Count Tech-Prep</b>	<b>Total of All Transfer Students</b>	<b>% of All Transfer Students</b>
1	West Texas A&M University	80	5	-	85	59.4%
2	Texas Tech University	28	-	-	28	19.6%
3	Tarleton State University	8	-	-	8	5.6%
4	Texas State University	7	-	-	7	4.9%
5	Texas A&M University	4	-	-	4	2.8%
6	University of North Texas	4	-	-	4	2.8%
7	Midwestern State University	4	-	-	4	2.8%
8	The University of Texas at Arlington	2	-	-	2	1.4%
9	Stephen F. Austin State University	1	-	-	1	0.7%
<b>Totals</b>		<b>138</b>	<b>5</b>	<b>-</b>	<b>143</b>	<b>100.00%</b>

**Source:** Automated Student and Adult Learner Follow-up Report - Coordinating Board

**Borger Junior College District**  
**Statistical Supplement 18**  
**Capital Asset Information**  
**Fiscal Year 2005 to 2014**  
(unaudited)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Academic buildings</b>	7	7	7	7	8	8	7	7	7	6
Square footage	162,980	162,980	162,980	162,980	177,546	177,546	162,546	162,546	162,546	137,546
<b>Library</b>	1	1	1	1	1	1	1	1	1	1
Square footage	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Number of volumes	22,900	22,900	22,900	22,900	22,900	22,900	22,900	22,900	22,900	22,900
<b>Administrative and support buildings</b>	2	2	2	2	2	2	2	2	2	2
Square footage	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400
<b>Dormitories</b>	3	3	3	3	3	3	3	3	3	3
Square footage	54,640	54,640	54,640	54,640	54,640	54,640	54,640	54,640	54,640	54,640
Number of beds	246	246	246	246	246	246	246	246	246	246
<b>Apartments</b>	0	0	0	0	0	0	0	0	0	0
Square footage	0	0	0	0	0	0	0	0	0	0
Number of beds	0	0	0	0	0	0	0	0	0	0
<b>Dining facilities</b>	1	1	1	1	1	1	1	1	1	1
Square footage	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Average daily customers	158	158	158	158	158	158	158	190	190	190
<b>Athletic facilities</b>										
Square footage	252,910	252,910	252,910	252,910	252,910	252,910	252,910	252,910	252,910	252,910
Stadiums	1	1	1	1	1	1	1	1	1	1
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness centers	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	2
<b>Plant facilities</b>	1	1	1	1	1	1	1	1	1	1
Square footage	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
<b>Transportation</b>										
Cars	9	10	10	9	8	8	8	8	8	8
Light trucks	6	5	6	6	6	6	5	5	6	6
Buses	3	3	3	3	3	3	3	3	2	2