

**KILGORE JUNIOR COLLEGE DISTRICT  
KILGORE, TEXAS**

**FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013**

**WITH REPORT  
OF CERTIFIED PUBLIC ACCOUNTANTS**

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**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**

**ORGANIZATIONAL DATA**

**For the Fiscal Year 2014**

**BOARD OF TRUSTEES**

**OFFICERS**

Charles Hale  
James N. Walker  
William Roberson

President  
Vice-President  
Secretary

**TERM EXPIRES**

2017  
2015  
2015

**MEMBERS**

G. Scott Andrews  
C.B. "Scooter" Griffin, Jr.  
Robert D. Heath  
Brian Nutt  
Joe Carrington  
Larry Woodfin

**TERM EXPIRES**

2017  
2015  
2019  
2019  
2019  
2017

**PRINCIPAL ADMINISTRATIVE OFFICERS**

Dr. William M. Holda  
Dr. Michael Turpin  
Duane J. McNaney, CPA

President  
Vice-President of Instruction  
Vice-President of Finance and  
Chief Financial Officer

Dr. Michael W. Jenkins

Vice-President of Student  
Development and Chief Student  
Affairs Officer

Staci Martin

Vice-President of Institutional  
Planning

Claudia D. Miracle, CPA  
Tony Johnson  
Nancy Law  
Leah Gorman  
F. Daniel Beach, CPA

Controller  
Director of Human Resources  
Assistant to the President  
Director of Development  
Director of Special Projects and  
Liaison to the Board

Louise Wiley  
Randy Lewellen  
Becky Johnson  
Dr. Julie H. Fowler

Instructional Dean  
Instructional Dean  
Interim Instructional Dean  
Executive Dean

**HENRY&PETERS,PC**  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report**

The Board of Trustees  
Kilgore Junior College District  
Kilgore, Texas

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of the Kilgore Junior College District (District), as of and for the years ended August 31, 2014 and 2013, 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Kilgore Junior College District at August 31, 2014 and 2013, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8-13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state awards for the year ended August 31, 2014, included as supplemental schedules, are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits Of States, Local Governments, And Non-Profit Organizations*, and the State of Texas Single Audit Circular (STSAC), and are not a required part of the basic financial statements. The additional supplemental schedules and statistical supplement, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules, as listed in the table of contents, 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 supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014, on our consideration of the District'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 District's internal control over financial reporting and compliance.

Henry + Peters, P.C.

Tyler, Texas  
December 3, 2014

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

**KILGORE JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AUGUST 31, 2014 AND 2013**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of Kilgore Junior College District's financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2014, with fiscal year 2013 and 2012 data presented for comparative purposes. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual financial report consists of a series of financial statements. The Texas Higher Education Coordinating Board requires all Texas public junior and community colleges to use the *Annual Financial Reporting Requirements for Texas Public Community Colleges* for consistent and uniform reporting. It is intended that each public community and junior college adopt the business-type activities (BTA) model for use in preparing their annual financial reports.

The Statement of Net Position includes all assets and liabilities. The focus of the statement is to report the net resources available to finance future operations. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the good or service is provided; and, expenses and liabilities are recognized when others provide the good or service, regardless of when cash is exchanged. The statement is useful to determine the assets available to fund services, as well as identify what the District owes vendors, bondholders, and others at the end of the year. The Statement of Net Position presents to the readers of the financial statements a fiscal snapshot of the District.

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the activities of the District as a whole and presents a longer-term view of the District's finances. The District is dependent on three primary sources of revenues: state appropriations, tuition and fees, and ad-valorem taxes. Activities are presented as either operating or non-operating. Under this reporting model, state appropriations, ad-valorem taxes and gifts are reported as non-operating revenues. Because of the District's dependency on the non-operating revenues, there is a significant operating deficit. The utilization of long-term assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, non-capital financing, capital and related financing, and investing activities.

**STATEMENT OF NET POSITION**

The District's combined net position increased \$1.1 million compared to a \$2.8 million increase in the prior year, increasing from \$74.4 million to \$75.5 million.



## STATEMENT OF NET POSITION - CONTINUED

### Condensed Statement of Net Position

| (\$ in millions)                 | 2014    | 2013    | 2012    | 2013 to 2014<br>Change |
|----------------------------------|---------|---------|---------|------------------------|
| Current assets                   | \$ 26.1 | \$ 27.2 | \$ 23.6 | -3.9%                  |
| Non-current assets               | 11.5    | 10.7    | 10.7    | 7.7%                   |
| Non-current - capital assets     | 45.2    | 44.2    | 45.3    | 2.2%                   |
| Total assets                     | 82.8    | 82.1    | 79.6    | 0.9%                   |
| Current liabilities              | (5.7)   | (5.6)   | (5.6)   | 2.1%                   |
| Non-current liabilities          | (1.7)   | (2.1)   | (2.4)   | -20.1%                 |
| Total liabilities                | (7.4)   | (7.7)   | (8.0)   | -3.9%                  |
| Net Position:                    |         |         |         |                        |
| Net investment in capital assets | 43.6    | 42.2    | 43.1    | 3.3%                   |
| Restricted                       | 11.0    | 9.9     | 9.4     | 11.7%                  |
| Unrestricted                     | 20.9    | 22.3    | 19.1    | -6.6%                  |
| Total Net Position               | \$ 75.5 | \$ 74.4 | \$ 71.6 | 1.4%                   |

The Statement of Net Position helps identify the entity's ability to meet future obligations. One of the analytical tools used to determine this is comparing the current assets to current liabilities, or the current ratio. Current assets are those assets which can be converted quickly to pay current obligations, while current obligations are those obligations which are expected to be satisfied within one business cycle. The District's current assets of \$26.1 million were sufficient to cover current liabilities of \$5.7 million, giving a current ratio of 4.6 compared to 4.9 in fiscal year 2013.

Another analytical tool used to evaluate the financial stability of an entity is to compare expendable net position to operating expenses. As of August 31, 2014 and 2013, the District had expendable net assets of \$25.4 million and \$25.8 million respectively. Operating expenses for the same period were \$46.4 million and \$46.3 million. This represents a ratio of 54.8% and 55.6% respectively.

The District's accumulated cash and cash equivalent balances decreased \$657 thousand to \$16.2 million.

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total operating revenues for fiscal year 2014 were \$16.2 million. Operating revenues decreased \$0.2 million or 1.2%.

### Operating Revenues

| (\$ in millions)             | 2014  |         | 2013  |         | 2012  |         |
|------------------------------|-------|---------|-------|---------|-------|---------|
| Tuition and fees             | 48.8% | \$ 7.9  | 52.0% | \$ 8.5  | 50.1% | \$ 8.3  |
| Federal grants and contracts | 11.6% | 1.9     | 11.4% | 1.9     | 10.7% | 1.8     |
| State grant and contracts    | 7.7%  | 1.3     | 4.2%  | 0.7     | 5.7%  | 0.9     |
| Auxiliary enterprises        | 29.3% | 4.7     | 29.7% | 4.9     | 29.2% | 4.8     |
| Other                        | 2.6%  | 0.4     | 2.7%  | 0.4     | 4.3%  | 0.7     |
| Total                        |       | \$ 16.2 |       | \$ 16.4 |       | \$ 16.5 |

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
CONTINUED**

The District also had \$32.3 million in non-operating state appropriation, tax, federal non-operating, gift, and other revenues. The largest portion of non-operating revenues comes from state appropriations which are generated from four areas: general revenue generated from contact hour reimbursement, employee/retiree group insurance payments, employer retirement contributions, and special allocations or adjustments.

**Non-Operating Revenues**

| (\$ in millions)                | <u>2014</u> |                | <u>2013</u> |                | <u>2012</u> |                |
|---------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|
| State appropriations            | 40.4%       | \$ 13.0        | 39.0%       | \$ 12.8        | 45.2%       | \$ 13.3        |
| Ad valorem taxes (net)          | 19.6%       | 6.3            | 18.9%       | 6.2            | 20.4%       | 6.0            |
| Federal revenue, non-operating  | 34.0%       | 11.0           | 36.6%       | 12.0           | 29.4%       | 8.7            |
| Gifts                           | 2.7%        | 0.9            | 2.8%        | 0.9            | 3.1%        | 0.9            |
| Investment, Endowment and Other | 3.3%        | 1.1            | 2.7%        | 0.8            | 1.9%        | 0.6            |
| Total                           |             | <u>\$ 32.3</u> |             | <u>\$ 32.7</u> |             | <u>\$ 29.5</u> |

Total operating expenses totaled \$46.4 million, which is a \$133 thousand or a 0.3% increase from fiscal year 2013. Expenditures for Instruction are the most significant and it had a \$1.8 million or an 11.2% increase.

**Operating & Non-Operating  
Expenses**

| (\$ in millions)                                       | <u>2014</u> |                | <u>2013</u> |                | <u>2012</u> |                |
|--|-------------|----------------|-------------|----------------|-------------|----------------|
| Instruction  | 38.0%       | \$ 18.1        | 35.0%       | \$ 16.2        | 35.7%       | \$ 16.0        |
| Public service   | 2.0%        | 0.9            | 2.0%        | 0.9            | 2.1%        | 1.0            |
| Academic support                                       | 7.5%        | 3.6            | 6.3%        | 2.9            | 6.8%        | 3.0            |
| Student services                                       | 5.6%        | 2.7            | 5.5%        | 2.6            | 4.9%        | 2.3            |
| Institutional support                                  | 11.4%       | 5.4            | 15.2%       | 7.0            | 10.8%       | 6.1            |
| Operation and maintenance of plant and<br>Depreciation | 10.3%       | 4.8            | 10.2%       | 4.8            | 9.8%        | 4.6            |
| Scholarships and fellowships                           | 9.3%        | 4.4            | 9.8%        | 4.5            | 13.7%       | 0.8            |
| Auxiliary enterprises                                  | 13.7%       | 6.5            | 15.8%       | 7.4            | 15.5%       | 7.6            |
| Total operating expense                                |             | <u>\$ 46</u>   |             | <u>\$ 46.3</u> |             | <u>\$ 41.4</u> |
| Total non-operating expense                            | 2.2%        | 1.0            | 0.2%        | 0.1            | 0.7%        | 0.3            |
|  |             | <u>\$ 47.4</u> |             | <u>\$ 46.4</u> |             | <u>\$ 41.7</u> |

There was an operating loss for fiscal year 2014 of \$30.2 million, with an increase in net position of \$1.1 million, compared to fiscal year 2013 when they were \$29.9 and \$2.8, respectively.

**STATEMENT 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 District's ability to generate net cash flows to meet its obligations as they come due, and its need for external financing. The District's total cash and cash equivalents decreased by \$0.7 million to \$16.2 million.

## STATEMENT OF CASH FLOWS - CONTINUED

| Cash Provided By (Used By)<br>(\$ in millions) | 2014      | 2013      | 2012      |
|--|-----------|-----------|-----------|
| Operating activities                           | \$ (26.5) | \$ (26.0) | \$ (22.1) |
| Non-capital financing activities               | 27.9      | 30.2      | 26.8      |
| Capital and related financing activities       | (3.0)     | (0.8)     | (1.4)     |
| Investing activities                           | 0.9       | (3.6)     | (3.0)     |
| Change in cash and cash equivalents            | \$ (0.7)  | \$ (0.2)  | \$ 0.3    |

The primary cash receipts from operating activities consist of tuition and fees, housing, board, bookstore sales, and grant revenues. Cash outlays include payment of wages, benefits, supplies, utilities, plant maintenance, and scholarships. State and federal allocations and ad-valorem taxes are the primary source of non-capital financing. Accounting standards require that we reflect this source of revenue as non-operating even though these sources are used for operating purposes in the District's budget. Cash flows from capital and capital related financing activities include proceeds from issuing debt and receiving gifts; disbursements are for principal and interest payments on debt, and payment on buildings and other capital acquisitions. Cash flows from investing activities represent the annual effect of the purchase, sale and maturity of investments.

### FINANCIAL HIGHLIGHTS

- The District's overall activities remained very stable during this year. The overall activities of the District are considered to be business-type activities. The net position increased by \$1.1 million or 1.4 percent.
- As of August 31, 2014, assets of the District exceeded liabilities by \$75.5 million. Of this amount, \$20.9 million is unrestricted net assets which may be used to meet ongoing operations, down from \$22.3 million in fiscal year 2013.
- During the year, the District had revenues that were \$1.1 million more than the \$47.5 million generated in expenditures.
- Total cost of the District's instructional programs increased by \$1.8 million, or 11.2 percent. All other programs decreased \$1.7 million or about 5.6 percent.
- Local property tax rate remained the same as the prior year. Tax revenue collections were up 2.0% or \$123 thousand.
- Net tuition and fees decreased \$617,265 or 7.2%. Credit hour enrollment headcount decreased 4.3% during this same period.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The District has a Capital Asset Policy that requires assets whose original purchase price was over \$5,000 to be recorded as a capital asset. At the end of fiscal year 2014, the District had \$45.2 million invested in a broad range of capital assets, including equipment, buildings, and facilities. Included in Buildings & Improvements is \$1.8 million of leasehold improvements to the District's health science center made in fiscal year 2014. Lease payments for the facilities begin in fiscal year 2015.

## **CAPITAL ASSET AND DEBT ADMINISTRATION - CONTINUED**

### **Capital Assets at Year-end (Net of Depreciation)**

| (\$ in millions)         | <u>2014</u>    | <u>2013</u>    | <u>2012</u>    |
|--------------------------|----------------|----------------|----------------|
| Land                     | \$ 3.6         | \$ 3.6         | \$ 3.6         |
| Buildings & Improvements | 39.6           | 38.9           | 39.9           |
| Equipment                | 1.5            | 1.2            | 1.3            |
| Books and Exhibits       | 0.5            | 0.5            | 0.5            |
| Construction in Progress | -              | -              | -              |
| Totals                   | <u>\$ 45.2</u> | <u>\$ 44.2</u> | <u>\$ 45.3</u> |

### **Debt**

At year-end, the District had \$1.6 million in bonds and notes outstanding.

### **Outstanding Debt, at Year-end**

| (\$ in millions)   | <u>2014</u>   | <u>2013</u>   | <u>2012</u>   |
|--|---------------|---------------|---------------|
| Current Portion of long term obligations                     | \$ 0.4        | \$ 0.3        | \$ 0.4        |
| Revenue bonds and notes (backed by specific<br>fee revenues) | 1.2           | 1.6           | 1.9           |
| Totals   | <u>\$ 1.6</u> | <u>\$ 1.9</u> | <u>\$ 2.3</u> |

## **COMPONENT UNIT / RELATED PARTIES**

The Kilgore College Foundation and the Texas Shakespeare Festival Foundation are presented as related parties. Due to the interpretation of Governmental Standards Board Statement No. 39, the District does not feel the foundations meet the requirement of discrete component units. The Kilgore College Foundation and the Texas Shakespeare Festival Foundation contributed gifts of \$115,689 and \$232,900, respectively to the District during fiscal year 2014 as compared to the \$47,130 and \$103,323, respectively contributed in fiscal year 2013.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal year 2015 budget, tax rates, and fees that are charged for the business-type activities. One of those factors is the economy. The District's employment growth has mirrored its population growth the past ten years, averaging minimal annual gains.

Although East Texas has not been impacted as much as the rest of the nation with the economic downturn, the District started feeling the impact beginning in fiscal year 2011 and expect to see a slow recovery. During this period of time the District has experienced some decline in enrollment. Although not surprising after hitting enrollment highs in 2010, the decreases have been slightly higher than other community colleges across the state. Over this four year period the District averaged a 3.45% decrease in student headcount.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - CONTINUED**

The District has faced various economic issues centered on traditional funding sources. A mix of state appropriations, local property taxes, tuition and fees, state and federal grants, and private giving, fund Texas public community college districts. During the 83<sup>rd</sup> Legislature, funding patterns were changed to where now community colleges receive funding based on three strategies: core operations, student success, and contact hour funding. The legislature also fixed the rate which the state would pay versus the institution would pay for employee insurance and retirement. The District has been able to maintain the same tax rate for the seventh consecutive year, with the rate being the lowest since 1995. The District's tax base valuation has increased slightly the past couple of years. Tuition and fee rates remained the same for academic year 2013-14, with only slight increases for academic year 2014-2015. State and federal grants continue to fluctuate from year to year. The District has been working with the Kilgore College Foundation to begin some major fundraising over the next few years.

Continuing to meet the District's financial challenges will require exploration of non-traditional ways of revenue generation that may include economic development, partnerships with public and private sector entities, increasing emphasis on contract training and adult education, and sophisticated fundraising and development efforts.

The District has many aging facilities. Beginning in fiscal year 2004 and continuing into fiscal year 2014, the District has done some major renovations and repairs, roof replacements, furnishing upgrades and construction of a new building and a residence hall that has totaled about \$29.6 million. All were completed without having to take on additional bonded debt. This made a dramatic improvement to the campus. The District has engaged an architect firm to update its facilities master plan, so in the foreseeable future it is expected that the District will be continuing its efforts towards repairs and improvements throughout the campus.

While it is not possible to predict the effects of future economic conditions, management believes the District has a solid and stable financial position and is well equipped to handle the increasing demands for a better educated workforce. The District is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the current fiscal year.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This discussion is presented in a condensed format as additional analysis. The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Kilgore College Vice President of Finance and CFO, 1100 Broadway, Kilgore, TX 75662.

## **BASIC FINANCIAL STATEMENTS**

## EXHIBIT 1

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2014 AND 2013**

|  | <u>2014</u>          | <u>2013</u>          |
|--|----------------------|----------------------|
| <b><u>ASSETS</u></b>                           |                      |                      |
| Current assets                                 |                      |                      |
| Cash and cash equivalents                      | \$ 13,682,521        | \$ 14,850,101        |
| Short-term investments                         | 8,663,386            | 8,594,993            |
| Accounts receivable, net                       | 1,607,752            | 1,473,532            |
| Note receivable, current portion               | -                    | 175,678              |
| Inventories                                    | 1,039,512            | 1,090,148            |
| Prepaid expenses                               | 1,059,014            | 926,888              |
| Other assets                                   | 84,760               | 84,760               |
| Total current assets                           | <u>26,136,945</u>    | <u>27,196,100</u>    |
| Noncurrent assets                              |                      |                      |
| Restricted cash and cash equivalents           | 2,562,357            | 2,051,552            |
| Other long-term investments                    | 425,000              | 425,000              |
| Endowment investments                          | 8,513,888            | 7,724,218            |
| Note receivable, net of current portion        | -                    | 481,649              |
| Capital assets, net (see note 5)               | 45,197,569           | 44,204,517           |
| Total noncurrent assets                        | <u>56,698,814</u>    | <u>54,886,936</u>    |
| Total assets                                   | <u>\$ 82,835,759</u> | <u>\$ 82,083,036</u> |
| <b><u>LIABILITIES</u></b>                      |                      |                      |
| Current liabilities                            |                      |                      |
| Accounts payable                               | \$ 761,646           | \$ 493,850           |
| Accrued liabilities                            | 669,925              | 752,268              |
| Accrued compensable absences - current portion | 228,373              | 226,569              |
| Funds held for others                          | 882,739              | 821,604              |
| Unearned revenue                               | 2,597,290            | 2,746,887            |
| Deposits                                       | 162,932              | 151,874              |
| Long-term liabilities - current portion        | 393,774              | 383,774              |
| Total current liabilities                      | <u>5,696,679</u>     | <u>5,576,826</u>     |
| Noncurrent liabilities                         |                      |                      |
| Accrued compensable absences                   | 469,387              | 497,770              |
| Long-term liabilities                          | 1,205,048            | 1,598,822            |
| Total noncurrent liabilities                   | <u>1,674,435</u>     | <u>2,096,592</u>     |
| Total liabilities                              | <u>7,371,114</u>     | <u>7,673,418</u>     |
| <b><u>NET POSITION</u></b>                     |                      |                      |
| Net investment in capital assets               | 43,598,747           | 42,221,921           |
| Restricted for:                                |                      |                      |
| Expendable                                     | 4,565,675            | 3,420,029            |
| Nonexpendable                                  | 6,429,302            | 6,425,622            |
| Unrestricted                                   | 20,870,921           | 22,342,046           |
| Total net position (Schedule D)                | <u>75,464,645</u>    | <u>74,409,618</u>    |
| Total liabilities and net position             | <u>\$ 82,835,759</u> | <u>\$ 82,083,036</u> |

See accompanying notes to financial statements.

## EXHIBIT 2

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013**

|   | <u>2014</u>          | <u>2013</u>          |
|---|----------------------|----------------------|
| <b><u>REVENUES</u></b>  |                      |                      |
| Operating revenues  |                      |                      |
| Tuition and fees (net of discounts of \$7,239,120 and \$7,406,098, respectively)      | \$ 7,916,233         | \$ 8,533,498         |
| Federal grants and contracts  | 1,883,900            | 1,865,282            |
| State grants and contracts  | 1,249,858            | 688,765              |
| Non-governmental grants and contracts   | 210,646              | 228,156              |
| Sales and services of educational activities  | 149,414              | 124,057              |
| Auxiliary enterprises (net of discounts of \$2,780,665 and \$2,598,045, respectively) | 4,747,370            | 4,880,679            |
| General operating revenues  | 68,298               | 95,973               |
| Total operating revenues (Schedule A)   | <u>16,225,719</u>    | <u>16,416,410</u>    |
| <b><u>EXPENSES</u></b>  |                      |                      |
| Operating expenses  |                      |                      |
| Instruction   | 18,063,610           | 16,243,463           |
| Public service  | 969,715              | 921,883              |
| Academic support  | 3,554,964            | 2,908,436            |
| Student services  | 2,668,032            | 2,569,267            |
| Institutional support   | 5,402,300            | 7,047,241            |
| Operation and maintenance of plant  | 3,405,856            | 3,263,202            |
| Scholarships and fellowships  | 4,421,874            | 4,532,132            |
| Auxiliary enterprises   | 6,480,540            | 7,357,459            |
| Depreciation  | 1,471,807            | 1,462,446            |
| Total operating expenses (Schedule B)   | <u>46,438,698</u>    | <u>46,305,529</u>    |
| Operating loss  | <u>(30,212,979)</u>  | <u>(29,889,119)</u>  |
| <b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>                                       |                      |                      |
| State appropriations  | 13,007,624           | 12,809,110           |
| Ad valorem taxes (net)  | 6,346,275            | 6,223,116            |
| Federal revenue, non-operating  | 10,981,941           | 12,028,588           |
| Gifts   | 858,154              | 917,941              |
| Investment income   | 133,098              | 333,680              |
| Endowment income  | 972,961              | 549,941              |
| Interest on capital related debt  | (67,025)             | (80,526)             |
| Loss on disposal of fixed assets  | (97,294)             | (30,483)             |
| Other non-operating revenues  | 3,000                | 3,000                |
| Other non-operating expenses  | (870,728)            | (19,924)             |
| Net non-operating revenues (Schedule C)   | <u>31,268,006</u>    | <u>32,734,443</u>    |
| Increase in net position  | 1,055,027            | 2,845,324            |
| <b><u>NET POSITION</u></b>  |                      |                      |
| Net position - beginning of year  | 74,409,618           | 71,564,294           |
| Net position - end of year  | <u>\$ 75,464,645</u> | <u>\$ 74,409,618</u> |

See accompanying notes to financial statements.



**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013**

|   | <u>2014</u>          | <u>2013</u>          |
|---|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                      |                      |
| Receipts from students and other customers                      | \$ 12,188,834        | \$ 13,845,303        |
| Receipts of grants and contracts                                | 3,344,401            | 2,782,204            |
| Other receipts  | 68,297               | 95,973               |
| Payments to or on behalf of employees                           | (24,857,379)         | (24,372,979)         |
| Payments to suppliers for goods and services                    | (13,214,336)         | (13,689,817)         |
| Payments to students under federal grants                       | (4,038,102)          | (4,661,223)          |
| Net cash used by operating activities                           | <u>(26,508,285)</u>  | <u>(26,000,539)</u>  |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>         |                      |                      |
| Receipts of appropriations                                      | 10,608,711           | 10,766,057           |
| Ad valorem tax revenues   | 6,346,276            | 6,223,116            |
| Receipts for Title IV transactions                              | 10,962,149           | 12,288,912           |
| Gifts and grants (other than capital)                           | 853,456              | 917,941              |
| Receipts for student organization and other agency transactions | 12,951,232           | 14,393,863           |
| Student organization and other agency transactions              | (12,879,037)         | (14,341,807)         |
| Misc other non-operating expenses                               | (883,083)            | (58,059)             |
| Net cash provided by non-capital financing activities           | <u>27,959,704</u>    | <u>30,190,023</u>    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> |                      |                      |
| Purchases of capital assets                                     | (2,562,153)          | (347,797)            |
| Payments on capital debt and leases - principal                 | (383,774)            | (368,774)            |
| Payments on capital debt and leases - interest                  | (67,025)             | (80,526)             |
| Net cash used by capital and related financing activities       | <u>(3,012,952)</u>   | <u>(797,097)</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                      |                      |
| Investment earnings   | 1,105,494            | 882,725              |
| Investment and endowment purchases                              | (858,063)            | (4,663,264)          |
| Receipts on notes receivable                                    | 657,327              | 166,712              |
| Net cash provided (used) by investing activities                | <u>904,758</u>       | <u>(3,613,827)</u>   |
| Decrease in cash and cash equivalents                           | (656,775)            | (221,440)            |
| Cash and cash equivalents beginning of year                     | <u>16,901,653</u>    | <u>17,123,093</u>    |
| Cash and cash equivalents end of year                           | <u>\$ 16,244,878</u> | <u>\$ 16,901,653</u> |

See accompanying notes to financial statements.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013**  
**CONTINUED**

|  | <b>2014</b>     | <b>2013</b>     |
|--|-----------------|-----------------|
| Reconciliation of operating loss to net cash used        |                 |                 |
| by operating activities:                                 |                 |                 |
| Operating loss   | \$ (30,212,979) | \$ (29,889,119) |
| Adjustments to reconcile operating loss to net cash used |                 |                 |
| by operating activities:                                 |                 |                 |
| Depreciation expense                                     | 1,471,807       | 1,462,446       |
| On-behalf state benefits                                 | 2,398,913       | 2,043,053       |
| Changes in assets and liabilities:                       |                 |                 |
| Receivables, net   | (98,512)        | 269,759         |
| Inventories  | 50,636          | 254,601         |
| Prepaid expenses   | (132,126)       | (120,662)       |
| Accounts payable and accrued liabilities                 | 190,152         | 75,662          |
| Unearned revenue   | (149,597)       | (148,696)       |
| Compensable absences                                     | (26,579)        | 52,417          |
|  | \$ (26,508,285) | \$ (26,000,539) |
| Net cash used by operating activities                    |                 |                 |

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

1. **REPORTING ENTITY**

Kilgore Junior College District (District) was established in 1935, in accordance with the laws of the State of Texas, to serve the educational needs of the District and the surrounding communities. The District is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the District receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A) **Reporting Guidelines**

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

B) **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 Section 56.033). When the student uses the award for tuition and fees and/or auxiliary charges, the amount is recorded as tuition and/or auxiliary revenue and a corresponding amount is recorded as a discount. If the amount is dispersed directly to the student, the amount is recorded as scholarship expense.

Title IV, HEA Program Funds

Certain Title IV HEA Program funds are received by the District to pass through to the student. These funds are initially received by the District and recorded as restricted revenue. When the award is used by the student for tuition and fees and/or auxiliary charges a corresponding amount is recorded as a discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts

When the award is used by the student for tuition and fees and/or auxiliary charges, the amount is recorded as tuition and/or auxiliary revenue and a corresponding amount is recorded as a discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**C) Basis of Accounting**

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

**D) Budgetary Data**

Each community college district 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 District's Board of Trustees 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.

**E) Cash and Cash Equivalents**

The District'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.

**F) Investments**

In accordance with GASB Statement 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. [The governing board has designated public fund investment pools comprised of \$166,805 and \$166,748 at August 31, 2014 and August 31, 2013, respectively, to be short-term investments.] Long-term investments have an original maturity of greater than one year at the time of purchase.

**G) Inventories**

Inventories, consisting of consumable office supplies, physical plant supplies, bookstore stock, and food service supplies, are valued at the lower of cost, under the "first in, first out" method, or market, and are charged to expense as consumed.

**H) Capital Assets**

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations of \$100,000 to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**H) Capital Assets - Continued**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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, generally 50 years for buildings, 20 years for land improvements, 15 years for library books, 10 years for furniture, machinery, vehicles and other equipment and 5 years for telecommunications and peripheral equipment.

**I) Unearned Revenues**

Tuition and fees of \$2,597,290 and \$2,746,887 have been reported as unearned revenues at August 31, 2014 and 2013, respectively.

**J) Estimates**

The preparation of 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.

**K) Operating and Non-Operating Revenues and Expenses**

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal and ongoing operations. The principal operating revenues are tuition and related fees, as well as revenues from the sales and services of auxiliary enterprises. The District also recognizes federal grants and contracts as operating revenue. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets.

**L) Reclassifications**

Certain category amounts in the 2013 Statement of Net Position, Statement of Cash Flows and Schedule of Net Position by Source and Availability have been reclassified to conform to the presentation in 2014.

**3. AUTHORIZED INVESTMENTS**

The District 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.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**3. AUTHORIZED INVESTMENTS - CONTINUED**

Under Attorney General Opinion No. GA-0768, the District, exercising its authority to manage an endowment fund under Education Code section 51.0031(a), is not restricted solely to investments permitted by the Texas Public Funds Investment Act when managing the endowment fund.

**4. DEPOSITS AND INVESTMENTS**

Cash and deposits included in cash and cash equivalents and short-term investments as reported on Exhibit 1, Statement of Net Position, consist of the items reported below.

**Cash and Deposits**

|                         | <u>August 31, 2014</u> | <u>August 31, 2013</u> |
|-------------------------|------------------------|------------------------|
| Bank Deposits           |                        |                        |
| Demand Deposits         | \$ 16,224,754          | \$ 16,881,427          |
| Time Deposits           | 8,496,581              | 8,428,245              |
|                         | <u>24,721,335</u>      | <u>25,309,672</u>      |
| Petty Cash on Hand      | 20,124                 | 20,226                 |
| Total Cash and Deposits | <u>\$ 24,741,459</u>   | <u>\$ 25,329,898</u>   |

**Reconciliation of Deposits and Investments to Exhibit 1:**

| <u>Type of Security</u>                     | <u>Market Value<br/>August 31, 2014</u> | <u>Market Value<br/>August 31, 2013</u> |
|---|---|---|
| Mutual funds                                | \$ 8,513,888                            | \$ 7,724,218                            |
| Investment pool                             | 166,805                                 | 166,748                                 |
| Time Deposit                                | 425,000                                 | 425,000                                 |
| Total                                       | <u>9,105,693</u>                        | <u>8,315,966</u>                        |
| Total cash and deposits                     | <u>24,741,459</u>                       | <u>25,329,898</u>                       |
| Total deposits and investments              | <u>\$ 33,847,152</u>                    | <u>\$ 33,645,864</u>                    |
| Cash and short-term investments (Exhibit 1) | \$ 24,908,264                           | \$ 25,496,646                           |
| Investments (Exhibit 1)                     | <u>8,938,888</u>                        | <u>8,149,218</u>                        |
| Total deposits and investments              | <u>\$ 33,847,152</u>                    | <u>\$ 33,645,864</u>                    |

As of August 31, 2014, the District had the following investments and maturities:

| <u>Investment Type</u>  | <u>Fair Value</u>   | <u>Investment Maturities<br/>Less than 1 year</u> |
|-------------------------|---------------------|---|
| Certificates of deposit | \$ 8,496,581        | \$ 8,496,581                                      |
| Investment pool         | 166,805             | 166,805   |
| Total                   | <u>\$ 8,663,386</u> | <u>\$ 8,663,386</u>                               |

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2014 AND 2013

**4. DEPOSITS AND INVESTMENTS - CONTINUED**

As of August 31, 2014, the District's investments in certificates of deposit are a component of the depository contract, under which certificates are renewed and repriced every 91 days. Investments in Texpool have maturities of less than one year. The District had no investments in any one issuer that represented 5 percent or more of net position at August 31, 2014 or 2013.

**Interest Rate Risk:** While the District's investment policy requires a general portfolio strategy of diversification and maturity limitations, specific maturity limits are not defined.

Mutual funds stated at fair value as of August 31, 2014 and 2013 were:

|                 | 2014                | 2013                |
|-----------------|---------------------|---------------------|
| Cost            | \$ 7,432,742        | \$ 7,349,804        |
| Unrealized gain | 1,081,146           | 374,414             |
| Fair value      | <u>\$ 8,513,888</u> | <u>\$ 7,724,218</u> |

**Credit Risk:** In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A as well. Investments with Texpool have a credit rating of AAA as of August 31, 2014 and 2013, respectively.

Investments in mutual funds are made up entirely of holdings with Texas Presbyterian Foundation (TPF). Investments managed by TPF are exempt from registration requirements of the federal securities law pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995. Accordingly, these investments are unrated.

**Concentration of Credit Risk:** The District's investment policy does not place a limit on the amount the District may invest in any one issuer.

**Custodial Credit Risk:** The District's investments have no custodial credit risk.

**Note Receivable**

In connection with the sale of the District's interest in KTPB FM 88.7 during the year ended August 31, 2007, the District received cash and a note receivable. The note, to be received over ten years with interest at 5.25%, had an outstanding balance at August 31, 2013 of \$657,327. During fiscal year 2014, this amount was received in full.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2014 AND 2013

**5. CAPITAL ASSETS**

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

|                                      | Balance<br>September 1, 2013 | Additions           | Reductions       | Balance<br>August 31, 2014 |
|--------------------------------------|------------------------------|---------------------|------------------|----------------------------|
| <u>Not Depreciated:</u>              |                              |                     |                  |                            |
| Land                                 | \$ 3,569,795                 | \$ -                | \$ -             | \$ 3,569,795               |
| Construction in progress             | -                            | -                   | -                | -                          |
| Subtotal                             | <u>3,569,795</u>             | <u>-</u>            | <u>-</u>         | <u>3,569,795</u>           |
| <u>Other Capital Assets:</u>         |                              |                     |                  |                            |
| Land improvements and infrastructure | 3,839,526                    | -                   | -                | 3,839,526                  |
| Buildings                            | 58,180,049                   | 49,057              | 559,114          | 57,669,992                 |
| Leasehold improvements               | -                            | 1,851,223           | -                | 1,851,223                  |
| Equipment                            | 5,430,227                    | 623,619             | 17,001           | 6,036,845                  |
| Capital lease                        | 100,144                      | -                   | -                | 100,144                    |
| Exhibits                             | 1,910,020                    | -                   | -                | 1,910,020                  |
| Library books                        | 1,521,360                    | 38,254              | 246,105          | 1,313,509                  |
| Subtotal                             | <u>70,981,326</u>            | <u>2,562,153</u>    | <u>822,220</u>   | <u>72,721,259</u>          |
| Total cost of capital assets         | 74,551,121                   | 2,562,153           | 822,220          | 76,291,054                 |
| <u>Accumulated Depreciation:</u>     |                              |                     |                  |                            |
| Land improvements and infrastructure | 2,775,817                    | 101,288             | -                | 2,877,105                  |
| Buildings                            | 20,343,691                   | 978,069             | 461,826          | 20,859,934                 |
| Leasehold improvements               | -                            | -                   | -                | -                          |
| Equipment                            | 4,248,290                    | 316,841             | 16,997           | 4,548,134                  |
| Capital lease                        | 33,366                       | 16,675              | -                | 50,041                     |
| Exhibits                             | 1,862,513                    | 5,934               | -                | 1,868,447                  |
| Library books                        | 1,082,927                    | 53,000              | 246,103          | 889,824                    |
| Total accumulated depreciation       | <u>30,346,604</u>            | <u>1,471,807</u>    | <u>724,926</u>   | <u>31,093,485</u>          |
| Capital assets - net                 | <u>\$ 44,204,517</u>         | <u>\$ 1,090,346</u> | <u>\$ 97,294</u> | <u>\$ 45,197,569</u>       |



KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**5. CAPITAL ASSETS - CONTINUED**

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

|                                      | Balance<br>September 1, 2012 | Additions             | Reductions       | Balance<br>August 31, 2013 |
|--------------------------------------|------------------------------|-----------------------|------------------|----------------------------|
| <u>Not Depreciated:</u>              |                              |                       |                  |                            |
| Land                                 | \$ 3,569,795                 | \$ -                  | \$ -             | \$ 3,569,795               |
| Construction in progress             | -                            | -                     | -                | -                          |
| Subtotal                             | <u>3,569,795</u>             | <u>-</u>              | <u>-</u>         | <u>3,569,795</u>           |
| <u>Other Capital Assets:</u>         |                              |                       |                  |                            |
| Land improvements and infrastructure | 3,779,468                    | 60,058                | -                | 3,839,526                  |
| Buildings                            | 58,180,049                   | -                     | -                | 58,180,049                 |
| Equipment                            | 5,258,459                    | 215,283               | 43,515           | 5,430,227                  |
| Capital Lease                        | 100,144                      | -                     | -                | 100,144                    |
| Exhibits                             | 1,910,020                    | -                     | -                | 1,910,020                  |
| Library books                        | 1,574,854                    | 72,456                | 125,950          | 1,521,360                  |
| Subtotal                             | <u>70,802,994</u>            | <u>347,797</u>        | <u>169,465</u>   | <u>70,981,326</u>          |
| Total cost of capital assets         | 74,372,789                   | 347,797               | 169,465          | 74,551,121                 |
| <u>Accumulated Depreciation:</u>     |                              |                       |                  |                            |
| Land improvements and infrastructure | 2,672,343                    | 103,474               | -                | 2,775,817                  |
| Buildings                            | 19,365,645                   | 978,046               | -                | 20,343,691                 |
| Equipment                            | 3,956,786                    | 304,535               | 13,031           | 4,248,290                  |
| Capital Lease                        | 16,691                       | 16,675                | -                | 33,366                     |
| Exhibits                             | 1,855,453                    | 7,060                 | -                | 1,862,513                  |
| Library books                        | 1,156,221                    | 52,656                | 125,950          | 1,082,927                  |
| Total accumulated depreciation       | <u>29,023,139</u>            | <u>1,462,446</u>      | <u>138,981</u>   | <u>30,346,604</u>          |
| Capital assets - net                 | <u>\$ 45,349,650</u>         | <u>\$ (1,114,649)</u> | <u>\$ 30,484</u> | <u>\$ 44,204,517</u>       |

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**6. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended August 31, 2014 was as follows:

|                              | Balance<br>September 1,<br>2013 | Additions         | Reductions        | Balance<br>August 31,<br>2014 | Current<br>Portion |
|------------------------------|---------------------------------|-------------------|-------------------|-------------------------------|--------------------|
| <u>Bonds</u>                 |                                 |                   |                   |                               |                    |
| Revenue bonds - 2007         | \$ 1,930,000                    | \$ -              | \$ 360,000        | \$ 1,570,000                  | \$ 370,000         |
| <u>Other liabilities</u>     |                                 |                   |                   |                               |                    |
| Accrued compensable absences | 724,339                         | 129,115           | 155,694           | 697,760                       | 228,373            |
| Capital lease                | 52,596                          | -                 | 23,774            | 28,822                        | 23,774             |
| Total other liabilities      | 776,935                         | 129,115           | 179,468           | 726,582                       | 252,147            |
| Total long-term liabilities  | <u>\$ 2,706,935</u>             | <u>\$ 129,115</u> | <u>\$ 539,468</u> | <u>\$ 2,296,582</u>           | <u>\$ 622,147</u>  |

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

|                              | Balance<br>September 1,<br>2012 | Additions         | Reductions        | Balance<br>August 31,<br>2013 | Current<br>Portion |
|------------------------------|---------------------------------|-------------------|-------------------|-------------------------------|--------------------|
| <u>Bonds</u>                 |                                 |                   |                   |                               |                    |
| Revenue bonds - 2007         | \$ 2,275,000                    | \$ -              | \$ 345,000        | \$ 1,930,000                  | \$ 360,000         |
| <u>Other liabilities</u>     |                                 |                   |                   |                               |                    |
| Accrued compensable absences | 671,922                         | 138,549           | 86,132            | 724,339                       | 226,569            |
| Capital Lease                | 76,370                          | -                 | 23,774            | 52,596                        | 23,774             |
| Total other liabilities      | 748,292                         | 138,549           | 109,906           | 776,935                       | 250,343            |
| Total long-term liabilities  | <u>\$ 3,023,292</u>             | <u>\$ 138,549</u> | <u>\$ 454,906</u> | <u>\$ 2,706,935</u>           | <u>\$ 610,343</u>  |

**7. DEBT AND LEASE OBLIGATIONS**

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

|                               | Revenue Bonds, Series 2007 |                   |                     |
|-------------------------------|----------------------------|-------------------|---------------------|
|                               | Principal                  | Interest          | Total               |
| For the year ended August 31, |                            |                   |                     |
| 2015                          | \$ 370,000                 | \$ 53,046         | \$ 423,046          |
| 2016                          | 385,000                    | 38,587            | 423,587             |
| 2017                          | 400,000                    | 23,555            | 423,555             |
| 2018                          | 415,000                    | 7,947             | 422,947             |
| Total Bonds Payable           | <u>\$ 1,570,000</u>        | <u>\$ 123,135</u> | <u>\$ 1,693,135</u> |

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**7. DEBT AND LEASE OBLIGATIONS - CONTINUED**

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

| For the year ended August 31,            | Total     |
|--|-----------|
| 2015                                     | \$ 23,774 |
| 2016                                     | 23,774    |
| 2017                                     | 3,962     |
| Total minimum lease payments             | 51,510    |
| Less: Amount representing interest costs | (22,688)  |
| Present value of minimum lease payments  | \$ 28,822 |

**Operating Lease Commitments and Rental Agreements**

During fiscal year 2014, the District entered into an 18 month lease agreement for a portion of a hospital to be utilized in the expansion of instructional health programs. The lease includes the option of two subsequent five year period renewals. Leasehold improvements in the amount of \$1,851,223 were completed in connection with this expansion. Lease payments begin in fiscal year 2015.

**8. BONDS PAYABLE**

General information related to Bonds payable is summarized below:

Combined Fee Revenue Refunding Bonds, Series 2007

Issued May 29, 2007

Purpose of bond: to advance refund Bond Series 1997

\$3,815,000; all authorized bonds have been issued

Source of revenue for debt service -- general fees and tuition

Bonds at 3.83% are due in annual installments varying from \$370,000 to \$415,000, with the final installment due in 2018.

**9. ADVANCED REFUNDING BONDS**

Refunded \$3,755,000 of Combined Fee Revenue Bonds, Series 1997

Issued refunding bonds on May 29, 2007

All authorized bonds have been issued

Combined Fee Revenue Refunding Bonds, Series 2007

Average interest rate of bonds refunded, 5.25%

Additional \$73,684 of 1997 Series sinking fund monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the 1997 Series bonds.

The 1997 Series bonds are considered fully defeased and the liability for those bonds has been removed.

Advanced refunding of the 1997 Series bonds reduced the District's debt service payments over a ten year period ending in 2018 by approximately \$197,517.

The economic and accounting gains are determined to be immaterial.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
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**10. EMPLOYEES' RETIREMENT PLAN**

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

**Teacher Retirement System of Texas - Defined Benefit Plan**

*Plan Description.* The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school system 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 state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' 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 Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

*Funding Policy.* Contribution requirements are not actuarially determined, but are established and amended by the Texas legislature. The percentages of annual compensation of participant salaries contributed by each participant were 6.5% and 6.0% for fiscal years 2014 and 2013 and a state contribution rate of 6.6% and 6.0% for fiscal years 2014 and 2013, respectively. The District contributes 1.31% for employees who were participating in the optional retirement plan 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 amount of the state's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the state for the District was \$548,961 and \$704,917 for the fiscal years ended August 31, 2014 and 2013, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the District.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**10. EMPLOYEES' RETIREMENT PLAN - CONTINUED**

**Optional Retirement Plan - Defined Contribution Plan - Continued**

The total payroll for all District employees was \$21,767,073 and \$20,864,551 for fiscal years 2014 and 2013, respectively. The total payroll of employees covered by the TRS was \$11,766,205 and \$11,027,570, and the total payroll of employees covered by the Optional Retirement System was \$6,848,368 and \$7,125,429 for fiscal years 2014 and 2013, respectively.

**11. DEFERRED COMPENSATION**

The District contributed \$23,000 and \$22,000 as deferred compensation for fiscal years 2014 and 2013, respectively, on behalf of the President of the College, to the State of Texas 457 Plan, administered through the ERS TexasSaver Program. The District had no other deferred compensation programs in effect during fiscal years 2014 or 2013.

**12. COMPENSABLE ABSENCES**

Full time employees are granted one day of paid sick leave time per scheduled work month. Paid sick leave time that has not been taken accumulates up to a maximum of 90 days, but it is not paid should the employment relationship cease for reasons other than retirement. Full time employees are also granted ten days per year vacation time; a total of five days vacation time may be accumulated and carried forward to the following fiscal year. Unused vacation time is paid at the time employment ceases, regardless of the reason for termination.

Upon official retirement, an eligible employee is paid the greater of one month's salary or one-half of his or her accumulated sick leave time, whichever is greater. Accordingly, the District has included a liability for accrued sick leave time in the amount of \$521,541 and \$553,078 at August 31, 2014 and 2013, respectively, based on employees currently eligible for retirement. Ten percent of the total liability for accrued sick leave is considered a current liability based on historical experience. The District accrued vacation liability in the amount of \$176,219 and \$171,261 at August 31, 2014 and 2013, respectively, all of which has been classified as a current liability.

**13. PENDING LAWSUITS AND CLAIMS**

On August 31, 2014, various lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability is not likely to have a material effect on the College.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**14. DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

**Receivables**

Primary institution receivables at August 31, 2014 and 2013 were as follows:

|                                 | <u>2014</u>         | <u>2013</u>         |
|---------------------------------|---------------------|---------------------|
| Student receivables             | \$ 1,468,035        | \$ 1,667,866        |
| Taxes receivable                | 728,504             | 708,220             |
| Federal receivable              | 101,484             | 81,691              |
| Accounts receivable             | 587,681             | 105,401             |
| Interest receivable             | 17,788              | 17,222              |
| Sub-total                       | <u>2,903,492</u>    | <u>2,580,400</u>    |
| Allowance for doubtful accounts | <u>(1,295,740)</u>  | <u>(1,106,868)</u>  |
| Total receivables               | <u>\$ 1,607,752</u> | <u>\$ 1,473,532</u> |

**Payables and Accrued Liabilities**

Primary institution payables and accrued liabilities at August 31, 2014 and 2013 were as follows:

|                               | <u>2014</u>         | <u>2013</u>         |
|-------------------------------|---------------------|---------------------|
| Vendors payable               | \$ 761,646          | \$ 493,850          |
| Salaries and benefits payable | 441,547             | 526,894             |
| Student payables              | 100,293             | 92,591              |
| Sales tax payable             | 128,085             | 132,783             |
| Total                         | <u>\$ 1,431,571</u> | <u>\$ 1,246,118</u> |

**15. FUNDS HELD IN TRUST BY OTHERS**

The balances, or transactions, of funds held in trust by others on behalf of the District are not reflected in the financial statements. There were no such funds for the benefit of the District at August 31, 2014 or 2013.

**16. CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants Industry Audit Guide, *Audits of Colleges and Universities*. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2014 and 2013 for which monies have not been received nor funds expended totaled \$184,302 and \$287,017. Of these amounts, \$184,302 and \$287,017 were from Federal Contract and Grant Awards and \$0 and \$0 were from State Contract and Grant Awards for fiscal years ended 2014 and 2013, respectively.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2014 AND 2013

**17. SELF-INSURED PLANS**

The District did not participate in any self-insured plans during fiscal years 2014 or 2013.

**18. HEALTH CARE AND LIFE INSURANCE BENEFITS**

Certain health care and life insurance 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 varies based upon coverage category.

Monthly contributions were \$503.14 and \$470.38 for "Employee Only" coverage, \$791.16 and \$739.58 for "Employee and Spouse" coverage, \$696.00 and \$650.62 for "Employee and Children" coverage, and \$984.02 and \$919.82 for "Employee and Family" coverage for the years ended August 31, 2014 and 2013, respectively.

Certain categories of employees such as physical plant and auxiliary staff are not eligible for state funding of health care benefits. The District uses local funds to pay the premiums for those employees. The state's contribution totaled \$1,849,952 and \$1,338,136 for the years ended August 31, 2014 and 2013, respectively. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

The cost of providing those benefits for retirees and active employees as of August 31, 2014 and 2013 was as follows:

|   | 2014         | 2013         |
|---|--------------|--------------|
| Cost of state's contribution                | \$ 633,685   | \$ 1,193,234 |
| Cost of local contribution                  | 647,757      | 6,481        |
| Total cost of benefits for retirees         | \$ 1,281,442 | \$ 1,199,715 |
| <br>  |              |              |
| Cost of state's contribution                | \$ 1,216,267 | \$ 144,902   |
| Cost of local contribution                  | 1,374,801    | 2,221,118    |
| Total cost of benefits for active employees | \$ 2,591,068 | \$ 2,366,020 |

**19. PROPERTY TAX**

The District'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 District.

**At August 31:**

|  | FY 2014          | FY 2013          |
|--|------------------|------------------|
| Assessed Valuation of the District     | \$ 4,483,114,197 | \$ 4,241,360,539 |
| Less: Exemptions and Abatements        | (453,223,092)    | (255,678,505)    |
| Net Assessed Valuation of the District | \$ 4,029,891,105 | \$ 3,985,682,034 |

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**19. PROPERTY TAX - CONTINUED**

|   | <b>FY 2014<br/>Current<br/>Operations</b> | <b>FY 2013<br/>Current<br/>Operations</b> |
|---|---|---|
| Authorized Tax Rate per \$100 valuation<br>(Maximum per enabling legislation) | 0.2000                                    | 0.2000                                    |
| Assessed Tax Rate per \$100 valuation   | 0.1540                                    | 0.1540                                    |

There were no taxes authorized or assessed for debt service at August 31, 2014 or 2013. Taxes levied for the years ended August 31, 2014 and 2013, were \$6,206,032 and \$6,137,950, respectively (which includes penalty and interest 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 imposed.

|                                | <b>August 31, 2014</b> | <b>August 31, 2013</b> |
|--------------------------------|------------------------|------------------------|
| Current taxes collected        | \$ 6,043,805           | \$ 5,905,627           |
| Delinquent taxes collected     | 116,818                | 147,246                |
| Penalties & interest collected | 147,718                | 154,389                |
| Total collections              | \$ 6,308,341           | \$ 6,207,262           |

Tax collections were 97% and 96% of the current tax levy for the years ended August 31, 2014 and 2013, respectively. There were no tax collections for debt service. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

The District participates in a tax increment financing district (TIF). The following table summarizes the obligation of the District's involvement in the TIF:

| TIF Title                            | Percentage of Incremental Tax Committed | Taxes Forgone in Fiscal Year 2014 | Taxes Forgone in Fiscal Year 2013 |
|--------------------------------------|---|-----------------------------------|-----------------------------------|
| City of Kilgore Reinvestment Zone #1 | 100%                                    | \$ 3,345                          | \$ 1,817                          |

**20. INCOME TAXES**

The District 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 District had no unrelated business income tax liability for the years ended August 31, 2014 and 2013.



KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**21. RELATED PARTIES**

The Kilgore College Foundation (Foundation) is a nonprofit organization with the sole purpose of supporting educational, scientific and charitable purposes in order to promote and support the District. The District does not appoint a voting majority nor does it fund or is obligated to pay debt related to this Foundation. However, the District does have the ability to significantly influence the policies of this Foundation. The Foundation is incorporated and chartered entirely separate from the College, with separate management and control, and a separate Board of Directors. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation contributed gifts of \$115,689 and \$47,130 to the District during the years ended August 31, 2014 and 2013, respectively.

During both fiscal years, the District furnished certain services, such as office space, utilities and staff assistance to the Foundation. These facilities and services are not required to be repaid.

The Texas Shakespeare Festival Foundation is a nonprofit organization that supports the Texas Shakespeare Festival (Festival) that is presented by the District on an annual basis. During the years ended August 31, 2014 and 2013, \$232,900 and \$103,323, respectively were contributed to the District in support of the Festival.

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

ERS issues a publicly available financial report that includes financial statements and required 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 45.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014 AND 2013

**22. 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 limits the state's contribution to 50% of eligible employees for community colleges.

The District's contributions to SRHP for the years ended August 31, 2014, 2013 and 2012 were \$647,757; \$6,481; and \$4,551, respectively, which equaled the required contributions each year.

**23. COMMITMENTS AND CONTINGENT LIABILITIES**

In the ordinary course of business, the District has various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. Several of the District's buildings contain asbestos, which will need to be removed at the time these buildings are renovated or destroyed. The District has no current plans regarding these buildings and the cost of abatement cannot be reasonably determined at this time.

**24. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through December 3, 2014, the date on which the financial statements were available to be issued.

**SUPPLEMENTAL SCHEDULES**

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF OPERATING REVENUES**  
**For the Year Ended August 31, 2014 (With Memorandum Totals for the Year Ended August 31, 2013)**

|   | Unrestricted        | Restricted  | Total<br>Educational<br>Activities | Auxiliary<br>Enterprises | FY14<br>Total       | FY13<br>Total       |
|---|---------------------|-------------|------------------------------------|--------------------------|---------------------|---------------------|
| <b>TUITION</b>                              |                     |             |                                    |                          |                     |                     |
| State funded courses                        |                     |             |                                    |                          |                     |                     |
| In-district resident tuition                | \$ 763,125          | \$ -        | \$ 763,125                         | \$ -                     | \$ 763,125          | \$ 886,674          |
| Out-of-district resident tuition            | 2,797,790           | -           | 2,797,790                          | -                        | 2,797,790           | 2,859,161           |
| TPEG (set aside)*                           | 199,498             | -           | 199,498                            | -                        | 199,498             | 206,879             |
| Non-resident tuition                        | 336,317             | -           | 336,317                            | -                        | 336,317             | 391,970             |
| State funded continuing education           | 1,076,170           | -           | 1,076,170                          | -                        | 1,076,170           | 1,114,015           |
| Non-state funded continuing education       | 21,643              | -           | 21,643                             | -                        | 21,643              | 18,756              |
| Total tuition                               | <u>5,194,543</u>    | <u>-</u>    | <u>5,194,543</u>                   | <u>-</u>                 | <u>5,194,543</u>    | <u>5,477,455</u>    |
| <b>FEES</b>                                 |                     |             |                                    |                          |                     |                     |
| General education fees                      | 2,787,170           | -           | 2,787,170                          | 464,528                  | 3,251,698           | 3,387,171           |
| Out-of-district fees                        | 5,622,950           | -           | 5,622,950                          | -                        | 5,622,950           | 5,920,492           |
| Laboratory fees                             | 865,238             | -           | 865,238                            | -                        | 865,238             | 878,801             |
| Testing fees                                | 134,689             | -           | 134,689                            | -                        | 134,689             | 172,001             |
| Administrative fees                         | 16,700              | -           | 16,700                             | -                        | 16,700              | 22,460              |
| Special services fees                       | 299,560             | -           | 299,560                            | -                        | 299,560             | 313,824             |
| Orientation fees                            | 62,053              | -           | 62,053                             | -                        | 62,053              | 73,707              |
| Distance learning fees                      | 172,450             | -           | 172,450                            | -                        | 172,450             | 177,566             |
| Total fees                                  | <u>9,960,810</u>    | <u>-</u>    | <u>9,960,810</u>                   | <u>464,528</u>           | <u>10,425,338</u>   | <u>10,946,022</u>   |
| <b>SCHOLARSHIP ALLOWANCES AND DISCOUNTS</b> |                     |             |                                    |                          |                     |                     |
| Remissions and exemptions - state           | (418,794)           | -           | (418,794)                          | (12,952)                 | (431,746)           | (366,522)           |
| Remissions and exemptions - local           | (12,236)            | -           | (12,236)                           | (378)                    | (12,614)            | (15,067)            |
| Federal grants to students                  | (5,286,424)         | -           | (5,286,424)                        | (163,498)                | (5,449,922)         | (6,465,820)         |
| TPEG awards                                 | (240,926)           | -           | (240,926)                          | (7,451)                  | (248,377)           | (291,925)           |
| Texas grants                                | (209,013)           | -           | (209,013)                          | (6,464)                  | (215,477)           | (148,453)           |
| Miscellaneous state grants                  | (391,504)           | -           | (391,504)                          | (12,108)                 | (403,612)           | (36,969)            |
| Local scholarships                          | (680,223)           | -           | (680,223)                          | (21,038)                 | (701,261)           | (310,397)           |
| Total scholarship and allowances            | <u>(7,239,120)</u>  | <u>-</u>    | <u>(7,239,120)</u>                 | <u>(223,889)</u>         | <u>(7,463,009)</u>  | <u>(7,635,153)</u>  |
| Total net tuition and fees                  | <u>\$ 7,916,233</u> | <u>\$ -</u> | <u>\$ 7,916,233</u>                | <u>\$ 240,639</u>        | <u>\$ 8,156,872</u> | <u>\$ 8,788,324</u> |

\*In accordance with Education Code 56.033, \$199,488 and \$206,879 for years August 31, FY14 and FY13, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF OPERATING REVENUES**  
For the Year Ended August 31, 2014 (With Memorandum Totals for the Year Ended August 31, 2013)  
**CONTINUED**

|  | Unrestricted        | Restricted          | Total<br>Educational<br>Activities | Auxiliary<br>Enterprises | FY14<br>Total                       | FY13<br>Total                       |
|--|---------------------|---------------------|------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| <b>OTHER OPERATING REVENUES</b>              |                     |                     |                                    |                          |                                     |                                     |
| Federal grants and contracts                 | \$ 15,075           | \$ 1,868,825        | \$ 1,883,900                       | \$ -                     | \$ 1,883,900                        | \$ 1,865,282                        |
| State grants and contracts                   | 28                  | 1,249,830           | 1,249,858                          | -                        | 1,249,858                           | 688,765                             |
| Nongovernmental grants and contracts         | 108,964             | 101,682             | 210,646                            | -                        | 210,646                             | 228,156                             |
| Sales and services of educational activities | 149,414             | -                   | 149,414                            | -                        | 149,414                             | 124,057                             |
| Other operating revenues                     | 68,298              | -                   | 68,298                             | -                        | 68,298                              | 95,973                              |
| <b>Total other operating revenues</b>        | <b>341,779</b>      | <b>3,220,337</b>    | <b>3,562,116</b>                   | <b>-</b>                 | <b>3,562,116</b>                    | <b>3,002,233</b>                    |
| <b>AUXILIARY ENTERPRISES</b>                 |                     |                     |                                    |                          |                                     |                                     |
| Bookstore                                    | -                   | -                   | -                                  | 3,728,286                | 3,728,286                           | 3,909,616                           |
| Scholarship allowances and discounts         | -                   | -                   | -                                  | (1,625,674)              | (1,625,674)                         | (1,722,428)                         |
| Net bookstore                                | -                   | -                   | -                                  | 2,102,612                | 2,102,612                           | 2,187,188                           |
| Dormitories                                  | -                   | -                   | -                                  | 1,034,344                | 1,034,344                           | 1,002,668                           |
| Scholarship allowances and discounts         | -                   | -                   | -                                  | (495,704)                | (495,704)                           | (441,218)                           |
| Net dormitories                              | -                   | -                   | -                                  | 538,640                  | 538,640                             | 561,450                             |
| Cafeteria                                    | -                   | -                   | -                                  | 1,279,310                | 1,279,310                           | 1,301,699                           |
| Scholarship allowances and discounts         | -                   | -                   | -                                  | (435,398)                | (435,398)                           | (205,344)                           |
| Net cafeteria                                | -                   | -                   | -                                  | 843,912                  | 843,912                             | 1,096,355                           |
| Athletics                                    | -                   | -                   | -                                  | 29,098                   | 29,098                              | 40,279                              |
| East Texas Oil Museum                        | -                   | -                   | -                                  | 233,300                  | 233,300                             | 203,999                             |
| Texas Shakespeare Festival                   | -                   | -                   | -                                  | 421,662                  | 421,662                             | 195,405                             |
| Child Development Center                     | -                   | -                   | -                                  | 109,554                  | 109,554                             | 120,584                             |
| Fitness Center                               | -                   | -                   | -                                  | 184,684                  | 184,684                             | 188,539                             |
| Student activities                           | -                   | -                   | -                                  | 43,269                   | 43,269                              | 32,054                              |
| <b>Total net auxiliary enterprises</b>       | <b>-</b>            | <b>-</b>            | <b>-</b>                           | <b>4,506,731</b>         | <b>4,506,731</b>                    | <b>4,625,853</b>                    |
| <b>Total operating revenues</b>              | <b>\$ 8,258,012</b> | <b>\$ 3,220,337</b> | <b>\$ 11,478,349</b>               | <b>\$ 4,747,370</b>      | <b>\$ 16,225,719</b><br>(Exhibit 2) | <b>\$ 16,416,410</b><br>(Exhibit 2) |

See accompanying notes to financial statements.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF OPERATING EXPENSES BY OBJECT**  
**For the Year Ended August 31, 2014 (With Memorandum Totals for the Year Ended August 31, 2013)**

|  | Operating Expenses    |                     |                     |                      |                                     | FY14<br>Total                       | FY13<br>Total |
|--|-----------------------|---------------------|---------------------|----------------------|-------------------------------------|-------------------------------------|---------------|
|  | Salaries<br>and Wages | Benefits            |                     | Other<br>Expenses    |                                     |                                     |               |
|  |                       | State               | Local               |                      |                                     |                                     |               |
| <b>Unrestricted - Educational Activities</b>     |                       |                     |                     |                      |                                     |                                     |               |
| Instruction                                      | \$ 12,470,109         | \$ -                | \$ 1,696,429        | \$1,602,091          | \$ 15,768,629                       | \$ 14,022,088                       |               |
| Public service                                   | 135,130               | -                   | 20,216              | 104,779              | 260,125                             | 263,054                             |               |
| Academic support                                 | 2,342,031             | -                   | 360,163             | 499,379              | 3,201,573                           | 2,573,400                           |               |
| Student services                                 | 1,287,590             | -                   | 198,009             | 380,181              | 1,865,780                           | 1,712,134                           |               |
| Institutional support                            | 2,321,701             | -                   | 420,344             | 2,312,495            | 5,054,540                           | 6,738,280                           |               |
| Operation and maintenance of plant               | 575,076               | -                   | 168,657             | 2,660,025            | 3,403,758                           | 3,259,852                           |               |
| Scholarship and fellowships                      | -                     | -                   | -                   | 427,365              | 427,365                             | 417,028                             |               |
| <b>Total unrestricted educational activities</b> | <u>19,131,637</u>     | <u>-</u>            | <u>2,863,818</u>    | <u>7,986,315</u>     | <u>29,981,770</u>                   | <u>28,985,836</u>                   |               |
| <b>Restricted - Educational Activities</b>       |                       |                     |                     |                      |                                     |                                     |               |
| Instruction                                      | 415,764               | 1,612,082           | 72,046              | 195,089              | 2,294,981                           | 2,221,375                           |               |
| Public service                                   | 361,079               | 17,469              | 80,036              | 251,006              | 709,590                             | 658,829                             |               |
| Academic support                                 | -                     | 302,768             | -                   | 50,623               | 353,391                             | 335,036                             |               |
| Student services                                 | 302,679               | 166,454             | 51,561              | 281,558              | 802,252                             | 857,133                             |               |
| Institutional support                            | -                     | 300,140             | -                   | 47,620               | 347,760                             | 308,961                             |               |
| Operation and maintenance of plant               | 2,098                 | -                   | -                   | -                    | 2,098                               | 3,350                               |               |
| Scholarships and fellowships                     | -                     | -                   | -                   | 3,994,509            | 3,994,509                           | 4,115,104                           |               |
| <b>Total restricted educational activities</b>   | <u>1,081,620</u>      | <u>2,398,913</u>    | <u>203,643</u>      | <u>4,820,405</u>     | <u>8,504,581</u>                    | <u>8,499,788</u>                    |               |
| <b>Total educational activities</b>              | 20,213,257            | 2,398,913           | 3,067,461           | 12,806,720           | 38,486,351                          | 37,485,624                          |               |
| <b>Auxiliary enterprises</b>                     | 1,246,430             | -                   | 218,314             | 5,015,796            | 6,480,540                           | 7,357,459                           |               |
| <b>Depreciation expense:</b>                     |                       |                     |                     |                      |                                     |                                     |               |
| Buildings and other real estate improvements     | -                     | -                   | -                   | 978,069              | 978,069                             | 1,268,743                           |               |
| Equipment and furniture                          | -                     | -                   | -                   | 493,738              | 493,738                             | 193,703                             |               |
| <b>Total operating expenses</b>                  | <u>\$ 21,459,687</u>  | <u>\$ 2,398,913</u> | <u>\$ 3,285,775</u> | <u>\$ 19,294,323</u> | <u>\$ 46,438,698</u><br>(Exhibit 2) | <u>\$ 46,305,529</u><br>(Exhibit 2) |               |

## SCHEDULE C

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES**  
**For the Year Ended August 31, 2014 (With Memorandum Totals for the Year Ended August 31, 2013)**

|                                     | Unrestricted         | Restricted           | Auxiliary<br>Enterprises | FY14<br>Total        | FY13<br>Total        |
|-------------------------------------|----------------------|----------------------|--------------------------|----------------------|----------------------|
| <b>NON-OPERATING REVENUES</b>       |                      |                      |                          |                      |                      |
| State Appropriations:               |                      |                      |                          |                      |                      |
| Education and general state support | \$ 10,608,711        | \$ -                 | \$ -                     | \$ 10,608,711        | \$ 10,659,235        |
| State group insurance               | -                    | 1,849,952            | -                        | 1,849,952            | 1,338,136            |
| State retirement matching           | -                    | 548,961              | -                        | 548,961              | 704,917              |
| State nursing grants                | -                    | -                    | -                        | -                    | 106,822              |
| Total state appropriations          | <u>10,608,711</u>    | <u>2,398,913</u>     | <u>-</u>                 | <u>13,007,624</u>    | <u>12,809,110</u>    |
| Ad valorem taxes (net)              | 6,346,275            | -                    | -                        | 6,346,275            | 6,223,116            |
| Federal revenue, non-operating      | -                    | 10,981,941           | -                        | 10,981,941           | 12,028,588           |
| Gifts                               | 22,564               | 722,187              | 113,403                  | 858,154              | 917,941              |
| Investment income                   | 131,434              | -                    | 1,664                    | 133,098              | 333,680              |
| Endowment income                    | -                    | 972,961              | -                        | 972,961              | 549,941              |
| Other non-operating revenue         | <u>3,000</u>         | <u>-</u>             | <u>-</u>                 | <u>3,000</u>         | <u>3,000</u>         |
| Total non-operating revenues        | 17,111,984           | 15,076,002           | 115,067                  | 32,303,053           | 32,865,376           |
| <b>NON-OPERATING EXPENSES</b>       |                      |                      |                          |                      |                      |
| Interest on capital related debt    | 67,025               | -                    | -                        | 67,025               | 80,526               |
| Disposal of fixed assets            | 97,294               | -                    | -                        | 97,294               | 30,483               |
| Other non-operating expenses        | <u>870,728</u>       | <u>-</u>             | <u>-</u>                 | <u>870,728</u>       | <u>19,924</u>        |
| Total non-operating expenses        | <u>1,035,047</u>     | <u>-</u>             | <u>-</u>                 | <u>1,035,047</u>     | <u>130,933</u>       |
| Net non-operating revenues          | <u>\$ 16,076,937</u> | <u>\$ 15,076,002</u> | <u>\$ 115,067</u>        | <u>\$ 31,268,006</u> | <u>\$ 32,734,443</u> |
|                                     |                      |                      |                          | (Exhibit 2)          | (Exhibit 2)          |

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY**  
 For the Year Ended August 31, 2014

|   | Detail by Source      |                     |                 |                                     | Available for Current Operations   |                   |                     |
|---|-----------------------|---------------------|-----------------|-------------------------------------|------------------------------------|-------------------|---------------------|
|   | Unrestricted          | Restricted          |                 | Net Investment<br>in Capital Assets | Total                              | Yes               | No                  |
|   |                       | Expendable          | Non-Expendable  |                                     |                                    |                   |                     |
| Current:                                |                       |                     |                 |                                     |                                    |                   |                     |
| Unrestricted                            | \$ 11,509,849         | \$ -                | \$ -            | \$ -                                | \$ 11,509,849                      | \$ 11,509,849     | \$ -                |
| Restricted                              | -                     | 970,803             | -               | -                                   | 970,803                            | 970,803           | -                   |
| Auxiliary enterprises                   | 1,534,961             | -                   | -               | -                                   | 1,534,961                          | 1,534,961         | -                   |
| Endowment                               | -                     | 3,165,797           | 6,429,302       | -                                   | 9,595,099                          | -                 | 9,595,099           |
| Plant:                                  |                       |                     |                 |                                     |                                    |                   |                     |
| Unexpended                              | 7,826,111             | -                   | -               | -                                   | 7,826,111                          | -                 | 7,826,111           |
| Debt Service                            | -                     | 429,075             | -               | -                                   | 429,075                            | -                 | 429,075             |
| Investment in plant                     | -                     | -                   | -               | 43,598,747                          | 43,598,747                         | -                 | 43,598,747          |
| <br>                                    |                       |                     |                 |                                     |                                    |                   |                     |
| Total net position, August 31, 2014     | 20,870,921            | 4,565,675           | 6,429,302       | 43,598,747                          | 75,464,645<br>(Exhibit 1)          | 14,015,613        | 61,449,032          |
| Total net position, August 31, 2013     | 22,342,046            | 3,420,029           | 6,425,622       | 42,221,921                          | 74,409,618<br>(Exhibit 1)          | 13,194,383        | 58,369,911          |
| Net increase (decrease) in net position | <u>\$ (1,471,125)</u> | <u>\$ 1,145,646</u> | <u>\$ 3,680</u> | <u>\$ 1,376,826</u>                 | <u>\$ 1,055,027</u><br>(Exhibit 2) | <u>\$ 821,230</u> | <u>\$ 3,079,121</u> |



**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended August 31, 2014**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program or Cluster Title                | Federal<br>CFDA<br>Number | Pass-Through<br>Grantor's<br>Number | Pass-Through<br>Disbursements<br>and<br>Expenditures |
|--|---------------------------|-------------------------------------|--|
| <b><u>U.S. Department of Education</u></b>   |                           |                                     |  |
| Direct Programs:   |                           |                                     |  |
| Student Financial Assistance Cluster:  |                           |                                     |  |
| SEOG Grant   | 84.007                    |                                     | \$ 33,403  |
| Federal College Workstudy Program  | 84.033                    |                                     | 112,888  |
| Pell Grant Program   | 84.063                    |                                     | 10,850,725   |
| Direct Student Loans   | 84.268                    |                                     | 12,068,492   |
| Total Student Financial Assistance Cluster   | *                         |                                     | <u>23,065,508</u>                                    |
| TRIO Cluster:  |                           |                                     |  |
| TRIO - Student Support Services  | 84.042                    |                                     | 220,936  |
| TRIO - Upward Bound  | 84.047                    |                                     | 245,990  |
| Total TRIO Cluster   | *                         |                                     | <u>466,926</u>                                       |
| Passed-Through From:   |                           |                                     |  |
| Texas Education Agency   |                           |                                     |  |
| Adult Basic Education  | *                         | 84.002 134100017110444              | 376,958  |
| Texas Workforce Commission   |                           |                                     |  |
| Adult Education and Literacy   | *                         | 84.002 814AELA00                    | 33,061   |
| Adult Education and Literacy - El Civics   | *                         | 84.002 814AELA00                    | 2,812  |
| Texas Higher Education Coordinating Board  |                           |                                     |  |
| Carl Perkins Vocational Education  | 84.048                    | 134237                              | 370,512  |
| Total U.S. Department of Education   |                           |                                     | <u>24,315,777</u>                                    |
| <b><u>U.S. Small Business Administration</u></b>                                     |                           |                                     |  |
| Passed Through Dallas County Community College                                       |                           |                                     |  |
| SBDC - Federal   | 59.037                    | 3-603001-Z-0046C                    | 218,966  |
| Total - U.S. Small Business Administration   |                           |                                     | <u>218,966</u>                                       |
| <b><u>U.S. Department of Health and Human Services</u></b>                           |                           |                                     |  |
| Passed through Texas Education Agency  |                           |                                     |  |
| TANF Cluster   |                           |                                     |  |
| Adult Education - TANF   | 93.558                    | 133625017110418                     | 26,690   |
| Total - U.S. Department of Health and Human Services                                 |                           |                                     | <u>26,690</u>  |
| Total Federal Financial Assistance   |                           |                                     | <u>\$ 24,561,433</u>                                 |
| * Denotes major program  |                           |                                     |  |
| <b><u>Note 1: Federal Assistance Reconciliation</u></b>                              |                           |                                     |  |
| Federal Grants and Contracts Revenue - per Schedule A                                |                           |                                     | \$ 1,883,900   |
| Add: Non Operating Federal Revenue - per Schedule C                                  |                           |                                     | 10,981,941   |
| Total Federal Revenues per Statement of Revenues, Expenses and Changes in Net Assets |                           |                                     | <u>12,865,841</u>                                    |
| Reconciling Item:  |                           |                                     |  |
| Add: Direct Student Loans  |                           |                                     | 12,068,492   |
| Add: SBDC Program Income Expended  |                           |                                     | 1,681  |
| Less: Programs Not Subject to Federal Single Audit                                   |                           |                                     | (374,581)  |
| Total Federal Revenues per Schedule of Expenditures of Federal Awards                |                           |                                     | <u>\$ 24,561,433</u>                                 |

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended August 31, 2014**

**Note 2: Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The format for the accompanying schedule has been prescribed by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Such format includes revenue recognized in Kilgore Junior College District's (District) basic financial statements. See Note 2 to the financial statements for the District's significant accounting policies.

**Note 3: Significant accounting policies used in preparing schedules**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all applicable federal financial assistance programs of Kilgore Junior College District. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule. The expenditures included in the Schedule are reported on the District'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 District for the purpose 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 District has followed all applicable guidelines by various entities in the preparation of the schedule.

**Note 4: Expenditures not subject to federal single audit**

The following federal funds were not subject to federal single audit -

|   |            |
|---|------------|
| CFDA 64.027 Post 9/11 Veterans Educational Assistance | \$ 374,581 |
|---|------------|

These funds were not subject to a federal single audit as indicated in the Catalog of Federal Domestic Assistance distributed by the Office of Management and Budget.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
For the Year Ended August 31, 2014**

| Pass-Through Grantor/Program Title  | Grant<br>Contract<br>Number | Pass-Through<br>Disbursements<br>and<br>Expenditures |
|---|-----------------------------|--|
| Texas Education Agency<br>Adult Basic Education                               | 130100017110444             | \$ 92,741  |
| Texas Workforce Commission<br>Adult Education and Literacy                    | 814AELA00                   | 9,060  |
| Skills for Small Business Development   | 0813SSD001                  | 28   |
| Dallas County Community College District<br>Small Business Development Center | 3-603001-Z-0046C            | 87,521   |
| Texas Higher Education Coordinating Board<br>Texas Grant                      |                             | 518,584  |
| Texas Educational Opportunity Grant   |                             | 152,381  |
| Nursing Innovative Grant Cost Effectiveness of Common Application             | 13045                       | 445  |
| Texas Top Ten Percent   |                             | 10,189   |
| Intensive Summer Program for General Education                                |                             | 31,841   |
| JET Process Technology *  | 5464-10                     | 335,000  |
| Statewide Longitudinal Data Systems   |                             | 2,000  |
| Texas Workstudy   |                             | 20,818   |
| Texas Commission on the Arts<br>Arts Respond - Education                      | 35954                       | 4,500  |
| Arts Respond - Economic Development   | 35953                       | 1,500  |
| <b>Total State Financial Assistance</b>                                       |                             | <b>\$ 1,266,608</b>                                  |

\* Denotes major program

**Note 1: State Assistance Reconciliation**

|  |              |
|--|--------------|
| State Grants and Contracts - per Schedule A  | \$ 1,249,858 |
| Total State Revenues per Statement of Revenues, Expenses and Changes in Net Assets | \$ 1,249,858 |
| Reconciling Item:  |              |
| Add: Required Matching Funds Expended  | 16,750       |
| Total Federal Revenues per Schedule of Expenditures of Federal Awards              | \$ 1,266,608 |

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For the Year Ended August 31, 2014**

**Note 2: Basis of Accounting**

The accompanying Schedule of Expenditures of State Awards is presented using the accrual basis of accounting. The format for the accompanying schedule has been prescribed by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Such format includes revenue recognized in the Organization's basic financial statements. See Note 2 to the financial statements for the Kilgore Junior College District's significant accounting policies. State awards are subject to the Office of the Governor's State of Texas Single Audit Circular. Such guidelines are consistent with those required under the single audit act of 1996, OMB Circular A-133 and *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Note 3: Significant accounting policies used in preparing schedules**

The accompanying Schedule of Expenditures of State Awards presents the activity of all applicable state financial assistance programs of Kilgore Junior College District. State financial assistance received directly from state agencies as well as state financial assistance passed through other government agencies is included on the schedule. The expenditures included in the Schedule are reported on the District'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 District for the purpose 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 District has followed all applicable guidelines by various entities in the preparation of the schedule.

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**HENRY&PETERS,PC**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees  
Kilgore Junior College District  
Kilgore, Texas

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

Members of the Board:

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 basic financial statements of the Kilgore Junior College District which comprise the statements of net position as of August 31, 2014 and 2013, and the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Kilgore Junior College District'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 Kilgore Junior College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Kilgore Junior College District's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Kilgore Junior College District'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*.

### **Public Funds Investment Act**

We have performed tests designed to verify Kilgore Junior College District's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2014, no instances of noncompliance were found.

### **Purpose of this Report**

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

Henry + Peters, P.C.

Tyler, Texas  
December 3, 2014

**HENRY & PETERS, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees  
Kilgore Junior College District  
Kilgore, Texas

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133 AND THE  
STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Members of the Board:

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal and State Program***

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

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## Report on Internal Control over Compliance

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

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

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

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

Henry + Peters, P.C.

Tyler, Texas  
December 3, 2014

**KILGORE JUNIOR COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended August 31, 2014**

**I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Type of auditors' report issued on compliance for major programs? Unqualified

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program / Cluster</u> |
|-----------------------|--|
| Various               | Student Financial Assistance Cluster     |
| Various               | TRIO Cluster                             |
| 84.002                | Adult Education                          |

Dollar threshold used to distinguish between type A and type B \$ 300,000

Auditee qualified as low - risk auditee? \_\_\_\_\_ Yes  X  No

**State Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Type of auditors' report issued on compliance for major programs? Unqualified

**KILGORE JUNIOR COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended August 31, 2014  
CONTINUED**

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of the State of Texas Single Audit Circular? \_\_\_\_\_ Yes   X   No

Identification of major programs:

|                        |                              |
|------------------------|------------------------------|
| <u>Grant Number(s)</u> | <u>Name of State Program</u> |
| 5464-10                | JET Process Technology       |

Dollar threshold used to distinguish between type A and type B \$ 300,000

Auditee qualified as low - risk auditee?   X   Yes \_\_\_\_\_ No

**II. Financial Statement Findings**

No matters requiring reporting were noted.

**III. Federal Award Findings and Questioned Costs**

No matters requiring reporting were noted.

**KILGORE JUNIOR COLLEGE DISTRICT**  
**SUMMARY SCHEDULE OF FEDERAL AND STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended August 31, 2014**

**FEDERAL PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:**

**None**

**STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:**

**None**

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**STATISTICAL SUPPLEMENT (UNAUDITED)**

**Kilgore Junior College District**  
**Statistical Supplement 1**  
**Net Position by Component**  
**Fiscal Years 2005 to 2014**  
(unaudited)  
(amounts expressed in thousands)

|   | For the Year Ended August 31, |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2014                          | 2013             | 2012             | 2011             | 2010             | 2009             | 2008             | 2007             | 2006             | 2005             |
| Invested in capital assets, net of related debt | \$ 43,599                     | \$ 42,222        | \$ 42,998        | \$ 43,140        | \$ 38,218        | \$ 37,714        | \$ 33,062        | \$ 32,585        | \$ 32,913        | \$ 27,376        |
| Restricted - expendable                         | 4,566                         | 3,420            | 3,008            | 2,496            | 1,414            | 616              | 2,145            | 1,693            | 1,435            | 1,776            |
| Restricted - nonexpendable                      | 6,429                         | 6,426            | 6,429            | 6,516            | 7,152            | 6,930            | 5,520            | 5,641            | 5,310            | 5,677            |
| Unrestricted                                    | 20,871                        | 22,342           | 19,129           | 15,195           | 16,088           | 14,149           | 14,467           | 10,002           | 6,425            | 6,433            |
| <b>Total primary government net position</b>    | <b>\$ 75,465</b>              | <b>\$ 74,410</b> | <b>\$ 71,564</b> | <b>\$ 67,347</b> | <b>\$ 62,872</b> | <b>\$ 59,409</b> | <b>\$ 55,194</b> | <b>\$ 49,921</b> | <b>\$ 46,083</b> | <b>\$ 41,262</b> |

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

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

|  | 2014             | 2013             | 2012             | 2011             | 2010             | 2009             | 2008             | 2007             | 2006             | 2005             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Tuition and fees (net of discounts)          | \$ 7,916         | \$ 8,533         | \$ 8,259         | \$ 7,802         | \$ 8,122         | \$ 7,337         | \$ 6,947         | \$ 6,215         | \$ 5,341         | \$ 4,983         |
| Federal grants and contracts                 | 1,884            | 1,865            | 1,776            | 1,752            | 2,024            | 1,525            | 1,466            | 6,910            | 7,090            | 7,319            |
| State grants and contracts                   | 1,250            | 689              | 940              | 995              | 1,247            | 1,285            | 1,908            | 743              | 575              | 543              |
| Non-governmental grants and contracts        | 211              | 228              | 378              | 407              | 426              | 709              | 478              | 444              | 471              | 445              |
| Sales and services of educational activities | 149              | 124              | 133              | 109              | 163              | 116              | 124              | 125              | 122              | 143              |
| Auxiliary enterprises (net of discounts)     | 4,747            | 4,881            | 4,817            | 4,371            | 5,118            | 4,916            | 4,687            | 3,868            | 3,519            | 3,391            |
| Other operating revenues                     | 68               | 96               | 193              | 114              | 129              | 112              | 179              | 69               | 54               | 104              |
| <b>Total operating revenues</b>              | <b>16,225</b>    | <b>16,416</b>    | <b>16,496</b>    | <b>15,550</b>    | <b>17,229</b>    | <b>16,000</b>    | <b>15,789</b>    | <b>18,374</b>    | <b>17,172</b>    | <b>16,928</b>    |
| State appropriations                         | 13,008           | 12,809           | 13,319           | 15,031           | 15,101           | 13,280           | 13,467           | 12,958           | 12,851           | 12,450           |
| Maintenance ad-valorem taxes                 | 6,346            | 6,223            | 6,006            | 5,900            | 5,937            | 6,175            | 5,012            | 4,968            | 4,421            | 3,944            |
| Federal revenue, non-operating               | 10,982           | 12,029           | 8,667            | 14,902           | 12,978           | 8,039            | 6,384            | -                | -                | -                |
| Gifts  | 858              | 918              | 905              | 790              | 718              | 1,238            | 831              | 955              | 4,259            | 769              |
| Investment income                            | 133              | 334              | 296              | 285              | 214              | 374              | 496              | 612              | 664              | 321              |
| Endowment income                             | 972              | 550              | 266              | 130              | 130              | 180              | 282              | 315              | 236              | 121              |
| Insurance proceeds                           | -                | -                | -                | -                | 138              | 1,023            | 804              | -                | -                | -                |
| Gain on sale of radio station                | -                | -                | -                | -                | -                | -                | -                | 1,899            | -                | -                |
| Other non-operating revenues                 | 3                | 3                | -                | 3                | 7                | 6                | 48               | 3                | 7                | 12               |
| <b>Total non-operating revenues</b>          | <b>32,302</b>    | <b>32,866</b>    | <b>29,459</b>    | <b>37,041</b>    | <b>35,223</b>    | <b>30,315</b>    | <b>27,324</b>    | <b>21,710</b>    | <b>22,438</b>    | <b>17,617</b>    |
| <b>Total revenues</b>                        | <b>\$ 48,527</b> | <b>\$ 49,282</b> | <b>\$ 45,955</b> | <b>\$ 52,591</b> | <b>\$ 52,452</b> | <b>\$ 46,315</b> | <b>\$ 43,113</b> | <b>\$ 40,084</b> | <b>\$ 39,610</b> | <b>\$ 34,545</b> |

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

|  | 2014           | 2013           | 2012           | 2011           | 2010           | 2009           | 2008           | 2007           | 2006           | 2005           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Tuition and fees (net of discounts)          | 16.31%         | 17.31%         | 17.97%         | 14.84%         | 15.48%         | 16.11%         | 16.11%         | 15.50%         | 13.48%         | 14.42%         |
| Federal grants and contracts                 | 3.88%          | 3.78%          | 3.86%          | 3.33%          | 3.86%          | 3.40%          | 3.40%          | 17.24%         | 17.90%         | 21.19%         |
| State grants and contracts                   | 2.58%          | 1.40%          | 2.05%          | 1.89%          | 2.38%          | 4.43%          | 4.43%          | 1.85%          | 1.45%          | 1.57%          |
| Non-governmental grants and contracts        | 0.43%          | 0.46%          | 0.82%          | 0.77%          | 0.81%          | 1.11%          | 1.11%          | 1.11%          | 1.19%          | 1.29%          |
| Sales and services of educational activities | 0.31%          | 0.25%          | 0.29%          | 0.21%          | 0.31%          | 0.29%          | 0.29%          | 0.31%          | 0.31%          | 0.41%          |
| Auxiliary enterprises (net of discounts)     | 9.78%          | 9.90%          | 10.48%         | 8.31%          | 9.76%          | 10.87%         | 10.87%         | 9.65%          | 8.88%          | 9.82%          |
| Other operating revenues                     | 0.14%          | 0.19%          | 0.42%          | 0.22%          | 0.25%          | 0.42%          | 0.42%          | 0.17%          | 0.14%          | 0.30%          |
| <b>Total operating revenues</b>              | <b>33.43%</b>  | <b>33.31%</b>  | <b>35.90%</b>  | <b>29.57%</b>  | <b>32.85%</b>  | <b>36.63%</b>  | <b>36.62%</b>  | <b>45.84%</b>  | <b>43.35%</b>  | <b>49.00%</b>  |
| State appropriations                         | 26.81%         | 25.99%         | 28.98%         | 28.58%         | 28.79%         | 31.24%         | 31.24%         | 32.33%         | 32.44%         | 36.04%         |
| Maintenance ad-valorem taxes                 | 13.08%         | 12.63%         | 13.07%         | 11.22%         | 11.32%         | 11.63%         | 11.63%         | 12.39%         | 11.16%         | 11.42%         |
| Federal revenue, non-operating               | 22.63%         | 24.41%         | 18.86%         | 28.34%         | 24.74%         | 14.81%         | 14.81%         | 0.00%          | 0.00%          | 0.00%          |
| Gifts  | 1.77%          | 1.86%          | 1.97%          | 1.50%          | 1.37%          | 1.93%          | 1.93%          | 2.38%          | 10.75%         | 2.23%          |
| Investment income                            | 0.27%          | 0.68%          | 0.64%          | 0.54%          | 0.41%          | 1.15%          | 1.15%          | 1.53%          | 1.68%          | 0.93%          |
| Endowment income                             | 2.00%          | 1.12%          | 0.58%          | 0.25%          | 0.25%          | 0.65%          | 0.65%          | 0.79%          | 0.60%          | 0.35%          |
| Insurance proceeds                           | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.26%          | 1.86%          | 1.86%          | 0.00%          | 0.00%          | 0.00%          |
| Gain on sale of radio station                | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 4.74%          | 0.00%          | 0.00%          |
| Other non-operating revenues                 | 0.01%          | 0.01%          | 0.00%          | 0.01%          | 0.01%          | 0.10%          | 0.11%          | 0.01%          | 0.02%          | 0.03%          |
| <b>Total non-operating revenues</b>          | <b>66.57%</b>  | <b>66.69%</b>  | <b>64.10%</b>  | <b>70.43%</b>  | <b>67.15%</b>  | <b>63.37%</b>  | <b>63.38%</b>  | <b>54.16%</b>  | <b>56.65%</b>  | <b>51.00%</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> |



Kilgore Junior College District  
Statistical Supplement 3  
Program Expenses by Function  
Fiscal Years 2005 to 2014  
(unaudited)

| For the Year Ended August 31,       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| (amounts expressed in thousands)    |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|                                     | 2014             | 2013             | 2012             | 2011             | 2010             | 2009             | 2008             | 2007             | 2006             | 2005             |
| Instruction                         | \$ 18,064        | \$ 16,243        | \$ 16,001        | \$ 17,160        | \$ 17,298        | \$ 15,501        | \$ 14,298        | \$ 13,599        | \$ 12,554        | \$ 11,855        |
| Public service                      | 969              | 922              | 949              | 1,042            | 973              | 955              | 769              | 614              | 828              | 773              |
| Academic support                    | 3,555            | 2,909            | 3,019            | 3,272            | 3,322            | 2,956            | 2,658            | 2,753            | 2,755            | 2,608            |
| Student services                    | 2,668            | 2,569            | 2,332            | 2,352            | 2,326            | 2,223            | 2,296            | 2,213            | 2,200            | 2,099            |
| Institutional support               | 5,402            | 7,047            | 6,127            | 5,186            | 5,228            | 5,044            | 4,205            | 4,177            | 3,805            | 3,945            |
| Operation and maintenance of plant  | 3,406            | 3,263            | 3,179            | 3,345            | 3,407            | 3,494            | 3,199            | 3,197            | 3,285            | 2,858            |
| Scholarships and fellowships        | 4,422            | 4,532            | 762              | 6,571            | 6,661            | 3,792            | 2,781            | 2,284            | 2,585            | 2,728            |
| Auxiliary enterprises               | 6,481            | 7,358            | 7,634            | 7,462            | 7,714            | 6,543            | 5,853            | 5,711            | 5,090            | 4,887            |
| Depreciation                        | 1,472            | 1,463            | 1,445            | 1,387            | 1,369            | 1,302            | 1,236            | 1,210            | 1,134            | 940              |
| <b>Total operating expenses</b>     | <b>46,439</b>    | <b>46,306</b>    | <b>41,448</b>    | <b>47,777</b>    | <b>48,298</b>    | <b>41,810</b>    | <b>37,295</b>    | <b>35,758</b>    | <b>34,236</b>    | <b>32,693</b>    |
| Interest on capital related debt    | 68               | 81               | 93               | 106              | 120              | 139              | 189              | 301              | 268              | 236              |
| Loss on disposal of fixed assets    | 97               | 30               | -                | 3                | 29               | 6                | 28               | 20               | 10               | 121              |
| Other non-operating expenses        | 871              | 20               | 197              | 230              | 543              | 144              | 328              | 167              | 274              | 9                |
| <b>Total non-operating expenses</b> | <b>1,036</b>     | <b>131</b>       | <b>290</b>       | <b>339</b>       | <b>692</b>       | <b>289</b>       | <b>545</b>       | <b>488</b>       | <b>552</b>       | <b>366</b>       |
| <b>Total expenses</b>               | <b>\$ 47,475</b> | <b>\$ 46,437</b> | <b>\$ 41,738</b> | <b>\$ 48,116</b> | <b>\$ 48,990</b> | <b>\$ 42,099</b> | <b>\$ 37,840</b> | <b>\$ 36,246</b> | <b>\$ 34,788</b> | <b>\$ 33,059</b> |

| For the Year Ended August 31,       |                |                |                |                |                |                |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (amounts expressed in thousands)    |                |                |                |                |                |                |                |                |                |                |
|                                     | 2014           | 2013           | 2012           | 2011           | 2010           | 2009           | 2008           | 2007           | 2006           | 2005           |
| Instruction                         | 38.05%         | 34.98%         | 38.34%         | 35.66%         | 35.31%         | 36.82%         | 37.79%         | 37.52%         | 36.09%         | 35.86%         |
| Public service                      | 2.04%          | 1.99%          | 2.27%          | 2.17%          | 1.99%          | 2.27%          | 2.03%          | 1.69%          | 2.38%          | 2.34%          |
| Academic support                    | 7.49%          | 6.26%          | 7.23%          | 6.80%          | 6.78%          | 7.02%          | 7.02%          | 7.60%          | 7.92%          | 7.89%          |
| Student services                    | 5.62%          | 5.53%          | 5.59%          | 4.89%          | 4.75%          | 5.28%          | 6.07%          | 6.11%          | 6.32%          | 6.35%          |
| Institutional support               | 11.38%         | 15.18%         | 14.68%         | 10.78%         | 10.67%         | 11.98%         | 11.11%         | 11.52%         | 10.94%         | 11.93%         |
| Operation and maintenance of plant  | 7.17%          | 7.03%          | 7.62%          | 6.95%          | 6.95%          | 8.30%          | 8.45%          | 8.82%          | 9.44%          | 8.65%          |
| Scholarships and fellowships        | 9.31%          | 9.76%          | 1.83%          | 13.66%         | 13.60%         | 9.01%          | 7.35%          | 6.30%          | 7.43%          | 8.25%          |
| Auxiliary enterprises               | 13.65%         | 15.85%         | 18.29%         | 15.51%         | 15.75%         | 15.54%         | 15.47%         | 15.76%         | 14.63%         | 14.78%         |
| Depreciation                        | 3.10%          | 3.15%          | 3.46%          | 2.88%          | 2.79%          | 3.09%          | 3.27%          | 3.34%          | 3.26%          | 2.84%          |
| <b>Total operating expenses</b>     | <b>97.82%</b>  | <b>99.72%</b>  | <b>99.31%</b>  | <b>99.30%</b>  | <b>98.59%</b>  | <b>99.31%</b>  | <b>98.56%</b>  | <b>98.65%</b>  | <b>98.41%</b>  | <b>98.89%</b>  |
| Interest on capital related debt    | 0.14%          | 0.17%          | 0.22%          | 0.22%          | 0.24%          | 0.33%          | 0.50%          | 0.83%          | 0.77%          | 0.71%          |
| Loss on disposal of fixed assets    | 0.20%          | 0.06%          | 0.00%          | 0.01%          | 0.06%          | 0.01%          | 0.07%          | 0.06%          | 0.03%          | 0.37%          |
| Other non-operating expenses        | 1.83%          | 0.04%          | 0.47%          | 0.48%          | 1.11%          | 0.34%          | 0.87%          | 0.46%          | 0.79%          | 0.03%          |
| <b>Total non-operating expenses</b> | <b>2.18%</b>   | <b>0.28%</b>   | <b>0.69%</b>   | <b>0.71%</b>   | <b>1.41%</b>   | <b>0.69%</b>   | <b>1.44%</b>   | <b>1.35%</b>   | <b>1.59%</b>   | <b>1.11%</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> |

**Kilgore Junior College District**  
**Statistical Supplement 4**  
**Tuition and Fees**  
**Last Ten Academic Years**  
(unaudited)

| Resident                            |                     |                     |                 |                   |                             |                                 |                                      |  |  |
|-------------------------------------|---------------------|---------------------|-----------------|-------------------|-----------------------------|---------------------------------|--------------------------------------|--|--|
| Fees per Semester Credit Hour (SCH) |                     |                     |                 |                   |                             |                                 |                                      |  |  |
| Academic Year (Fall)                | In-District Tuition | Out-of-Dist Tuition | Out-of-Dist Fee | Gen Education Fee | Cost for 12 SCH In-District | Cost for 12 SCH Out-of-District | Increase from Prior Year In-District | Increase from Prior Year Out-of-District |  |
| 2013-14                             | \$ 29               | \$ 29               | \$ 67           | \$ 28             | \$ 684                      | \$ 1,488                        | 0.00%                                | 0.00%                                    |  |
| 2012-13                             | 29                  | 29                  | 67              | 28                | 684                         | 1,488                           | 7.55%                                | 8.77%                                    |  |
| 2011-12                             | 27                  | 27                  | 61              | 26                | 636                         | 1,368                           | 8.16%                                | 9.62%                                    |  |
| 2010-11                             | 25                  | 25                  | 55              | 24                | 588                         | 1,248                           | 8.89%                                | 8.33%                                    |  |
| 2009-10                             | 23                  | 23                  | 51              | 22                | 540                         | 1,152                           | 2.27%                                | 3.23%                                    |  |
| 2008-09                             | 22                  | 22                  | 49              | 22                | 528                         | 1,116                           | 2.33%                                | 3.33%                                    |  |
| 2007-08                             | 21                  | 21                  | 47              | 22                | 516                         | 1,080                           | 2.38%                                | 3.45%                                    |  |
| 2006-07                             | 20                  | 20                  | 45              | 22                | 504                         | 1,044                           | 20.00%                               | 19.18%                                   |  |
| 2005-06                             | 18                  | 18                  | 38              | 17                | 420                         | 876                             | 2.94%                                | 4.29%                                    |  |
| 2004-05                             | 17                  | 17                  | 36              | 17                | 408                         | 840                             | 3.03%                                | 6.06%                                    |  |

| Non - Resident                      |                                   |                     |                   |                              |                                       |  |
|-------------------------------------|-----------------------------------|---------------------|-------------------|------------------------------|---------------------------------------|--|
| Fees per Semester Credit Hour (SCH) |                                   |                     |                   |                              |                                       |  |
| Academic Year (Fall)                | Non-Resident Tuition Out of State | Out-of-District Fee | Gen Education Fee | Cost for 12 SCH Out of State | Increase from Prior Year Out of State |  |
| 2013-14                             | \$ 77                             | \$ 67               | \$ 28             | \$ 2,064                     | 0.00%                                 |  |
| 2012-13                             | 77                                | 67                  | 28                | 2,064                        | 8.86%                                 |  |
| 2011-12                             | 71                                | 61                  | 26                | 1,896                        | 9.72%                                 |  |
| 2010-11                             | 65                                | 55                  | 24                | 1,728                        | 9.09%                                 |  |
| 2009-10                             | 59                                | 51                  | 22                | 1,584                        | 3.94%                                 |  |
| 2008-09                             | 56                                | 49                  | 22                | 1,524                        | 4.10%                                 |  |
| 2007-08                             | 53                                | 47                  | 22                | 1,464                        | 4.27%                                 |  |
| 2006-07                             | 50                                | 45                  | 22                | 1,404                        | 15.84%                                |  |
| 2005-06                             | 46                                | 38                  | 17                | 1,212                        | 5.21%                                 |  |
| 2004-05                             | 43                                | 36                  | 17                | 1,152                        | 6.67%                                 |  |

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

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

| Fiscal Year | (amounts expressed in thousands) |                  |                              | Ratio of Taxable Assessed Value to Assessed Value | Direct Rate                  |                  |                       |
|-------------|----------------------------------|------------------|------------------------------|---|------------------------------|------------------|-----------------------|
|             | Assessed Valuation of Property   | Less: Exemptions | Taxable Assessed Value (TAV) |   | Maintenance & Operations (a) | Debt Service (a) | Total Direct Rate (a) |
| 2013-14     | \$ 4,483,115                     | \$ 453,223       | \$ 4,029,892                 | 89.89%  | 0.15400                      | -                | 0.15400               |
| 2012-13     | 4,241,361                        | 255,679          | 3,985,682                    | 93.97%  | 0.15400                      | -                | 0.15400               |
| 2011-12     | 4,062,637                        | 255,719          | 3,806,918                    | 93.71%  | 0.15400                      | -                | 0.15400               |
| 2010-11     | 4,046,853                        | 247,797          | 3,799,056                    | 93.88%  | 0.15400                      | -                | 0.15400               |
| 2009-10     | 4,074,768                        | 248,904          | 3,825,864                    | 93.89%  | 0.15400                      | -                | 0.15400               |
| 2008-09     | 4,064,079                        | 297,288          | 3,766,791                    | 92.68%  | 0.01640                      | -                | 0.01640               |
| 2007-08     | 3,377,204                        | 165,814          | 3,211,390                    | 95.09%  | 0.01640                      | -                | 0.01640               |
| 2006-07     | 3,071,017                        | 131,882          | 2,939,135                    | 95.71%  | 0.17400                      | -                | 0.17400               |
| 2005-06     | 2,635,907                        | 130,507          | 2,505,400                    | 95.05%  | 0.17890                      | -                | 0.17890               |
| 2004-05     | 2,344,797                        | 131,677          | 2,213,120                    | 94.38%  | 0.17890                      | -                | 0.17890               |

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

**Kilgore Junior College District**  
**Statistical Supplement 6**  
**State Appropriation per FTSE and Contact Hour**  
**Last Ten Fiscal Years**  
(unaudited)

| Fiscal Year | Appropriation per FTSE |       |                              | Appropriation per Contact Hour |                            |                     |                                      |
|-------------|------------------------|-------|------------------------------|--------------------------------|----------------------------|---------------------|--------------------------------------|
|             | State Appropriation    | FTSE  | State Appropriation per FTSE | Academic Contact Hours (a)     | Voc/Tech Contact Hours (b) | Total Contact Hours | State Appropriation per Contact Hour |
| 2013-14     | \$ 10,608,714          | 4,384 | 2,420                        | 1,695                          | 1,033                      | 2,728               | 3.89                                 |
| 2012-13     | 10,659,235             | 4,637 | 2,299                        | 1,812                          | 1,003                      | 2,815               | 3.79                                 |
| 2011-12     | 11,295,802             | 4,637 | 2,436                        | 1,963                          | 992                        | 2,955               | 3.82                                 |
| 2010-11     | 11,645,557             | 4,770 | 2,441                        | 2,101                          | 1,026                      | 3,127               | 3.72                                 |
| 2009-10     | 11,831,682             | 4,969 | 2,381                        | 2,049                          | 1,019                      | 3,068               | 3.86                                 |
| 2008-09     | 10,274,995             | 4,115 | 2,497                        | 1,750                          | 904                        | 2,654               | 3.87                                 |
| 2007-08     | 10,480,707             | 4,121 | 2,543                        | 1,688                          | 846                        | 2,533               | 4.14                                 |
| 2006-07     | 10,170,125             | 3,558 | 2,858                        | 1,564                          | 741                        | 2,305               | 4.41                                 |
| 2005-06     | 10,170,125             | 3,675 | 2,767                        | 1,656                          | 741                        | 2,397               | 4.24                                 |
| 2004-05     | 10,156,900             | 3,718 | 2,732                        | 1,688                          | 718                        | 2,406               | 4.22                                 |

Notes:

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

- (a) Source CBM001
- (b) Source CBM00A

Kilgore Junior College District  
Statistical Supplement 7  
Principal Taxpayers  
Tax Years 2005 - 2013  
(unaudited)

|                                     |                     | Taxable Assessed Value (TAV) by Tax Year |                         |                         |                         |                         |                         |                         |                         |                         |
|-------------------------------------|---------------------|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Taxpayer                            | Type of Business    | 2013                                     | 2012                    | 2011                    | 2010                    | 2009                    | 2008                    | 2007                    | 2006                    | 2005                    |
| Halliburton Energy Services         | Oilfield service    | \$ 92,915,584                            | \$ 96,810,390           | \$ 146,259,090          | \$ 118,009,705          | \$ 107,198,701          | \$ 104,912,980          | \$ 75,420,732           | \$ 78,818,860           | \$ 51,141,240           |
| B J Services Inc                    | Oilfield service    | -  | 31,211,641              | 46,707,143              | 41,938,960              | 45,704,545              | 69,693,340              | 36,753,659              | 44,591,980              | 25,593,710              |
| Alcoa-Southern Plastics             | Manufacturing       | 37,832,467                               | 38,196,104              | 36,126,623              | 34,235,061              | 26,620,129              | 28,659,380              | -                       | -                       | -                       |
| Cudd Pressure Control               | Oilfield service    | 72,509,741                               | 75,131,818              | 35,524,026              | 40,161,695              | 27,116,838              | 42,577,660              | -                       | -                       | -                       |
| Danmark Energy Services Co          | Oilfield service    | -  | 44,866,883              | 26,184,415              | 24,772,730              | 20,370,779              | 34,596,730              | 61,953,659              | 26,188,370              | 11,016,190              |
| EES Leasing                         | Oilfield service    | -  | 18,265,584              | 24,224,675              | -                       | -                       | -                       | -                       | -                       | -                       |
| AEP Southwestern Elec Co            | Power company       | 20,031,168                               | 20,776,623              | 19,681,168              | 20,045,454              | 18,975,974              | -                       | 18,240,377              | 21,102,190              | 6,090,420               |
| Basa Resources, Inc.                | Oilfield production | 24,569,480                               | 29,109,741              | 16,390,909              | -                       | -                       | -                       | 59,646,341              | -                       | -                       |
| Quantum Resources                   | Oilfield production | 49,631,818                               | 13,773,377              | 15,829,870              | 26,798,701              | -                       | -                       | -                       | -                       | -                       |
| Exco Partners                       | Oilfield production | -  | 16,675,974              | 15,446,753              | 27,021,433              | 71,055,194              | 46,329,630              | -                       | -                       | -                       |
| XTO Energy Inc                      | Oilfield production | -  | -                       | -                       | -                       | 22,747,402              | 33,728,660              | 54,021,951              | 31,944,110              | 38,947,970              |
| Exxonmobile Corporation             | Oilfield production | -  | -                       | -                       | -                       | 17,175,971              | 25,099,740              | 69,169,512              | 43,615,100              | 60,642,160              |
| Geo-Vest of Texas                   | Oilfield production | -  | -                       | -                       | -                       | -                       | 36,401,200              | 36,837,805              | 34,485,420              | -                       |
| Burlington Resources                | Oilfield production | -  | -                       | -                       | -                       | -                       | 24,029,190              | 39,907,317              | 24,925,700              | 26,720,850              |
| TXOK Energy Resources Co.           | Oilfield production | -  | -                       | -                       | -                       | -                       | -                       | 54,876,829              | 54,991,430              | 76,292,590              |
| Anadarko E&P Co                     | Oilfield production | -  | -                       | -                       | -                       | -                       | -                       | 24,747,562              | 19,443,700              | 29,529,900              |
| Hunt Petroleum Corp                 | Oilfield production | -  | -                       | -                       | -                       | -                       | -                       | -                       | 14,322,440              | 20,811,940              |
| Samson Lone Star                    | Oilfield service    | -  | -                       | -                       | 17,017,531              | -                       | -                       | -                       | -                       | -                       |
| SND Operating                       | Oilfield service    | 19,772,727                               | 24,751,299              | -                       | 14,818,202              | -                       | -                       | -                       | -                       | -                       |
| Weatherford Lift & Drill            | Oilfield            | 17,625,974                               | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Nabors                              | Oilfield            | 19,598,051                               | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| TNT Rigging                         | Oilfield service    | 22,178,571                               | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| <b>Totals</b>                       |                     | <b>\$ 376,665,581</b>                    | <b>\$ 409,569,434</b>   | <b>\$ 382,374,672</b>   | <b>\$ 364,819,472</b>   | <b>\$ 356,965,533</b>   | <b>\$ 446,028,510</b>   | <b>\$ 531,575,744</b>   | <b>\$ 394,429,300</b>   | <b>\$ 346,786,970</b>   |
| <b>Total Taxable Assessed Value</b> |                     | <b>\$ 4,029,891,105</b>                  | <b>\$ 3,985,682,034</b> | <b>\$ 3,806,918,168</b> | <b>\$ 3,825,864,360</b> | <b>\$ 3,766,791,404</b> | <b>\$ 3,766,791,404</b> | <b>\$ 2,939,134,922</b> | <b>\$ 2,505,399,574</b> | <b>\$ 2,213,119,992</b> |

|                             |                     | % of Taxable Assessed Value (TAV) by Tax Year |               |               |              |              |               |               |               |               |
|-----------------------------|---------------------|---|---------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Taxpayer                    | Type of Business    | 2013  | 2012          | 2011          | 2010         | 2009         | 2008          | 2007          | 2006          | 2005          |
| Halliburton Energy Services | Oilfield service    | 2.31%   | 2.43%         | 3.84%         | 3.08%        | 2.85%        | 2.79%         | 2.57%         | 3.15%         | 2.31%         |
| B J Services Inc            | Oilfield service    | 0.00%   | 0.78%         | 1.23%         | 1.10%        | 1.21%        | 1.85%         | 1.25%         | 1.78%         | 1.16%         |
| Alcoa-Southern Plastic      | Manufacturing       | 0.94%   | 0.96%         | 0.95%         | 0.89%        | 0.71%        | 0.76%         | 0.00%         | 0.00%         | 0.00%         |
| Cudd Pressure Control       | Oilfield service    | 1.80%   | 1.89%         | 0.93%         | 1.05%        | 0.72%        | 1.13%         | 0.00%         | 0.00%         | 0.00%         |
| Danmark Energy Services Co  | Oilfield service    | 0.00%   | 1.13%         | 0.69%         | 0.65%        | 0.54%        | 0.92%         | 2.11%         | 1.05%         | 0.50%         |
| EES Legacy                  | Oilfield service    | 0.00%   | 0.46%         | 0.64%         | 0.00%        | 0.00%        | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| AEP Southwestern Elec Co    | Power Company       | 0.50%   | 0.52%         | 0.52%         | 0.52%        | 0.50%        | 0.00%         | 0.62%         | 0.84%         | 0.28%         |
| Basa Resource, Inc.         | Oilfield production | 0.61%   | 0.73%         | 0.43%         | 0.00%        | 0.00%        | 0.00%         | 2.03%         | 0.00%         | 0.00%         |
| Quantum Resources           | Oilfield production | 1.23%   | 0.35%         | 0.42%         | 0.70%        | 0.00%        | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Exco Partners               | Oilfield production | 0.00%   | 0.42%         | 0.41%         | 0.71%        | 1.89%        | 1.23%         | 0.00%         | 0.00%         | 0.00%         |
| XTO Energy Inc              | Oilfield production | 0.00%   | 0.00%         | 0.00%         | 0.00%        | 0.60%        | 0.90%         | 1.84%         | 1.28%         | 1.76%         |
| Exxonmobile Corporation     | Oilfield production | 0.00%   | 0.00%         | 0.00%         | 0.00%        | 0.46%        | 0.67%         | 2.35%         | 1.74%         | 2.74%         |
| Geo-Vest of Texas           | Oilfield production | 0.00%   | 0.00%         | 0.00%         | 0.00%        | 0.00%        | 0.97%         | 1.25%         | 1.38%         | 0.00%         |
| Burlington Resources        | Oilfield production | 0.00%   | 0.00%         | 0.00%         | 0.00%        | 0.00%        | 0.64%         | 1.36%         | 0.99%         | 1.21%         |
| TXOK Energy Resources Co.   | Oilfield production | 0.00%   | 0.00%         | 0.00%         | 0.00%        | 0.00%        | 0.00%         | 1.87%         | 2.19%         | 3.45%         |
| Anadarko E&P Co             | Oilfield production | 0.00%   | 0.00%         | 0.00%         | 0.00%        | 0.00%        | 0.00%         | 0.84%         | 0.78%         | 1.33%         |
| Hunt Petroleum Corp         | Oilfield production | 0.00%   | 0.00%         | 0.00%         | 0.00%        | 0.00%        | 0.00%         | 0.00%         | 0.57%         | 0.94%         |
| Samson Lone Star            | Oilfield service    | 0.00%   | 0.00%         | 0.00%         | 0.44%        | 0.00%        | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| SND Operating               | Oilfield service    | 0.49%   | 0.62%         | 0.00%         | 0.39%        | 0.00%        | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Weatherford Lift & Drill    | Oilfield            | 0.44%   | 0.00%         | 0.00%         | 0.00%        | 0.00%        | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Nabors                      | Oilfield            | 0.49%   | 0.00%         | 0.00%         | 0.00%        | 0.00%        | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| TNT Rigging                 | Oilfield service    | 0.55%   | 0.00%         | 0.00%         | 0.00%        | 0.00%        | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| <b>Totals</b>               |                     | <b>9.35%</b>                                  | <b>10.28%</b> | <b>10.04%</b> | <b>9.54%</b> | <b>9.48%</b> | <b>11.84%</b> | <b>18.09%</b> | <b>15.74%</b> | <b>15.67%</b> |

Source: Local County Appraisal District and Local Tax Office  
This institution previously did not present this schedule and chose to implement prospectively.

**Kilgore Junior College District**  
**Statistical Supplement 8**  
**Property Tax Levies and Collections**  
**Last Ten Tax Years**  
(unaudited)  
(amounts expressed in thousands)

| Fiscal Year<br>Ended August<br>31 | Collected within the<br>Fiscal Year of the Levy |          |                       | Total Collections to Date                 |          |                       |  |
|-----------------------------------|---|----------|-----------------------|---|----------|-----------------------|--|
|                                   | Total Tax Levy<br>(a)                           | Amount   | Percentage<br>of Levy | Collections in<br>Subsequent<br>Years (b) | Amount   | Percentage<br>of Levy |  |
| 2014                              | \$ 6,206  | \$ 6,044 | 97.39%                | \$ 117                                    | \$ 6,161 | 99.27%                |  |
| 2013                              | 6,137   | 5,906    | 96.24%                | 147                                       | 6,053    | 98.63%                |  |
| 2012                              | 5,862   | 5,705    | 97.32%                | 151                                       | 5,856    | 99.90%                |  |
| 2011                              | 5,850   | 5,672    | 96.96%                | 155                                       | 5,827    | 99.61%                |  |
| 2010                              | 5,891   | 5,606    | 95.16%                | 151                                       | 5,757    | 97.73%                |  |
| 2009                              | 5,801   | 5,584    | 96.26%                | 185                                       | 5,769    | 99.45%                |  |
| 2008                              | 5,267   | 4,988    | 94.70%                | 126                                       | 5,114    | 97.10%                |  |
| 2007                              | 4,820   | 4,671    | 96.91%                | 134                                       | 4,805    | 99.69%                |  |
| 2006                              | 4,362   | 4,222    | 96.80%                | 154                                       | 4,376    | 100.33%               |  |
| 2005                              | 3,959   | 3,794    | 95.82%                | 143                                       | 3,937    | 99.44%                |  |

Source: Local Tax Assessor/Collector's and District records.

(a) As reported in notes to the financial statements for the year of the levy.

(b) Property tax only - does not include penalties and interest

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

|   | For the Year Ended August 31 (amounts expressed in thousands) |          |          |          |          |          |          |          |          |          |
|---|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|   | 2014  | 2013     | 2012     | 2011     | 2010     | 2009     | 2008     | 2007     | 2006     | 2005     |
| <b>General Bonded Debt</b>                |   |          |          |          |          |          |          |          |          |          |
| Net General Bonded Debt                   | \$ -  | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     |
| As a percentage of Taxable Assessed Value | 0.00%   | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| <b>Other Debt</b>                         |   |          |          |          |          |          |          |          |          |          |
| Revenue Bonds                             | \$ 1,570  | \$ 1,930 | \$ 2,275 | \$ 2,605 | \$ 2,925 | \$ 3,230 | \$ 3,530 | \$ 3,815 | \$ 4,010 | \$ 4,255 |
| Notes                                     | -   | -        | -        | -        | 80       | 540      | 1,020    | 1,500    | 975      | 1,273    |
| Capital Lease Obligations                 | 29  | 53       | 76       | -        | -        | -        | -        | -        | -        | -        |
| Less: Funds Restricted for Debt Service   | -   | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Total Outstanding Debt                    | \$ 1,599  | \$ 1,983 | \$ 2,351 | \$ 2,605 | \$ 3,005 | \$ 3,770 | \$ 4,550 | \$ 5,315 | \$ 4,985 | \$ 5,528 |
| Per Capita                                | \$ 4.58   | \$ 5.68  | \$ 2.14  | \$ 2.37  | \$ 2.73  | \$ 3.43  | \$ 4.14  | \$ 4.83  | \$ 3.56  | \$ 3.93  |
| Per Student                               | \$ 36   | \$ 43    | \$ 51    | \$ 55    | \$ 60    | \$ 92    | \$ 110   | \$ 129   | \$ 214   | \$ 237   |
| As a percentage of Taxable Assessed Value | 0.05%   | 0.06%    | 0.07%    | 0.09%    | 0.10%    | 0.13%    | 0.16%    | 0.19%    | 0.17%    | 0.19%    |

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

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

|  | For the Year Ended August 31 (amount expressed in thousands) |              |              |              |              |              |              |              |              |              |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2014   | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         | 2007         | 2006         | 2005         |
| Taxable Assessed Value   | \$ 4,029,892   | \$ 3,985,682 | \$ 3,806,918 | \$ 3,799,056 | \$ 3,825,864 | \$ 3,766,791 | \$ 3,211,390 | \$ 2,939,135 | \$ 2,505,400 | \$ 2,213,120 |
| <b>General Obligation Bonds</b>                                      |  |              |              |              |              |              |              |              |              |              |
| Statutory Tax Levy Limit for Debt Service                            | \$ 20,149  | \$ 19,928    | \$ 19,035    | \$ 18,995    | \$ 19,129    | \$ 18,834    | \$ 16,057    | \$ 14,696    | \$ 12,527    | \$ 11,066    |
| Less: Funds Restricted for Repayment of General Obligation Notes     | -  | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Total Net General Obligation Debt                                    | 20,149   | 19,928       | 19,035       | 18,995       | 19,129       | 18,834       | 16,057       | 14,696       | 12,527       | 11,066       |
| Current Year Debt Service Requirements                               | -  | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Excess of Statutory Limit for Debt Service over Current Requirements | \$ 20,149  | \$ 19,928    | \$ 19,035    | \$ 18,995    | \$ 19,129    | \$ 18,834    | \$ 16,057    | \$ 14,696    | \$ 12,527    | \$ 11,066    |
| Net Current Requirements as a % of Statutory Limit                   | 0.00%  | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        |

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



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

**Revenue Bonds**

| Fiscal Year<br>Ended August 31 | Pledged Revenues (\$000 omitted) |                             |                             |                             |            |               | Debt Service Requirements (\$000 omitted) |           |            |                   |
|--------------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|------------|---------------|---|-----------|------------|-------------------|
|                                | Tuition                          | General<br>Education<br>Fee | Student<br>Services<br>Fees | Out-of-<br>District<br>Fees | Other      | Total         | Principal                                 | Interest  | Total      | Coverage<br>Ratio |
| 2014                           | \$ 1,298,635                     | \$ 3,251,698                | \$ 865,238                  | \$ 5,622,950                | \$ 685,451 | \$ 11,723,972 | \$ 370,000                                | \$ 53,046 | \$ 423,046 | 27.71             |
| 2013                           | 1,369,364                        | 3,387,171                   | 878,801                     | 5,920,492                   | 759,557    | 12,315,385    | 360,000                                   | 67,025    | 427,025    | 28.84             |
| 2012                           | 1,348,841                        | 3,280,178                   | 900,937                     | 5,562,851                   | 761,067    | 11,853,874    | 345,000                                   | 80,526    | 425,526    | 27.86             |
| 2011                           | 1,310,117                        | 3,303,165                   | 598,898                     | 5,420,044                   | 757,680    | 11,389,904    | 320,000                                   | 105,900   | 425,900    | 26.74             |
| 2010                           | 1,226,420                        | 2,412,835                   | 529,647                     | 4,989,075                   | 1,416,828  | 10,574,805    | 305,000                                   | 117,868   | 422,868    | 25.01             |
| 2009                           | 1,005,649                        | 2,098,495                   | 490,645                     | 4,153,019                   | 902,508    | 8,650,316     | 300,000                                   | 129,454   | 429,454    | 20.14             |
| 2008                           | 908,308                          | 2,123,981                   | 466,240                     | 3,952,678                   | 785,719    | 8,236,926     | 285,000                                   | 140,657   | 425,657    | 19.35             |
| 2007                           | 166,373                          | 1,942,021                   | 426,297                     | 3,398,162                   | -          | 5,932,853     | 255,000                                   | 194,926   | 449,926    | 13.19             |
| 2006                           | 169,118                          | 1,613,509                   | 410,770                     | 3,079,715                   | -          | 5,273,112     | 245,000                                   | 206,426   | 451,426    | 11.68             |
| 2005                           | 168,698                          | 1,487,945                   | 444,451                     | 2,848,009                   | -          | 4,949,103     | 230,000                                   | 217,236   | 447,236    | 11.07             |

**Kilgore Junior College District**  
**Statistical Supplement 12**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
(unaudited)

| Calendar Year | District (a) Population | District (a) Personal Income | District (a) Personal Income Per Capita | District (a) Unemployment Rate |
|---------------|-------------------------|------------------------------|---|--------------------------------|
| 2013          | 34,722                  | b                            | b                                       | 6.3%                           |
| 2012          | 34,884                  | b                            | b                                       | 6.3%                           |
| 2011          | 34,689                  | b                            | b                                       | 6.3%                           |
| 2010          | 34,925                  | b                            | b                                       | 6.2%                           |
| 2009          | 34,344                  | b                            | b                                       | 5.8%                           |
| 2008          | 34,112                  | b                            | b                                       | 4.4%                           |
| 2007          | 33,606                  | b                            | b                                       | 4.7%                           |
| 2006          | 32,405                  | b                            | b                                       | 4.9%                           |
| 2005          | 31,770                  | 3,493,234,400                | 109,954                                 | 4.9%                           |
| 2004          | 31,147                  | 3,260,246,800                | 104,673                                 | 5.9%                           |

**Sources:**

Texas Labor Market Information  
Texas Workforce Commission

**Notes:**

- a. District data is unavailable. Amounts are based on weighted averages for Gregg and Rusk Counties.
- b. Not available

**Kilgore Junior College District**  
**Statistical Supplement 13**  
**Principal Employers**  
**Current Year**  
(unaudited)

| Employer                         | 2013<br>Number of<br>Employees | 2012<br>Number of<br>Employees | 2011<br>Number of<br>Employees | 2010<br>Number of<br>Employees | 2009<br>Number of<br>Employees | Percentage<br>of Total<br>Employment (a) |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--|
| Halliburton                      | 705                            | 711                            | 705                            | 705                            | 731                            | -  |
| Kilgore ISD                      | 600                            | 612                            | 601                            | 606                            | 606                            | -  |
| Vertex, RSI/General Dynamics     | 550                            | 543                            | 550                            | 550                            | 499                            | -  |
| Kilgore College                  | 320                            | 326                            | 320                            | 363                            | 363                            | -  |
| Region VII Education Service Ctr | 290                            | 294                            | 290                            | 290                            | 290                            | -  |
| Martin Midstream Partners, LP    | 241                            | 257                            | 241                            | 241                            | 241                            | -  |
| Cudd Pressure Controls           | 175                            | 242                            | 225                            | 225                            | -                              | -  |
| Pak-Sher, Inc                    | 223                            | 218                            | 227                            | 160                            | 160                            | -  |
| Orgill, Inc                      | 270                            | 172                            | 185                            | 178                            | -                              | -  |
| BJ Services                      | 155                            | -                              | 156                            | 155                            | 155                            | -  |
| City of Kilgore                  | 160                            | 163                            | 160                            | 155                            | 155                            | -  |
| Skeeter Boats                    | -                              | -                              | 151                            | 151                            | 153                            | -  |
| <b>Total</b>                     | <b>3,689</b>                   | <b>3,538</b>                   | <b>3,811</b>                   | <b>3,779</b>                   | <b>3,353</b>                   | <b>-</b>                                 |

**Source:**

Kilgore Economic Development Corporation  
Gladewater Economic Development Corporation  
White Oak Economic Development Corporation

**Note:**

- a. Total employment of District is undeterminable.
- b. This District previously did not present this schedule and chose to implement prospectively.

**Kilgore College**  
**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                           | 161.00      | 157.00   | 144.00   | 151.00   | 166.00   | 124.00   | 119.00   | 116.25   | 110.25   | 115.75   |
| Part-Time                           | 53.00       | 53.00    | 50.00    | 53.00    | 73.00    | 51.00    | 58.80    | 50.00    | 48.40    | 45.30    |
| Total                               | 214.00      | 210.00   | 194.00   | 204.00   | 239.00   | 175.00   | 177.80   | 166.25   | 158.65   | 161.05   |
| <b>Percent</b>                      |             |          |          |          |          |          |          |          |          |          |
| Full-Time                           | 75.23%      | 74.76%   | 74.23%   | 74.02%   | 69.46%   | 70.86%   | 66.93%   | 69.9%    | 69.5%    | 71.9%    |
| Part-Time                           | 24.77%      | 25.24%   | 25.77%   | 25.98%   | 30.54%   | 29.14%   | 33.07%   | 30.1%    | 30.5%    | 28.1%    |
| <b>Staff and Administrators</b>     |             |          |          |          |          |          |          |          |          |          |
| Full-Time                           | 194.00      | 186.00   | 209.00   | 221.00   | 221.00   | 283.00   | 205.00   | 214.54   | 219.00   | 217.00   |
| Part-Time                           | 28.00       | 56.00    | 44.00    | 43.00    | 41.00    | 33.00    | 28.25    | 31.00    | 35.00    | 30.50    |
| Total                               | 222.00      | 242.00   | 253.00   | 264.00   | 262.00   | 316.00   | 233.25   | 245.54   | 254.00   | 247.50   |
| <b>Percent</b>                      |             |          |          |          |          |          |          |          |          |          |
| Full-Time                           | 87.39%      | 76.86%   | 82.61%   | 83.71%   | 84.35%   | 89.56%   | 87.89%   | 87.37%   | 86.22%   | 87.68%   |
| Part-Time                           | 12.61%      | 23.14%   | 17.39%   | 16.29%   | 15.65%   | 10.44%   | 12.11%   | 12.63%   | 13.78%   | 12.32%   |
| Students per Full-Time Faculty      | 36.44       | 39.69    | 44.38    | 44.31    | 38.40    | 44.46    | 43.28    | 44.30    | 42.60    | 41.88    |
| Students per Full-Time Staff Member | 30.24       | 33.50    | 30.58    | 30.28    | 28.85    | 19.48    | 25.12    | 24.00    | 21.45    | 22.76    |
| Average Annual Faculty Salary       | \$55,888    | \$54,962 | \$60,700 | \$58,070 | \$51,710 | \$54,549 | \$53,690 | \$55,700 | \$53,783 | \$50,154 |

**Notes:**  
Information provided according to the IPED definition for faculty and staff

**Kilgore Junior College District**  
**Statistical Supplement 15**  
**Enrollment Details**  
**Last Five Fiscal Years**  
(unaudited)

| Student Classification | Fall 2013    |                | Fall 2012    |                | Fall 2011    |                | Fall 2010    |                | Fall 2009    |                |
|------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        |
| Freshman               | 4,130        | 70.39%         | 3,681        | 71.48%         | 4,561        | 71.37%         | 4,899        | 73.22%         | 4,686        | 73.51%         |
| Sophomore              | 1,244        | 21.20%         | 1,074        | 20.85%         | 1,357        | 21.23%         | 1,352        | 20.21%         | 1,239        | 19.44%         |
| Unclassified           | 168          | 2.86%          | 236          | 4.58%          | 207          | 3.24%          | 192          | 2.87%          | 193          | 3.03%          |
| Associate Degree       | 263          | 4.48%          | 91           | 1.77%          | 228          | 3.57%          | 219          | 3.27%          | 226          | 3.55%          |
| Baccalaureate or Above | 62           | 1.06%          | 68           | 1.32%          | 38           | 0.59%          | 29           | 0.43%          | 31           | 0.49%          |
| <b>Total</b>           | <b>5,867</b> | <b>100.00%</b> | <b>5,150</b> | <b>100.00%</b> | <b>6,391</b> | <b>100.00%</b> | <b>6,691</b> | <b>100.00%</b> | <b>6,375</b> | <b>100.00%</b> |

| Semester Hour Load   | Fall 2013    |                | Fall 2012    |                | Fall 2011    |                | Fall 2010    |                | Fall 2009    |                |
|----------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                      | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        |
| Less than 3          | 33           | 0.56%          | 37           | 0.72%          | 30           | 0.47%          | 40           | 0.60%          | 52           | 0.82%          |
| 3-5 semester hours   | 966          | 16.46%         | 922          | 17.90%         | 1,098        | 17.18%         | 1,239        | 18.52%         | 1,331        | 20.88%         |
| 6-8 semester hours   | 1175         | 20.03%         | 784          | 15.22%         | 1,278        | 20.00%         | 1,274        | 19.04%         | 1,150        | 18.04%         |
| 9-11 semester hours  | 1070         | 18.24%         | 733          | 14.23%         | 1,004        | 15.71%         | 939          | 14.03%         | 865          | 13.57%         |
| 12-14 semester hours | 1735         | 29.57%         | 1934         | 37.55%         | 2,092        | 32.73%         | 2,257        | 33.73%         | 2,219        | 34.81%         |
| 15-17 semester hours | 760          | 12.95%         | 636          | 12.35%         | 753          | 11.78%         | 824          | 12.32%         | 625          | 9.80%          |
| 18 & over            | 128          | 2.18%          | 104          | 2.02%          | 136          | 2.13%          | 118          | 1.76%          | 133          | 2.09%          |
| <b>Total</b>         | <b>5,867</b> | <b>100.00%</b> | <b>5,150</b> | <b>100.00%</b> | <b>6,391</b> | <b>100.00%</b> | <b>6,691</b> | <b>100.00%</b> | <b>6,375</b> | <b>100.00%</b> |

|                     |          |        |         |         |         |
|---------------------|----------|--------|---------|---------|---------|
| Average course load | 10.0 sch | 10 sch | 9.7 sch | 9.6 sch | 9.5 sch |
|---------------------|----------|--------|---------|---------|---------|

| Tuition Status                   | Fall 2013    |                | Fall 2012    |                | Fall 2011    |                | Fall 2010    |                | Fall 2009    |                |
|----------------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                                  | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        |
| Texas Resident (in-District)     | 1,547        | 26.37%         | 1,560        | 30.29%         | 1,793        | 28.06%         | 1,933        | 28.89%         | 1,786        | 28.02%         |
| Texas Resident (out-of-District) | 4,132        | 70.43%         | 3,300        | 64.08%         | 4,387        | 68.64%         | 4,479        | 66.94%         | 4,267        | 66.93%         |
| Non-Resident Tuition             | 188          | 3.20%          | 290          | 5.63%          | 211          | 3.30%          | 279          | 4.17%          | 322          | 5.05%          |
| <b>Total</b>                     | <b>5,867</b> | <b>100.00%</b> | <b>5,150</b> | <b>100.00%</b> | <b>6,391</b> | <b>100.00%</b> | <b>6,691</b> | <b>100.00%</b> | <b>6,375</b> | <b>100.00%</b> |

**Kilgore Junior College District**  
**Statistical Supplement 16**  
**Student Profile**  
**Last Five Fiscal Years**  
(unaudited)

| Gender | Fall 2013 |         | Fall 2012 |         | Fall 2011 |         | Fall 2010 |         | Fall 2009 |         |
|--------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
|        | Number    | Percent | Number    | Percent | Number    | Percent | Number    | Percent | Number    | Percent |
| Female | 3,565     | 60.76%  | 3,888     | 62.40%  | 3,995     | 62.51%  | 4,140     | 61.87%  | 3,907     | 61.29%  |
| Male   | 2,302     | 39.24%  | 2,343     | 37.60%  | 2,396     | 37.49%  | 2,551     | 38.13%  | 2,468     | 38.71%  |
| Total  | 5,867     | 100.00% | 6,231     | 100.00% | 6,391     | 100.00% | 6,691     | 100.00% | 6,375     | 100.00% |

| Ethnic Origin             | Fall 2013 |         | Fall 2012 |         | Fall 2011 |         | Fall 2010 |         | Fall 2009 |         |
|---------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
|                           | Number    | Percent | Number    | Percent | Number    | Percent | Number    | Percent | Number    | Percent |
| Multi-Racial              | 138       | 2.35%   | 140       | 2.25%   | 167       | 2.61%   | 241       | 3.74%   | N/A       | N/A     |
| White                     | 3,564     | 60.75%  | 3,755     | 60.26%  | 4,050     | 63.37%  | 4,160     | 64.50%  | 4,201     | 65.90%  |
| Hispanic                  | 1,194     | 20.35%  | 1,318     | 21.15%  | 1,280     | 20.03%  | 718       | 11.13%  | 1,281     | 20.09%  |
| African American/Black    | 811       | 13.82%  | 811       | 13.02%  | 693       | 10.84%  | 1,295     | 20.08%  | 556       | 8.72%   |
| Asian/Pacific Islander    | 43        | 0.73%   | 50        | 0.80%   | 48        | 0.75%   | 60        | 0.93%   | 78        | 1.22%   |
| International             | 26        | 0.44%   | 29        | 0.47%   | 35        | 0.55%   | 90        | 1.40%   | 32        | 0.50%   |
| Amer Indian/Alaskan       | 37        | 0.63%   | 64        | 1.03%   | 83        | 1.30%   | 24        | 0.37%   | 120       | 1.88%   |
| Unknown                   | 51        | 0.87%   | 60        | 0.96%   | 32        | 0.50%   | 95        | 1.47%   | 107       | 1.68%   |
| Hawaiian/Pacific Islander | 3         | 0.05%   | 4         | 0.06%   | 3         | 0.05%   | 8         | 0.12%   | N/A       | N/A     |
| Total                     | 5,867     | 100.00% | 6,231     | 100.00% | 6,391     | 100.00% | 6,450     | 100.00% | 6,375     | 100.00% |

| Age       | Fall 2013 |         | Fall 2012 |         | Fall 2011 |         | Fall 2010 |         | Fall 2009 |         |
|-----------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
|           | Number    | Percent | Number    | Percent | Number    | Percent | Number    | Percent | Number    | Percent |
| Under 18  | 759       | 12.94%  | 854       | 13.71%  | 817       | 12.78%  | 827       | 12.36%  | 835       | 13.10%  |
| 18-21     | 2,585     | 44.06%  | 2,628     | 42.18%  | 2,711     | 42.42%  | 2,897     | 43.30%  | 2,867     | 44.97%  |
| 22-24     | 701       | 11.95%  | 714       | 11.46%  | 726       | 11.36%  | 789       | 11.79%  | 775       | 12.16%  |
| 25-30     | 742       | 12.65%  | 820       | 13.16%  | 876       | 13.71%  | 883       | 13.20%  | 841       | 13.19%  |
| 31-35     | 396       | 6.75%   | 449       | 7.21%   | 459       | 7.18%   | 486       | 7.26%   | 388       | 6.09%   |
| 36-50     | 531       | 9.05%   | 632       | 10.14%  | 649       | 10.15%  | 659       | 9.85%   | 550       | 8.63%   |
| 51-64     | 142       | 2.42%   | 123       | 1.97%   | 141       | 2.21%   | 136       | 2.03%   | 108       | 1.69%   |
| 65 & over | 11        | 0.19%   | 11        | 0.18%   | 12        | 0.19%   | 14        | 0.21%   | 11        | 0.17%   |
| Total     | 5,867     | 100.00% | 6,231     | 100.00% | 6,391     | 100.00% | 6,691     | 100.00% | 6,375     | 100.00% |

|             |    |    |    |    |    |
|-------------|----|----|----|----|----|
| Average Age | 24 | 24 | 25 | 24 | 24 |
|-------------|----|----|----|----|----|

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

|    |                                  | Transfer<br>Student<br>Count | Transfer<br>Student<br>Count | Transfer<br>Student<br>Count | Total of<br>all Sample<br>Transfer<br>Students | % of<br>all Sample<br>Transfer<br>Students |
|----|----------------------------------|------------------------------|------------------------------|------------------------------|--|--|
|    |                                  | Academic                     | Technical                    | Tech-Prep                    |  |  |
| 1  | U. OF TEXAS AT TYLER             | 47                           | 5                            | 32                           | 84   | 32.4%                                      |
| 2  | STEPHEN F. AUSTIN STATE UNIV     | 13                           | 2                            | 29                           | 44   | 17.0%                                      |
| 3  | U. OF TEXAS AT ARLINGTON         | 10                           | 1                            | 14                           | 25   | 9.7%                                       |
| 4  | TEXAS STATE UNIV - SAN MARCOS    | 6                            | 0                            | 10                           | 16   | 6.2%                                       |
| 5  | UNIVERSITY OF NORTH TEXAS        | 6                            | 0                            | 9                            | 15   | 5.8%                                       |
| 6  | TEXAS A&M UNIVERSITY             | 3                            | 0                            | 8                            | 11   | 4.2%                                       |
| 7  | TEXAS A&M UNIVERSITY - TEXARKANA | 4                            | 1                            | 5                            | 10   | 3.9%                                       |
| 8  | SAM HOUSTON STATE UNIVERSITY     | 3                            | 0                            | 6                            | 9  | 3.5%                                       |
| 9  | U. OF TEXAS AT AUSTIN            | 4                            | 0                            | 4                            | 8  | 3.1%                                       |
| 10 | TEXAS WOMAN'S UNIVERSITY         | 3                            | 0                            | 4                            | 7  | 2.7%                                       |
| 14 | OTHER PUBLIC 4YR INSTITUTIONS    | 8                            | 4                            | 18                           | 30   | 11.6%                                      |
|    |                                  | <b>107</b>                   | <b>13</b>                    | <b>139</b>                   | <b>259</b>                                     | <b>100.00%</b>                             |

Kilgore Junior College District  
Statistical Supplement 17B  
Transfers to Senior Institutions<sup>1</sup>  
Fall First Time Transfer Students  
(Includes only public senior colleges in Texas)  
(unaudited)

|                                | Fall 2012                                   |                                  |   |                   | Fall 2011                                   |                                  |   |                   | Fall 2010                                   |                                  |   |                   | Fall 2009                                   |                                  |   |                   | Fall 2008                                   |                                  |   |                   |
|--------------------------------|---|----------------------------------|---|-------------------|---|----------------------------------|---|-------------------|---|----------------------------------|---|-------------------|---|----------------------------------|---|-------------------|---|----------------------------------|---|-------------------|
|                                | Earned Academic Associate Prior to Transfer | Earned Core Curriculum Completer | Total Transfer Student Count <sup>2</sup> | % Total Transfers | Earned Academic Associate Prior to Transfer | Earned Core Curriculum Completer | Total Transfer Student Count <sup>2</sup> | % Total Transfers | Earned Academic Associate Prior to Transfer | Earned Core Curriculum Completer | Total Transfer Student Count <sup>2</sup> | % Total Transfers | Earned Academic Associate Prior to Transfer | Earned Core Curriculum Completer | Total Transfer Student Count <sup>2</sup> | % Total Transfers | Earned Academic Associate Prior to Transfer | Earned Core Curriculum Completer | Total Transfer Student Count <sup>2</sup> | % Total Transfers |
| SAM HOUSTON STATE UNIVERSITY   | 3   | 3                                | 6   | 2.6%              | 2   | 3                                | 5   | 2.4%              | 0   | 1                                | 1   | 0.5%              | 2   | 3                                | 5   | 2.6%              | 2   | 2                                | 4   | 2.1%              |
| STEPHEN F. AUSTIN STATE UNIV   | 13  | 14                               | 27  | 11.8%             | 19  | 21                               | 40  | 19.1%             | 8   | 16                               | 24  | 11.1%             | 20  | 32                               | 52  | 26.5%             | 10  | 13                               | 23  | 11.9%             |
| TARLETON STATE UNIVERSITY      | 0   | 0                                | 0   | 0.0%              | 0   | 0                                | 0   | 0.0%              | 0   | 0                                | 0   | 0.0%              | 0   | 0                                | 0   | 0.0%              | 0   | 0                                | 0   | 0.0%              |
| TEXAS A&M UNIVERSITY           | 3   | 3                                | 6   | 2.6%              | 1   | 1                                | 2   | 1.0%              | 3   | 3                                | 6   | 2.8%              | 0   | 0                                | 0   | 0.0%              | 2   | 2                                | 4   | 2.1%              |
| TEXAS A&M UNIVERSITY-COMMERCE  | 0   | 0                                | 0   | 0.0%              | 4   | 3                                | 7   | 3.3%              | 1   | 0                                | 1   | 0.5%              | 1   | 1                                | 2   | 1.0%              | 2   | 2                                | 4   | 2.1%              |
| TEXAS A&M UNIVERSITY-TEXARKANA | 4   | 7                                | 11  | 4.8%              | 4   | 4                                | 8   | 3.8%              | 8   | 9                                | 17  | 7.9%              | 8   | 8                                | 16  | 8.2%              | 5   | 7                                | 12  | 6.2%              |
| TEXAS STATE UNIV - SAN MARCOS  | 6   | 7                                | 13  | 5.7%              | 2   | 3                                | 5   | 2.4%              | 2   | 3                                | 5   | 2.3%              | 3   | 5                                | 8   | 4.1%              | 1   | 3                                | 4   | 2.1%              |
| TEXAS TECH UNIVERSITY          | 0   | 0                                | 0   | 0.0%              | 2   | 2                                | 4   | 1.9%              | 1   | 2                                | 3   | 1.4%              | 3   | 3                                | 6   | 3.1%              | 1   | 1                                | 2   | 1.0%              |
| TEXAS WOMAN'S UNIVERSITY       | 3   | 3                                | 6   | 2.6%              | 3   | 4                                | 7   | 3.3%              | 2   | 2                                | 4   | 1.9%              | 8   | 10                               | 18  | 9.2%              | 4   | 3                                | 7   | 3.6%              |
| U. OF HOUSTON - DOWNTOWN       | 0   | 0                                | 0   | 0.0%              | 0   | 0                                | 0   | 0.0%              | 0   | 0                                | 0   | 0.0%              | 0   | 0                                | 0   | 0.0%              | 2   | 1                                | 3   | 1.6%              |
| U. OF TEXAS AT ARLINGTON       | 10  | 11                               | 21  | 9.2%              | 2   | 2                                | 4   | 1.9%              | 5   | 5                                | 10  | 4.6%              | 4   | 4                                | 8   | 4.1%              | 5   | 5                                | 10  | 5.2%              |
| U. OF TEXAS AT AUSTIN          | 4   | 4                                | 8   | 3.5%              | 0   | 0                                | 0   | 0.0%              | 5   | 5                                | 10  | 4.6%              | 5   | 5                                | 10  | 5.1%              | 2   | 2                                | 4   | 2.1%              |
| U. OF TEXAS AT DALLAS          | 0   | 0                                | 0   | 0.0%              | 1   | 3                                | 4   | 1.9%              | 5   | 5                                | 10  | 4.6%              | 5   | 5                                | 10  | 5.1%              | 2   | 2                                | 4   | 2.1%              |
| U. OF TEXAS AT TYLER           | 47  | 54                               | 101                                       | 44.3%             | 37  | 51                               | 88  | 42.1%             | 43  | 50                               | 93  | 43.1%             | 15  | 26                               | 41  | 20.9%             | 44  | 49                               | 93  | 48.2%             |
| UNIVERSITY OF HOUSTON          | 0   | 0                                | 0   | 0.0%              | 0   | 0                                | 0   | 0.0%              | 3   | 3                                | 6   | 2.8%              | 1   | 2                                | 3   | 1.5%              | 1   | 0                                | 1   | 0.5%              |
| UNIVERSITY OF NORTH TEXAS      | 6   | 6                                | 12  | 5.3%              | 9   | 7                                | 16  | 7.7%              | 8   | 8                                | 16  | 7.4%              | 3   | 8                                | 11  | 5.6%              | 6   | 7                                | 13  | 6.7%              |
| OTHER PUBLIC 4-YR INSTITUTION  | 8   | 9                                | 17  | 7.5%              | 9   | 10                               | 19  | 9.1%              | 4   | 6                                | 10  | 4.6%              | 2   | 4                                | 6   | 3.1%              | 2   | 3                                | 5   | 2.6%              |
| <b>TOTAL</b>                   | <b>107</b>                                  | <b>121</b>                       | <b>228</b>                                | <b>100.0%</b>     | <b>95</b>                                   | <b>114</b>                       | <b>209</b>                                | <b>100.0%</b>     | <b>98</b>                                   | <b>118</b>                       | <b>216</b>                                | <b>100.0%</b>     | <b>80</b>                                   | <b>116</b>                       | <b>196</b>                                | <b>100.0%</b>     | <b>91</b>                                   | <b>102</b>                       | <b>193</b>                                | <b>100.0%</b>     |

<sup>1</sup>Students who were coded as first time transfer in fall semesters on CBM001, tracked back 6 years in CTC to see if they earned at least 30 hours.

<sup>2</sup>Transfers may have earned both an associate degree and core curriculum completer.



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

|                                      | <b>Fiscal Year</b> |             |             |             |             |             |             |             |             |             |
|--------------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                      | <u>2014</u>        | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
| Academic buildings                   | 15                 | 15          | 15          | 15          | 15          | 14          | 14          | 13          | 13          | 13          |
| Square footage (in thousands)        | 341                | 353         | 353         | 353         | 339         | 335         | 335         | 331         | 331         | 331         |
| Libraries                            | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Square footage (in thousands)        | 38                 | 38          | 38          | 38          | 38          | 38          | 38          | 38          | 38          | 38          |
| Number of volumes (in thousands)     | 101                | 101         | 101         | 101         | 101         | 101         | 101         | 101         | 101         | 101         |
| Administrative and support buildings | 6                  | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           |
| Square footage (in thousands)        | 115                | 115         | 115         | 115         | 115         | 115         | 115         | 115         | 115         | 115         |
| Dormitories                          | 5                  | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 4           |
| Square footage (in thousands)        | 136                | 136         | 136         | 136         | 136         | 136         | 136         | 136         | 136         | 101         |
| Number of beds                       | 490                | 490         | 490         | 490         | 490         | 490         | 490         | 490         | 490         | 410         |
| Dining Facilities                    | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Square footage (in thousands)        | 23                 | 23          | 23          | 23          | 23          | 23          | 23          | 23          | 23          | 23          |
| Average daily customers              | 410                | 410         | 410         | 410         | 410         | 410         | 410         | 410         | 410         | 410         |
| Athletic Facilities                  | 5                  | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| Square footage (in thousands)        | 119                | 119         | 119         | 119         | 119         | 119         | 119         | 119         | 119         | 119         |
| Stadiums                             | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Gymnasiums                           | 2                  | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Fitness centers                      | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Tennis court                         | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Plant facilities                     | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Square footage (in thousands)        | 20                 | 20          | 20          | 20          | 20          | 20          | 20          | 20          | 20          | 20          |
| Transportation                       |                    |             |             |             |             |             |             |             |             |             |
| Cars                                 | 15                 | 14          | 13          | 13          | 12          | 12          | 12          | 12          | 13          | 12          |
| Light Trucks/Vans                    | 16                 | 17          | 17          | 17          | 23          | 23          | 23          | 23          | 24          | 24          |
| Buses                                | 0                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |

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