



ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2014

WESTERN

— TEXAS COLLEGE —

WESTERN TEXAS COLLEGE
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Western Texas College
Snyder, TX

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Western Texas College, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise Western Texas College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Western Texas College, as of August 31, 2014, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section, supporting schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is 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 is also not a required part of the basic financial statements.

The supporting schedules, which includes the schedule of expenditures of federal awards, 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 supporting schedules, which includes the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



May & Hrbacek, LLP
December 15, 2014

Management's Discussion and Analysis

This section of Western Texas College's Annual Financial Report presents management's discussion and analysis of the College's financial performance during the fiscal year ending August 31, 2014. Please read this in conjunction with the College's financial statements beginning on page 13. A comparative analysis of financial data is presented.

Financial Highlights

- Increased tax collections of \$2,257,095 and increased state appropriations of \$506,277 helped to increase non-operating revenue by \$1,805,892.
- A Tax Maintenance Note issued in the amount of \$14,815,000 was received in April 2014. The proceeds of this note will be used for infrastructure repairs.
- A decrease of \$391,896 in operating expenses from prior year helped to offset the \$821,774 decrease in operating revenues (largely due to a decrease in federal grants and contracts revenue totaling \$661,341).

Using This Annual Report

In June of 1999, GASB released statement No. 34 "Basic Financial Statements - Management's Discussion and Analysis for State and Local Governments". Changes in Statement No. 34 require a comprehensive, one-line look at the entity as a whole and capitalization of assets and depreciation. In November 1999, GASB issued statement "Basic Financial Statements - Management's Discussion and Analysis for Public Colleges and Universities". Public Colleges and Universities must now abide by GASB Statements No. 34 and No. 35 for financial reporting. This annual report consists of four sections: introductory, financial, statistical and special reports. The main body of the Annual Financial Report is the financial statements, which consists of Exhibit 1, Statement of Net Position, Exhibit 2, Statement of Revenues, Expenses and Changes in Net Position, and Exhibit 3, Statement of Cash Flows.

Financial Analysis of the College as a Whole

The Statement of Net Position presents the financial position of the College at the end of the fiscal year and includes all asset and liabilities of the College. Assets and liabilities are generally measured using current values, except for capital assets, which are stated at historical cost less accumulated depreciation.

Current assets consist primarily of cash, short-term investments and receivables. Non-current assets are composed mainly of cash, investments and capital assets. Current liabilities consist mainly of payables, deferred revenues and current portion of long-term debt. Non-current liabilities are composed of bonds payable, notes payable and capital leases payable.

This schedule is prepared from the College's Statement of Net Position (page 13), which is presented on an accrual basis of accounting where the fixed assets are capitalized and depreciated.

Assets as of:	August 31, 2014	August 31, 2013	August 31, 2012
Current Assets	\$8,873,163	\$7,208,214	\$7,391,566
Non-Current Assets:			
Capital Assets, Net of Depreciation	21,218,611	21,467,060	20,264,006
Restricted Cash and Investments	22,418,468	5,826,746	3,445,874
Total Assets	\$52,510,242	\$34,502,020	\$31,101,446

Liabilities and Net Position as of:	August 31, 2014	August 31, 2013	August 31, 2012
Current Liabilities	\$6,011,730	\$5,508,110	\$5,077,590
Non-Current Liabilities	23,634,656	9,756,115	9,036,108
Investment in Capital Assets	11,230,170	10,576,159	10,555,927
Restricted for Non-Expendable	4,132,074	3,748,870	3,095,828
Restricted for Expendable	4,286,927	2,494,474	2,116,665
Unrestricted	3,214,685	2,418,292	1,219,328
Total Liabilities and Net Position	\$52,510,242	\$34,502,020	\$31,101,446

The Statement of Revenues, Expenses and Changes in Net Position presents the College's results of operations.

	FY 2014	FY 2013	FY 2012
Beginning Net Position	\$19,237,795	\$16,987,748	\$14,699,633
Increase (Decrease) in Net Position	3,626,061	2,250,047	2,288,115
Ending Net Position	\$22,863,856	\$19,237,795	\$16,987,748

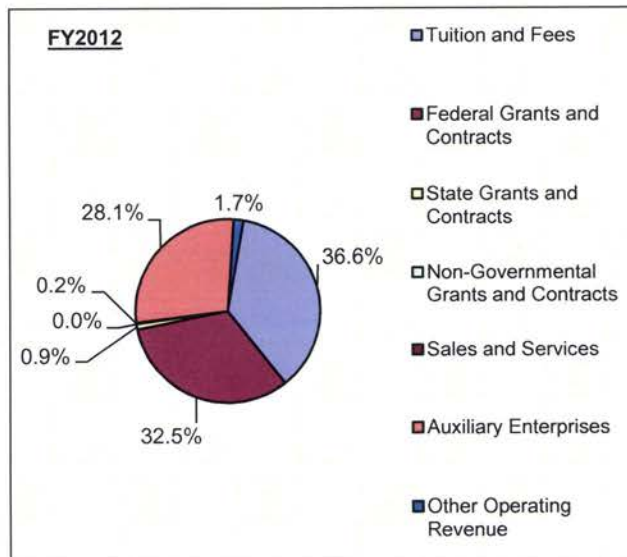
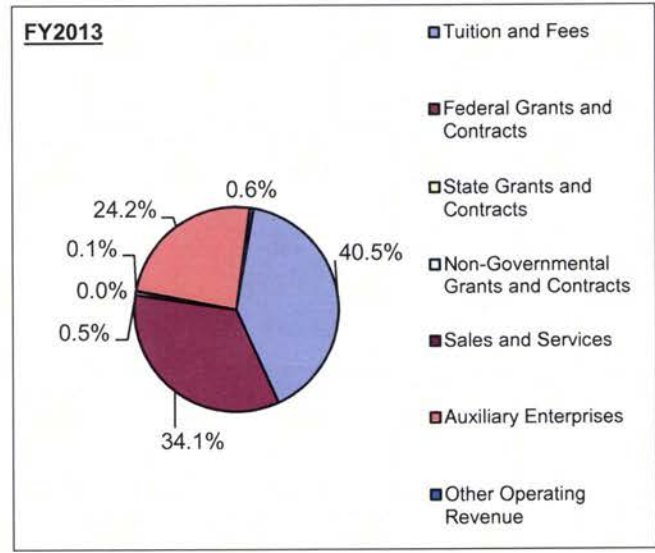
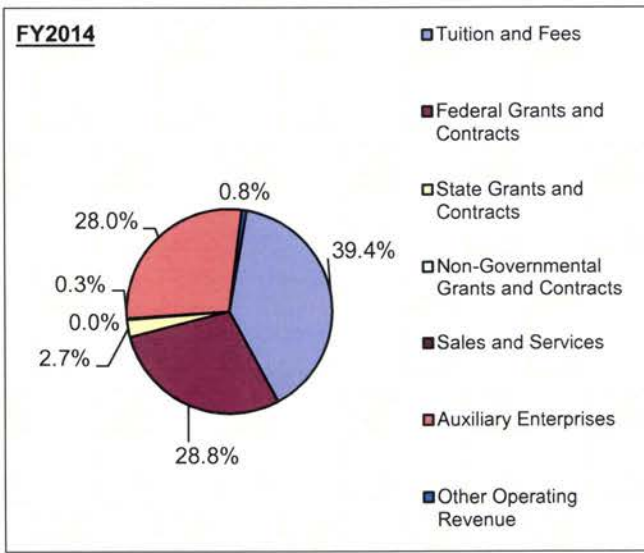
Revenues

Revenues are categorized as either operating or non-operating. The main sources of operating revenues for the College are federal grants and contracts, and tuition and fees and auxiliary enterprises. Ad valorem taxes, state appropriations and federal revenues are the main sources of non-operating revenues.

Operating Revenue	FY2014	FY2013	FY2012
Tuition and Fees (Net of Discounts)	\$2,858,004	\$3,268,729	\$2,951,458
Federal Grants and Contracts	2,088,745	2,750,086	2,622,140
State Grants and Contracts	196,907	42,867	74,611
Sales and Services of Educational Activities	18,265	11,018	18,025
Auxiliary Enterprises	2,032,605	1,954,674	2,269,415
Other Operating Revenue	59,588	48,514	136,202
Total Operating Revenue	\$7,254,114	\$8,075,888	\$8,071,851

The following is a graphic illustration of operating revenue by source with comparison to the previous two years:

Operating Revenue

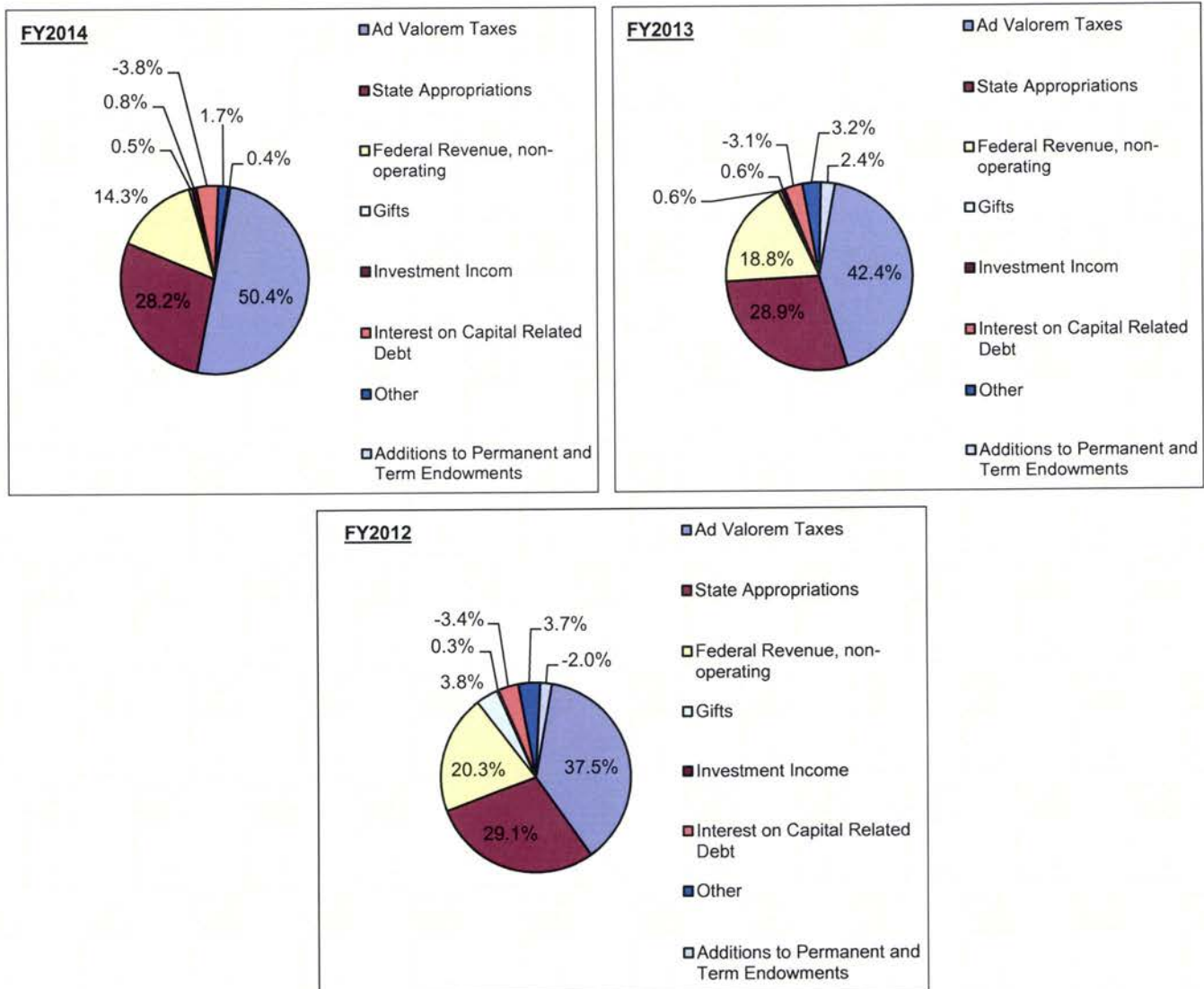


Non-Operating Revenues (Expenses)

	FY2014	FY2013	FY2012
Ad Valorem Taxes	\$8,452,066	\$6,194,971	\$5,686,282
State Appropriations	4,725,902	4,219,625	4,412,712
Federal Revenue, non-operating	2,406,214	2,751,122	3,084,048
Gifts	85,902	80,614	570,821
Investment Income	127,349	88,488	49,273
Interest on Capital Related Debt	(635,574)	(451,198)	(518,876)
Other	290,148	467,624	562,154
Additions (deletions) to permanent and term endowments	59,009	353,878	(298,641)
Total Non-Operating Revenues (Expenses)	\$15,511,016	\$13,705,124	\$13,547,773

The following is a graphic illustration of non-operating revenue by source with comparison to the previous two years:

Non-Operating Revenues (Expenses)



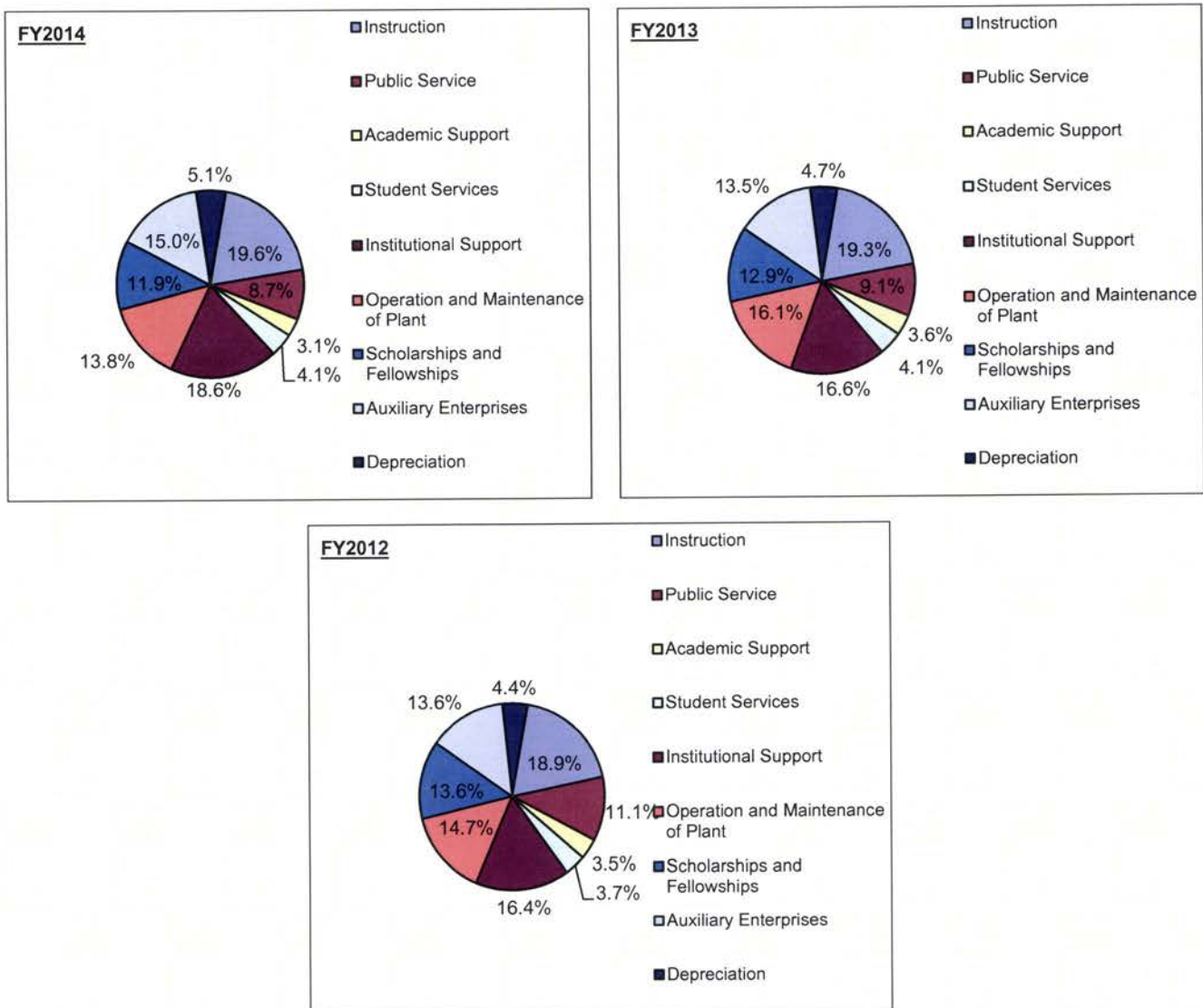
Expenses

Instruction is the largest percent of operating expenses for the College (19.6%) with Institutional Support (18.6%) being second. Auxiliary (15%), Operation and Maintenance of Plant (13.8%) and Scholarships and Fellowships (11.9%) make up other large portions of expenses.

Operating Expenses	FY2014	FY2013	FY2012
Instruction	\$3,755,390	\$3,765,744	\$3,658,884
Public Service	1,662,361	1,776,719	2,146,940
Academic Support	596,851	706,820	682,048
Student Services	789,165	805,075	717,843
Institutional Support	3,567,456	3,238,108	3,174,204
Operation and Maintenance of Plant	2,640,521	3,147,185	2,849,410
Scholarships and Fellowships	2,272,603	2,525,044	2,624,492
Auxiliary Enterprises	2,870,236	2,646,286	2,624,959
Depreciation	984,486	919,984	852,729
Total Operating Expenses	\$19,139,069	\$19,530,965	\$19,331,509

The following is a graphic illustration of expenses by function with comparisons to the previous two years:

Operating Expenses



The Statement of Cash Flows provides additional information about the College's financial results. This report states the major sources and uses of cash.

	FY2014	FY2013	FY2012
Cash provided (used) by:			
Operating Activities	(\$11,301,409)	(\$10,240,840)	(\$10,473,683)
Non-Capital Financing Activities	16,132,237	14,012,682	13,778,893
Capital and Related Financing Activities	12,759,586	(1,525,619)	(1,533,004)
Investing Activities	125,213	(360,107)	(2,657,162)
Net Increase (Decrease) in Cash and Cash Equivalents	\$17,715,627	\$1,886,116	(\$884,956)
	FY2014	FY2013	FY2012
Cash and Cash Equivalents Beginning of Year	\$5,829,109	\$3,942,993	\$4,827,949
Cash and Cash Equivalents End of Year	23,544,736	5,829,109	3,942,993
Net Increase (Decrease) in Cash and Cash Equivalents	\$17,715,627	\$1,886,116	(\$884,956)

Capital Asset and Debt Administration

Capital Assets

As of August 31, 2014 the College had \$34,162,952 invested in capital assets ranging from land, buildings, improvement to facilities, and equipment. The following is a breakdown of the capital assets less accumulated depreciation.

	FY2014	FY2013	FY2012
Land	\$800,162	\$800,162	\$657,662
Buildings	15,698,796	16,090,427	15,258,615
Improvements	2,209,513	2,278,503	2,305,733
Equipment	2,007,000	2,028,595	1,562,761
Library Books	100,881	101,046	104,938
Construction in Progress	402,259	168,327	374,297
Total	\$21,218,611	\$21,467,060	\$20,264,006

During fiscal year 2014, a decrease to capital assets is largely due to depreciation and the disposal of several pieces of unrepairable equipment.

Debt

At year-end, the college had \$23,424,972 in outstanding bonds. Two of the bonds, totaling \$8,100,000, were originally issued in 2005 and 2009, for the construction of two new residence halls, a student commons, and an on-campus health clinic. During 2012, the 2005 Bond Series was refunded and re-issued at a lower interest of 3.4% and is now referred to as the 2012 Revenue Refunded Bonds. In April 2014, maintenance tax notes were issued, totaling \$14,815,000, for use in repairing the aging infrastructure of the College. Also, at the end of the year, the College had outstanding capital leases for campus-wide boiler replacement and various equipment in the amount of \$738,649. The College also had notes payable in the amount of \$1,149,792 for construction of a sports complex, the purchase of an existing building located in town for off-campus classes, and the renovation of the science lecture hall and labs.

Other Economic Factors

The College makes every effort to develop and expand programs and services in order to meet the needs of our service area. The College actively pursues federal and state grants as additional funding to help in the development of new programs and services, and/or the improvement of current programs and services to our community.

The College will be undertaking a major infrastructure project in 2014-2015 to include: repairs to or replacement of primary electrical transformers, air handlers, sidewalks, central cooling plant, and the domestic water loop. If funds permit, the infrastructure project will also include upgrades to the maintenance, fine arts, cafeteria, and health and physical education facilities.

Contacting the College's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the College's finances and to show the College's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer or Controller, Western Texas College, 6200 College Avenue, Snyder, Texas 79549.

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Western Texas College
Statement of Net Position
August 31, 2014 and 2013
Exhibit 1

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$5,026,621	\$3,474,785
Short-term investments	863,457	869,932
Accounts receivable, net	2,632,362	2,742,769
Inventories	62,543	62,963
Prepaid and deferred expenses	288,180	57,765
Total Current Assets	<u>8,873,163</u>	<u>7,208,214</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	18,518,115	2,354,324
Restricted long-term investments	3,900,353	3,472,422
Capital assets, net (Note 5)	21,218,611	21,467,060
Total Noncurrent Assets	<u>43,637,079</u>	<u>27,293,806</u>
TOTAL ASSETS	<u>52,510,242</u>	<u>34,502,020</u>
LIABILITIES		
Current Liabilities		
Accounts payable	332,667	666,804
Accrued liabilities	308,844	295,979
Funds held for others	562,302	529,236
Deferred revenues	2,739,434	2,711,358
Accrued compensated absences	216,901	214,091
Notes payable - current portion	726,476	815,144
Capital leases payable - current portion	82,335	66,498
Bonds payable - current portion	1,042,771	209,000
Total Current Liabilities	<u>6,011,730</u>	<u>5,508,110</u>
Noncurrent Liabilities:		
Deposits	172,825	163,790
Notes payable	423,316	838,704
Capital leases payable	656,314	653,621
Bonds payable	22,382,201	8,100,000
Total Noncurrent Liabilities	<u>23,634,656</u>	<u>9,756,115</u>
TOTAL LIABILITIES	<u>29,646,386</u>	<u>15,264,225</u>
NET POSITION		
Invested in capital assets, net of related debt	11,230,170	10,576,159
Restricted:		
Nonexpendable		
Scholarships and fellowships	4,132,074	3,748,870
Expendable		
Student aid	277,177	242,328
Instructional programs	5,005	5,005
Capital projects	82,315	93,213
Loans	366,359	363,203
Debt service	3,556,071	1,582,790
Unexpended Debt Proceeds	-	207,935
Unrestricted	3,214,685	2,418,292
TOTAL NET POSITION (Schedule D)	<u>\$22,863,856</u>	<u>\$19,237,795</u>

See accompanying notes to the financial statements

Western Texas College
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended August 31, 2014 and 2013
Exhibit 2

	2014	2013
REVENUES		
Operating Revenues:		
Tuition and fees (Net of discounts of \$1,799,044 in 2014 and \$1,875,055 in 2013)	\$2,858,004	\$3,268,729
Federal grants and contracts	2,088,745	2,750,086
State grants and contracts	196,907	42,867
Sales and services of educational activities	18,265	11,018
Auxiliary enterprises	2,032,605	1,954,674
Other operating revenues	59,588	48,514
Total Operating Revenues (Schedule A)	7,254,114	8,075,888
EXPENSES		
Operating Expenses:		
Instruction	3,755,390	3,765,744
Public service	1,662,361	1,776,719
Academic support	596,851	706,820
Student services	789,165	805,075
Institutional support	3,567,456	3,238,108
Operation and maintenance of plant	2,640,521	3,147,185
Scholarships and fellowships	2,272,603	2,525,044
Auxiliary enterprises	2,870,236	2,646,286
Depreciation	984,486	919,984
Total Operating Expenses (Schedule B)	19,139,069	19,530,965
Operating Income (Loss)	(11,884,955)	(11,455,077)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	4,725,902	4,219,625
Maintenance ad-valorem taxes	8,452,066	6,194,971
Federal revenue, non-operating	2,406,214	2,751,122
Gifts	85,902	80,614
Investment income (net of investment expenses)	127,349	88,488
Gain (loss) on sale of investments, realized	(8,241)	94,450
Gain (loss) on investments, unrealized	342,957	77,260
Interest on capital related debt	(635,574)	(451,198)
Gain (loss) on disposal of capital assets	(88,157)	(22,367)
Additions (deletions) to permanent and term endowments	59,009	353,878
Debt Issuance Cost	(335,684)	(266,290)
Other non-operating revenues (expenses)	379,273	584,571
Net Non-Operating Revenues (Schedule C)	15,511,016	13,705,124
Increase (Decrease) in Net Position	3,626,061	2,250,047
NET POSITION		
Net Position - beginning of year	19,237,795	16,987,748
Net Position - end of year	\$22,863,856	\$19,237,795

See accompanying notes to the financial statements

Western Texas College
Statement of Cash Flows
For the Years Ended August 31, 2014 and 2013
Exhibit 3

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Receipts from students and other customers	\$5,071,717	\$5,351,812
Receipts from grants and contracts	2,329,914	2,944,818
Payments to or on behalf of employees	(9,299,472)	(9,262,360)
Payments to suppliers for goods and services	(6,900,970)	(6,742,817)
Payments for scholarships	(2,272,603)	(2,525,044)
Other receipts (payments)	(229,995)	(7,249)
Net cash provided (used) by operating activities	<u>(11,301,409)</u>	<u>(10,240,840)</u>
Cash Flows from Noncapital Financing Activities		
Receipts from state appropriations	4,725,902	4,219,625
Receipts from ad valorem taxes	8,452,066	6,194,971
Receipts from non-operating federal revenue	2,406,214	2,751,122
Receipts from gifts and grants (other than capital)	514,989	819,655
Student organization and other agency transactions	33,066	27,309
Net cash provided (used) by noncapital financing activities	<u>16,132,237</u>	<u>14,012,682</u>
Cash Flows from Capital and Related Financing Activities		
Receipts from capital contracts, grants and gifts	-	53,500
Proceeds from sale of capital assets	-	2,262
Purchases of capital assets	(797,157)	(1,955,048)
Proceeds from debt	15,336,562	1,720,801
Debt issuance cost	(335,684)	(63,750)
Payments on capital debt and leases-principal	(808,561)	(832,186)
Payments on capital debt and leases-interest	(635,574)	(451,198)
Net cash provided (used) by capital and related financing activities	<u>12,759,586</u>	<u>(1,525,619)</u>
Cash Flows from Investing Activities		
Proceeds from sale and maturity of investments	348,409	701,950
Receipts from earnings on investment	127,349	88,488
Purchases of investments	(350,545)	(1,150,545)
Net cash provided (used) by investing activities	<u>125,213</u>	<u>(360,107)</u>
Increase (decrease) in cash and cash equivalents	17,715,627	1,886,116
Cash and cash equivalents - beginning of year	5,829,109	3,942,993
Cash and cash equivalents - end of year	<u>\$23,544,736</u>	<u>\$5,829,109</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(\$11,884,955)	(\$11,455,077)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	984,486	919,984
Changes in assets and liabilities		
Receivables, net	110,406	153,172
Inventories	420	(361)
Other assets	(230,415)	(6,888)
Accounts payable	(334,137)	82,967
Accrued expenses	12,865	9,700
Deferred revenues	28,076	51,106
Deposits held for others	9,035	16,465
Compensated absences	2,810	(11,908)
Net cash provided (used) by operating activities	<u>(\$11,301,409)</u>	<u>(\$10,240,840)</u>

See accompanying notes to the financial statements

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Western Texas College
Notes to the Basic Financial Statements
August 31, 2014 and 2013

1. Reporting Entity

Western Texas College was established in 1970, in accordance with the laws of the State of Texas, to serve the educational needs of Snyder and the surrounding communities. Western Texas College (WTC) is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. Summary of Significant Accounting Policies

Report Guidelines

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

Tuition Discounting

Texas Public Education Grants

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

Title IV, Higher Education Act Program Funds

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

Other Tuition Discounts

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

Basis of Accounting

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

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of 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.

Cash and Cash Equivalents

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

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Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. The governing board has designated public funds investment pools comprised of \$513,457 and \$519,932 at 2014 and 2013, respectively to be short-term investments. Long-term investments have an original maturity of greater than one year at the time of purchase.

Receivables

Receivables consist of tuition and fees charges to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the Federal government, state and local governments. Receivables are recorded net of estimated uncollectible amounts.

Inventories

Inventories are reported at the lower of cost or market using first-in, first-out method and are charged to expense as consumed.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations of \$100,000 to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged to operating expenses 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 applying the half-year convention. The following lives are used:

Buildings	50 years
Facilities and Other Improvements	20 years
Library Books	15 years
Furniture, Machinery, Vehicles and Other Equipment	10 years
Telecommunications and Peripheral Equipment	5 years

Noncurrent Long-Term Liabilities

Noncurrent long-term liabilities include bonds payable, notes payable, capital lease and any premiums or discounts associated with these debts that will not be paid within the next fiscal year.

Deferred Revenues

Tuition and fees of \$1,744,429 and \$1,764,475, room and board and other auxiliary charges of \$840,584 and \$800,098, and delinquent ad valorem taxes of \$154,421 and \$146,785 have been reported as deferred revenues at August 31, 2014 and 2013 respectively.

Net Position

The College's Net Position includes the following:

Invested in Capital Assets, Net of Related Debt - This represents the College's total investment in capital assets, net of outstanding debt obligations related to those assets.

Restricted - Nonexpendable - Nonexpendable restricted includes endowments and similar type assets whose use is limited by donors or other outside sources and as a condition of the gift, the principal is to be maintained in perpetuity.

Restricted - Expendable - Expendable restricted includes resources in which the College is legally or

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contractually obligated to spend the resources in accordance with restrictions imposed by external parties.

Unrestricted - Unrestricted includes resources derived from student tuition and fees, sales and services, and interest income.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a Business Type Activity and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operation of the bookstore, maintenance, food services and technology are not performed by the College.

Prior Year Restatement

The College implemented GASB Statement 65 requiring debt issuance costs to be fully expensed in the year in which they were incurred, an adjustment was made to record the unamortized portion of bond and note issuance costs for prior years that equaled a \$266,290 decrease in total net position. This adjustment is reflected in the August 31, 2013 amounts on Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows.

3. Authorized Investments

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

4. Deposits and Investments

Cash and Deposits included on Exhibit 1, Statement of Net Position, consist of the items reported below:

Cash and Deposits

	2014	2013
Bank Deposits		
Demand Deposits	\$23,541,406	\$5,825,879
Cash and Cash Equivalents		
Petty Cash on Hand	3,330	3,230
Total Cash and Deposits	<u>\$23,544,736</u>	<u>\$5,829,109</u>

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Reconciliation of Deposits and Investments between Note 4 and Exhibit 1:

	2014	2013
Per Note 4:		
Total Cash and Deposits	\$23,544,736	\$5,829,109
Total Investments	4,763,810	4,342,354
Total	\$28,308,546	\$10,171,463
Per Exhibit 1:		
Unrestricted:		
Cash and Cash Equivalents	\$5,026,621	\$3,474,785
Short-Term Investments	863,457	869,932
Restricted:		
Cash and Cash Equivalents	18,518,115	2,354,324
Long-Term Investments	3,900,353	3,472,422
Total	\$28,308,546	\$10,171,463

As of August 31, 2014, Western Texas College had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 2	2 to 3
Investment Pool	\$ 513,457	\$ 513,457	-	-
Certificate of Deposit	350,000	350,000	-	-
Mutual Funds	3,900,353	-	-	-
Total Fair Value	\$4,763,810	\$863,457	-	-

As of August 31, 2014, investments with a carrying value of \$350,000 were pledged as collateral for a note payable.

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

Credit Risk - In accordance with state law and the College'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.

Investment Pool (TexPool) - Standard & Poor's rating as of August 31, 2014 equaled AAAM
Certificate of Deposit - Not Rated
Mutual Funds - Not Rated

Concentration of Credit Risk - The College does not place a limit on the amount the College may invest in any one issuer. Investments in any one issuer (other than investments issued or guaranteed by the U.S. government, mutual funds, and external investment pools) that represent 5% or more of are as follows:

Texas Savings Bank (Certificates of Deposit) - \$350,000 (7%)

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Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of August 31, 2014, the carrying amount of the College's bank balances was \$23,891,406. Bank balances of \$250,000 were covered by Federal Depository Insurance. Bank balances in the amount of \$23,641,406 were covered by securities held by the bank but not in the Colleges' name.

5. Capital Assets

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

	Balance 9/1/2013	Increases	Decreases	Balance 8/31/2014
<u>Not Depreciated:</u>				
Land	\$800,162	-	-	\$800,162
Construction in Progress	168,327	299,034	65,102	402,259
Subtotal	968,489	299,034	65,102	1,202,421
<u>Other Capital Assets:</u>				
Buildings	23,765,720	36,480	-	23,802,200
Improvements	3,165,339	65,102	-	3,230,441
Library Books	1,107,046	12,858	4,300	1,115,604
Furniture, Machinery, Vehicles and Other Equipment	3,215,107	138,492	275,726	3,077,873
Telecommunications and Peripheral Equipment	1,397,083	337,330	-	1,734,413
Subtotal	32,650,295	590,262	280,026	32,960,531
<u>Accumulated Depreciation:</u>				
Buildings	7,675,293	428,111	-	8,103,404
Improvements	886,836	134,092	-	1,020,928
Library Books	1,006,000	13,023	4,300	1,014,723
Furniture, Machinery, Vehicles and Other Equipment	1,559,628	253,912	187,569	1,625,971
Telecommunications and Peripheral Equipment	1,023,967	155,348	-	1,179,315
Subtotal	12,151,724	984,486	191,869	12,944,341
Net Other Capital Assets	20,498,571	(394,224)	88,157	20,016,190
Net Capital Assets	\$21,467,060	\$(95,190)	\$153,259	\$21,218,611

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

	Balance 9/1/2012	Increases	Decreases	Balance 8/31/2013
Not Depreciated:				
Land	\$657,662	\$142,500	-	\$800,162
Construction in Progress	374,297	208,862	414,832	168,327
Subtotal	<u>1,031,959</u>	<u>351,362</u>	<u>414,832</u>	<u>968,489</u>
Other Capital Assets:				
Buildings	22,517,361	1,248,359	-	23,765,720
Improvements	3,062,262	103,077	-	3,165,339
Library Books	1,098,532	8,514	-	1,107,046
Furniture, Machinery, Vehicles and Other Equipment	2,715,159	640,285	140,337	3,215,107
Telecommunications and Peripheral Equipment	1,230,449	256,624	89,990	1,397,083
Subtotal	<u>30,623,763</u>	<u>2,256,859</u>	<u>230,327</u>	<u>32,650,295</u>
Accumulated Depreciation:				
Buildings	7,258,746	416,547	-	7,675,293
Improvements	756,529	130,307	-	886,836
Library Books	993,594	12,406	-	1,006,000
Furniture, Machinery, Vehicles and Other Equipment	1,393,071	236,543	69,986	1,559,628
Telecommunications and Peripheral Equipment	989,776	124,181	89,990	1,023,967
Subtotal	<u>11,391,716</u>	<u>919,984</u>	<u>159,976</u>	<u>12,151,724</u>
Net Other Capital Assets	<u>19,232,047</u>	<u>1,336,875</u>	<u>70,351</u>	<u>20,498,571</u>
Net Capital Assets	<u>\$20,264,006</u>	<u>\$1,688,237</u>	<u>\$485,183</u>	<u>\$21,467,060</u>

6. Long-term Liabilities

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

	Balance 9/1/2013	Additions	Reductions	Balance 8/31/2014	Current Portion
Capital Leases and Bonds:					
Capital Leases	\$ 720,119	\$114,035	\$ 95,505	\$ 738,649	\$ 82,335
Notes Payable (Gov. Cap.)	1,246,471	-	407,768	838,703	415,387
Bonds Payable	8,309,000	15,336,562	220,590	23,424,972	1,042,771
Total Long-term Liabilities	<u>\$10,275,590</u>	<u>\$15,450,597</u>	<u>\$723,863</u>	<u>\$25,002,324</u>	<u>\$1,540,493</u>

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

	Balance 9/1/2012	Additions	Reductions	Balance 8/31/2013	Current Portion
Capital Leases and Bonds:					
Capital Leases	\$731,227	\$39,929	\$51,037	\$ 720,119	\$ 66,498
Notes Payable (Gov. Cap)	-	1,665,801	419,330	1,246,471	404,249
Bonds Payable	8,470,000	55,000	216,000	8,309,000	209,000
Total Long-term Liabilities	<u>\$9,201,227</u>	<u>\$1,760,730</u>	<u>\$686,367</u>	<u>\$10,275,590</u>	<u>\$679,747</u>

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7. Debt and Lease Obligations

Debt service requirements for the 2014 Maintenance Tax Notes at August 31, 2014 are as follows:

For the Years Ended August 31,	Principal	Interest	Total
2015	\$ 785,000	\$ 482,681	\$1,267,681
2016	800,000	466,831	1,266,831
2017	825,000	446,456	1,271,456
2018	845,000	421,406	1,266,406
2019	875,000	395,606	1,270,606
2020-2024	4,860,000	1,482,106	6,342,106
2025-2029	5,825,000	520,453	6,345,453
Total	<u>\$14,815,000</u>	<u>\$4,215,541</u>	<u>\$19,030,541</u>

Debt service requirements for the 2012 Revenue Refunding Bonds at August 31, 2014 are as follows:

For the Years Ended August 31,	Principal	Interest	Total
2015	\$ 123,000	\$ 84,779	\$ 207,779
2016	128,000	80,512	208,512
2017	131,000	76,109	207,109
2018	135,000	71,587	206,587
2019	141,000	66,895	207,895
2020-2024	777,000	258,247	1,035,247
2025-2029	917,000	114,597	1,031,597
2030	203,000	3,451	206,451
Total	<u>\$2,555,000</u>	<u>\$756,177</u>	<u>\$3,311,177</u>

Debt service requirements for the 2009 Revenue Bonds at August 31, 2014 are as follows:

For the Years Ended August 31,	Principal	Interest	Total
2015	\$ 100,000	\$ 306,400	\$ 406,400
2016	105,000	302,038	407,038
2017	110,000	297,063	407,063
2018	110,000	291,700	401,700
2019	115,000	286,075	401,075
2020-2024	685,000	1,329,320	2,014,320
2025-2029	900,000	1,115,020	2,015,020
2030-2034	2,230,000	705,239	2,935,239
2035	1,190,000	34,213	1,224,213
Total	<u>\$5,545,000</u>	<u>\$4,667,068</u>	<u>\$10,212,068</u>

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Debt service requirements for the notes payable, Government Capital, regarding the Science Building renovation as of August 31, 2014 are as follows:

For the Years Ended August 31,	Principal	Interest	Total
2015	\$415,387	\$23,217	\$438,604
2016	426,835	11,769	438,604
Total	\$842,222	\$34,986	\$877,208

Capital leases relate to the purchase of copiers, a campus-wide boiler replacement project, a John Deere Gator, and grounds maintenance equipment with a combined depreciable value of \$742,516. Obligations under these leases at August 31, 2014 are as follows:

For the Year Ended August 31,	
2015	\$115,797
2016	115,797
2017	115,637
2018	102,595
2019	81,591
2020-2023	318,726
Total Minimum Lease Payments	850,143
Less: Interest	(111,494)
Present Value of Minimum Lease Payments	\$738,649

8. Bonds Payable

General Information related to bonds payable is summarized below:

- Scurry County Junior College District Maintenance Tax Notes, Series 2014
- Issued March 18, 2014
- To maintain, repair, rehabilitation or replacement of building systems on campus.
- \$14,815,000; all authorized debt has been issued.
- Sources of revenue for debt service – ad valorem tax revenue.
- Principal payments ranging from \$785,000 to \$1,245,000; variable interest rate ranging from 2.00% to 4.00%.
- Outstanding balance at August 31, 2014 is \$14,815,000, with the final payment due 02/15/29.

Maintenance Tax Notes payable are due in annual installment varying from \$1,266,406 to \$1,271,456 with a variable interest rate. The final installment is due February 15, 2029.

- Scurry County Junior College District Consolidated Fund Revenue Refunding Bonds, Series 2012
- Issued April 1, 2005: Refunded November 1, 2012

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- To construct new residence hall located on the campus.
- \$2,805,000; all authorized bonds have been issued.
- Sources of revenue for debt service - general student fees, student tuition, and gross revenue of the housing system.
- Principal payments ranging from \$119,000 to \$203,000; fixed interest rate of 3.40%.
- Outstanding balance at August 31, 2014 is \$2,555,000, with the final payment due 02/15/30.

Bonds payable are due in annual installment varying from \$206,137 to \$208,512 with a fixed interest rate of 3.40%. The final installment is due February 15, 2030.

- Scurry County Junior College District Consolidated Fund Revenue Bonds, Series 2009
- Issued November 1, 2009
- To construct new residence hall located on the campus.
- \$5,890,000; all authorized bonds have been issued.
- Sources of revenue for debt service - general student fees, student tuition, and gross revenue of the housing system.
- Principal payments ranging from \$85,000 to \$1,190,000; variable interest rate ranging from 3.25% to 5.75% until 08/31/35.
- Outstanding balance at August 31, 2014 is \$5,545,000, with the final payment due 08/31/35.

Bonds payable are due in annual installment varying from \$400,200 to \$1,224,213 with a variable interest rate. The final installment is due August 31, 2035.

9. Notes Payable

The College obtained a loan from a local bank during fiscal year 2003 for the construction of a base-ball/softball complex. This loan was a multiple advance note with a maximum principal available of \$570,000, variable interest rate and was due upon demand. In fiscal year 2009, additional funds of \$109,315 were drawn on this loan for the development of a new soccer field. In 2011, the balance of this loan, \$469,390, was refinanced with an interest rate of 3.95% to be paid in 60-monthly payments in the amount of \$8,635 per month beginning in September 2011. The loan is scheduled to be paid off in August 2016. In fiscal year 2009, a separate loan of \$144,000 was obtained for the purchase of a building for off campus classes. The interest rate is 4% and the monthly payments are in the amount of \$817 per month for 240 months. The debt is secured by the property. Both loans are due on demand. In 2012, financing was obtained from Government Capital in the amount of \$1,665,801 for remodeling of the Science Building. The term of the note is over 4 years. Funds received by the Department of Education STEM Grant are used to make yearly payments in the amount of \$438,604.

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Notes payable activity for fiscal year 2014 was as follows:

	Balance <u>09/01/2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>08/31/14</u>	Current <u>Portion</u>
Notes Payable (Gov. Cap.)	\$1,246,471	-	\$ 407,768	\$838,703	\$415,387
Notes Payable (TSB)	407,377	-	96,288	311,089	311,089
Total Notes Payable	\$1,653,848	-	\$504,056	\$1,149,792	\$726,476

Notes payable activity for fiscal year 2013 was as follows:

	Balance <u>09/01/2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>08/31/2013</u>	Current <u>Portion</u>
Notes Payable (Gov. Cap.)	-	\$1,665,801	\$ 419,330	\$1,246,471	\$404,249
Notes Payable (TSB)	\$506,852	-	99,475	407,377	407,377
Total Notes Payable	\$506,852	\$1,665,801	\$ 518,805	\$1,653,848	\$811,626

10. Employee's Retirement Plan

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

Teacher Retirement System of Texas

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% and 6.4% for fiscal years 2014 and 2013 and a state contribution rate of 6.8% and 6.4% for fiscal year 2014 and 2013. In certain instances the reporting district may be required to make all or a portion of the state's 6.8% and 6.4% contribution for fiscal year 2014 and 2013. Senate Bill (S.B.) 1812, effective September 01, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

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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 participant salaries currently contributed by each participant are 6.65% and 6.65% for 2014 and 2013 and a state contribution rate of 6.6% and 6.0% for fiscal year 2014 and 2013. The College contributes 7.31% for employees who were participating in the Optional Retirement Program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. S.B. 1812, effective September 01, 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 College was \$190,061 and \$220,546 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 College.

The total payroll for all College employees was \$7,231,876 and \$7,218,314 for fiscal years 2014 and 2013, respectively. The total payroll of employees covered by the Teacher Retirement System was \$4,251,739 and \$4,106,037 and the total payroll of employees covered by the Optional Retirement Program was \$2,177,257 and \$2,109,272 for fiscal years 2014 and 2013, respectively.

11. Deferred Compensation Program

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The College currently has no employees participating.

12. Compensated Absences

Full-time employees earn annual leave from eight to twelve hours per month depending on the number of years employed with the College. The College's policy is that an employee may carry their accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 240 for those employees with 16 or more years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized the accrued liability for the unpaid annual leave in the amounts of \$216,901 and \$214,091 for 2014 and 2013. Sick leave, which can accumulate up to 60 days, is earned at the rate of 8 hours per month per full time employee. The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

13. Healthcare and Life Benefits for Active Employees and Retirees

Certain healthcare and life insurance benefits for active full-time 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. In addition to pension benefits, the state provides certain healthcare and life insurance benefits to retired employees. The healthcare and life insurance benefit plans for both active full-time and retired employees is administered by the Employee Retirement System (ERS). The state's contribution per full-time employee and retiree was \$503.14 per month for the year ended August 31, 2014 (\$470.38 per month for the year ended August 31, 2013) and totaled \$601,028 for 2014 (\$384,954 for active full-time employees and

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\$216,074 for retirees). The total state contribution for fiscal year 2013 was \$473,273 (\$62,358 for active full-time employees and \$410,915 for retirees). The College's cost of providing those benefits for 61 retirees in fiscal year 2014 was \$239,361 (benefits for 61 retirees cost \$3,985 for fiscal year 2013). For 154 active full-time employees, the cost of providing benefits was \$599,471 for fiscal year 2014 (active full-time employee benefits for 159 employees cost \$841,301 for fiscal year 2013). S.B 1812, effective September 01, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

14. Pending Lawsuits and Claims

The College could be a party to litigation and claims in the ordinary course of its operations. Since it is not possible to predict the ultimate outcome of these matters, no provision for any liability has been made in the financial statements. College management is of the opinion that the liability, if any, for any of these matters will not have a material adverse effect on the financial position of the College.

15. Disaggregation of Receivables and Payables Balances

Receivables at August 31, 2014 and 2013 are as follows:

	2014	2013
Accounts Receivable	\$1,539,577	\$1,496,810
Student Receivables	1,010,578	1,170,731
Allowance for Doubtful Accounts	(80,000)	(80,000)
Taxes Receivable	154,421	146,785
Other Receivables	7,786	8,443
Total	<u>\$2,632,362</u>	<u>\$2,742,769</u>

Payables at August 31, 2014 and 2013 are as follows:

	2014	2013
Vendor Payables	\$332,667	\$666,804
Accrued Payroll	238,002	233,408
Accrued Other	70,842	62,571
Total	<u>\$641,511</u>	<u>\$962,783</u>

16. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2, Schedule A, and Schedule C. 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 awards funds already committed, e.g. multi-year awards, or funds awarded during fiscal year 2014 and 2013 for which monies have not been received nor funds expended totaled \$4,037,682 and \$6,124,952. Of these amounts, \$3,833,432 and \$5,980,472 were from Federal Contract and Grant Awards in 2014 and 2013 respectively; \$204,250 and \$144,480 was from State Contract and Grant Awards in 2014 and 2013 respectively.

Western Texas College
Notes to the Basic Financial Statements
August 31, 2014 and 2013

17. Risk Management

The College is exposed to various risks of loss related to liability, property, and errors and omissions. These exposures to loss are handled by commercial insurance. The College has self-insured arrangements for coverage in the areas of unemployment compensation and workers' compensation. Unemployment compensation is on a pay-as-you-go basis and workers' compensation is handled by a risk management fund which specializes in handling colleges and school district workers' compensation claims. Accrued liabilities are generally based on actuarial valuation and represent the present value of unpaid expected claims. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage.

18. Ad Valorem 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, 2014 and 2013:

	2014	2013
Assessed Valuation of the District	\$3,518,250,453	\$3,401,434,277
Less: Exemptions	39,996,633	49,905,229
Less: Abatements	-	-
Net Assessed Valuation of the District	\$3,478,253,820	\$3,351,529,048

	2014			2013		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	\$0.3500	-	\$0.3500	\$0.3500	-	\$0.3500
Assessed Tax Rate per \$100 valuation	\$0.2500	-	\$0.2500	\$0.1858	-	\$0.1858

Taxes levied for the year ended August 31, 2014 and 2013 was \$8,621,889 and \$6,261,521 (which includes any penalty and interest assessed, if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Western Texas College
Notes to the Basic Financial Statements
August 31, 2014 and 2013

	2014			2013		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$8,347,659	-	\$8,347,659	\$6,091,636	-	\$6,091,636
Delinquent Taxes Collected	51,342	-	51,342	53,608	-	53,608
Penalties and Interest Collected	53,065	-	53,065	49,727	-	49,727
Total Collections	<u>\$8,452,066</u>	-	<u>\$8,452,066</u>	<u>\$6,194,971</u>	-	<u>\$6,194,971</u>

Tax collections for the year ended August 31, 2014 and 2013 were 96.8% and 97.3% of the actual tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or general obligation debt service.

19. Income Taxes

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

20. Component Unit

Western Texas College Foundation was established as a separate nonprofit organization in 1977, to raise funds to provide student scholarships and assistance in the development and growth of the College. Under Governmental Standards Board Statement No 39, Determining Whether Certain Organizations are Component Units, an organization should report as a blended component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

Accordingly, the Foundation financial statements are included in the College's annual report as a blended component unit. Complete financial statements of Western Texas College Foundation can be obtained from the administrative office of Western Texas College.

Western Texas College
Schedule of Operating Revenues
For the Year Ended August 31, 2014
(With Memorandum Totals for the Year Ended August 31, 2013)
Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2014 Total	2013 Total
Tuition						
State funded courses:						
In-district resident tuition	\$995,522	-	\$995,522	-	\$995,522	\$961,455
Out-of-district resident tuition	1,496,232	-	1,496,232	-	1,496,232	1,723,782
TPEG (set aside)*	122,175	-	122,175	-	122,175	124,346
Non-resident tuition	427,462	-	427,462	-	427,462	351,257
Non-state funded educational programs	51,906	-	51,906	-	51,906	37,799
Total Tuition	<u>3,093,297</u>	<u>-</u>	<u>3,093,297</u>	<u>-</u>	<u>3,093,297</u>	<u>3,198,639</u>
Fees						
Building use fee	60,119	-	60,119	-	60,119	67,399
Student service fee	44,268	-	-	189,379	233,647	190,513
Laboratory fee	145,387	-	145,387	-	145,387	167,122
VCT fee	75,800	-	75,800	-	75,800	81,000
Installment fee	1,840	-	1,840	-	1,840	2,250
General Use Fee	592,395	-	592,395	-	592,395	665,230
Adult vocational fee	1,223	-	1,223	-	1,223	3,830
Other fees	453,340	-	453,340	-	453,340	767,801
Total Fees	<u>1,374,372</u>	<u>-</u>	<u>1,374,372</u>	<u>189,379</u>	<u>1,563,751</u>	<u>1,945,145</u>
Allowances and Discounts						
Scholarship allowances	(507,867)	-	(507,867)	-	(507,867)	(560,203)
Remissions and exemptions	(414,046)	-	(414,046)	-	(414,046)	(351,798)
TPEG allowances	(80,535)	-	(80,535)	-	(80,535)	(104,759)
Federal grants to students	(796,586)	-	(796,586)	-	(796,586)	(854,383)
State grants to students	(10)	-	(10)	-	(10)	(3,912)
Total Allowances and Discounts	<u>(1,799,044)</u>	<u>-</u>	<u>(1,799,044)</u>	<u>-</u>	<u>(1,799,044)</u>	<u>(1,875,055)</u>
Total Net Tuition and Fees	<u>2,668,625</u>	<u>-</u>	<u>2,668,625</u>	<u>189,379</u>	<u>2,858,004</u>	<u>3,268,729</u>
Additional Operating Revenues						
Federal grants and contracts	-	2,088,745	2,088,745	-	2,088,745	2,750,086
State grants and contracts	-	196,907	196,907	-	196,907	42,867
Sales and services of educational activities	18,265	-	18,265	-	18,265	11,018
Investment income (program restricted)	-	18,796	18,796	-	18,796	4,235
Other operating revenues	20,244	20,548	40,792	-	40,792	44,279
Total Additional Operating Revenues	<u>38,509</u>	<u>2,324,996</u>	<u>2,363,505</u>	<u>-</u>	<u>2,363,505</u>	<u>2,852,485</u>
Auxiliary Enterprises						
Residential life	-	-	-	886,359	886,359	863,796
Bookstore	-	-	-	57,657	57,657	50,913
Golf course	-	-	-	183,260	183,260	199,232
Food service	-	-	-	606,360	606,360	577,428
Athletics	-	-	-	20,525	20,525	18,694
Apartments	-	-	-	21,688	21,688	8,948
Coliseum	-	-	-	256,756	256,756	235,663
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,032,605</u>	<u>2,032,605</u>	<u>1,954,674</u>
Total Operating Revenues	<u>\$2,707,134</u>	<u>\$2,324,996</u>	<u>\$5,032,130</u>	<u>\$2,221,984</u>	<u>\$7,254,114</u>	<u>\$8,075,888</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$122,175 and \$124,346 for years August 31, 2014 and 2013, respectively, was set aside for Texas Public Education Grants

Western Texas College
Schedule of Operating Expenses by Object
Year Ended August 31, 2014 (with Memorandum Totals for the Year Ended August 31, 2013)
Schedule B

	Operating Expenses			2014 Total	2013 Total	
	Salaries and Wages	Benefits				Other Expenses
		State	Local			
<u>Unrestricted - Educational Activities</u>						
Instruction	\$2,914,261	-	\$92,010	\$220,378	\$3,226,649	\$3,644,611
Public Service	-	-	17,702	17,124	34,826	37,841
Academic Support	363,574	-	10,173	144,003	517,750	626,138
Student Services	567,030	-	14,980	59,801	641,811	669,542
Institutional Support	1,345,853	-	41,548	1,457,688	2,845,089	2,843,604
Operation and Maintenance of Plant	115,829	-	30,459	2,494,233	2,640,521	3,147,185
Scholarships and Fellowships	-	-	-	585,181	585,181	542,879
Total Unrestricted Educational Activities	5,306,547	-	206,872	4,978,408	10,491,827	11,511,800
<u>Restricted - Educational Activities</u>						
Instruction	10,059	518,682	-	-	528,741	121,133
Public Service	824,886	-	157,973	644,676	1,627,535	1,738,878
Academic Support	8,285	70,816	-	-	79,101	80,682
Student Services	9,923	137,431	-	-	147,354	135,533
Institutional Support	2,408	719,959	-	-	722,367	394,504
Scholarships and Fellowships	-	-	-	1,687,422	1,687,422	1,982,165
Total Restricted Educational Activities	855,561	1,446,888	157,973	2,332,098	4,792,520	4,452,895
Total Educational Activities	6,162,108	1,446,888	364,845	7,310,506	15,284,347	15,964,695
Auxiliary Enterprises	1,069,768	-	267,890	1,532,578	2,870,236	2,646,286
Depreciation Expense-Buildings and Improvements	-	-	-	562,203	562,203	546,854
Depreciation Expense-Equipment and Furniture	-	-	-	422,283	422,283	373,130
Total Operating Expenses	\$7,231,876	\$1,446,888	\$632,735	\$9,827,570	\$19,139,069	\$19,530,965
				(Exhibit 2)	(Exhibit 2)	

Western Texas College
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2014 (with Memorandum Totals for the Year Ended August 31, 2013)
Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	2014 Total	2013 Total
Non-Operating Revenues:					
State Appropriations:					
Education and general state support	\$3,938,521		-	\$3,938,521	\$3,525,806
State group insurance	-	601,028	-	601,028	473,273
State retirement matching	-	186,353	-	186,353	220,546
Total state appropriations	<u>3,938,521</u>	<u>787,381</u>	-	<u>4,725,902</u>	<u>4,219,625</u>
Other Non-Operating Revenues:					
Ad valorem taxes	8,452,066		-	8,452,066	6,194,971
Federal Revenue, Non-Operating	-	2,406,214	-	2,406,214	2,751,122
Gifts	85,902		-	85,902	80,614
Investment Income	34,134	93,215	-	127,349	88,488
Gain (loss) on sale of investments, realized	-	(8,241)	-	(8,241)	94,450
Gain (loss) on investments, unrealized	-	342,957	-	342,957	77,260
Additions (deletions) to permanent and term endowment	-	59,009	-	59,009	353,878
Contributions in aid of construction	-	9,195	-	9,195	199,408
Other Non-Operating revenue	370,078		-	370,078	385,163
Total Other Non-Operating Revenues	<u>8,942,180</u>	<u>2,902,349</u>	-	<u>11,844,529</u>	<u>10,225,354</u>
Total Non-Operating Revenues	<u>12,880,701</u>	<u>3,689,730</u>	-	<u>16,570,431</u>	<u>14,444,979</u>
Non-Operating Expenses:					
Interest on capital related debt	(635,574)		-	(635,574)	(451,198)
Debt Issuance Cost	(335,684)		-	(335,684)	(266,290)
Loss on disposal of capital assets	(88,157)		-	(88,157)	(22,367)
Total Non-Operating Expenses	<u>(1,059,415)</u>		-	<u>(1,059,415)</u>	<u>(739,855)</u>
Net Non-Operating Revenues	<u>\$11,821,286</u>	<u>\$3,689,730</u>	-	<u>\$15,511,016</u>	<u>\$13,705,124</u>
				(Exhibit 2)	(Exhibit 2)

Western Texas College
Schedule of Net Position by Source and Availability
For the Year Ended August 31, 2014 (with Memorandum Totals for the Year Ended August 31, 2013)
Schedule D

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$2,186,334	-	-	-	\$2,186,334	\$2,186,334	-
Board Designated	-	-	-	-	-	-	-
Restricted	-	282,182	-	-	282,182	282,182	-
Auxiliary enterprises	1,028,351	-	-	-	1,028,351	1,028,351	-
Loan	-	366,359	-	-	366,359	-	366,359
Endowment:	-	-	-	-	-	-	-
Quasi:	-	-	-	-	-	-	-
Unrestricted	-	82,315	-	-	82,315	82,315	-
Restricted	-	-	4,132,074	-	4,132,074	-	4,132,074
Endowment	-	-	-	-	-	-	-
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:	-	-	-	-	-	-	-
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt Service	-	3,556,071	-	-	3,556,071	-	3,556,071
Investment in Plant	-	-	-	11,230,170	11,230,170	-	11,230,170
Total Net Position, August 31, 2014	3,214,685	4,286,927	4,132,074	11,230,170	22,863,856	3,579,182	19,284,674
					(Exhibit 1)		
Total Net Position, August 31, 2013	2,418,292	2,494,474	3,748,870	10,576,159	19,237,795	2,966,773	16,271,022
					(Exhibit 1)		
Net Increase (Decrease) in Net Position	\$796,393	\$1,792,453	\$383,204	\$654,011	\$3,626,061	\$612,409	\$3,013,652
					(Exhibit 2)		

Western Texas College
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2014
Schedule E

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. General Services Administration			
Donation of Federal Surplus Personal Property	39.003	34130	\$4,241
Total U.S. General Services Administration			<u>4,241</u>
U.S. Department of Education			
Direct Programs:			
Federal Supplemental Educational Opportunity Grants	84.007		7,400
Federal Work-Study Program	84.033		23,006
Federal Pell Grant Program	84.063		1,421,707
Federal Direct Student Loans	84.268		954,101
Subtotal			<u>2,406,214</u>
TRIO-Student Support Services	84.042		197,255
TRIO-Talent Search	84.044		198,064
TRIO-Upward Bound	84.047		244,734
Subtotal			<u>640,053</u>
Higher Education Institutional Aid - STEM	84.031C		858,269
Higher Education Institutional Aid - Title V	84.031S		538,848
Subtotal			<u>1,397,117</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	142076	49,575
Statewide Longitudinal Data Systems	84.372		2,000
Total U.S. Department of Education			<u>4,494,959</u>
Total Federal Financial Assistance			<u>\$4,499,200</u>
Note 1: Federal Assistance Reconciliation			
Federal Grants and Contracts Revenue - per Schedule A			\$2,088,745
Non-Operating Federal Revenue - per Schedule C			2,406,214
Total Federal Revenues per Statement of Revenues, Expenses and Changes in Net Position			<u>\$4,494,959</u>
Reconciling Items:			
Donation of Federal Surplus Personal Property (Non-Cash Value)			4,241
Total Federal Revenues per Schedule of Expenditures of Federal Awards			<u>\$4,499,200</u>

Note 2: Significant Accounting Policies used in Preparing Schedule

The expenditures included in the schedule are reported for the college's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the college for the 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 college has followed all applicable guidelines issued by various entities in the preparation of the schedule.

Note 3: Non-Monetary Federal Assistance

The College is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements and are therefore not recorded in the College's financial statements. Awards received by the College that include non-cash amounts are as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Award</u>
39.003	Donation of Federal Surplus Personal Property	\$4,241

Western Texas College
 Schedule of Expenditures of State Awards
 For the Year Ended August 31, 2014
 Schedule F

<u>Grantor Agency/Program Title</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>Texas Higher Education Coordinating Board</u>		
Direct Programs:		
Texas Grants		\$53,609
Total Texas Higher Education Coordinating Board		<u>53,609</u>
 <u>Texas Workforce Commission</u>		
Pass Through From:		
Skills Development Fund 2013		
Oil and Gas Initiative	0913SDF002	143,298
Total Texas Workforce Commission		<u>143,298</u>
 Total State Financial Assistance		 <u><u>\$196,907</u></u>
 <u>Note 1: State Assistance Reconciliation</u>		
Total State Revenues - per Schedule A		<u><u>\$196,907</u></u>

Note 2: Significant Accounting Policies used in Preparing Schedule

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

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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

To the Board of Trustees
Western Texas College
Snyder, TX

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Western Texas College, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise Western Texas College's basic financial statements, and have issued our report thereon dated December 15, 2014.

Internal Control Over Financial Reporting

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

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


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

Compliance and Other Matters

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

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.


May & Hrbacek, LLP
December 15, 2014

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Trustees
Western Texas College
Snyder, TX

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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. Accordingly, this report is not suitable for any other purpose.

May & Hrbacek, LLP

May & Hrbacek, LLP
December 15, 2014

**Western Texas College
 Schedule of Findings and Questioned Costs
 Federal Awards
 For the Year Ended August 31, 2014**

Section I - Summary of Auditors' Results

Financial Statements:

The auditors' report expresses an unqualified opinion on the basic financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____yes X none reported

Noncompliance material to the basic financial statements noted? _____yes X no

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? _____yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____yes X none reported

The auditors' report on compliance for major federal award programs expresses an unqualified opinion.

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 tested:

<u>CFDA Number(s)</u>	<u>Name of Program or Cluster</u>
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

Dollar threshold used to distinguish between type A and type B for federal programs: \$300,000

Auditee was determined to be a low-risk auditee under OMB Circular A-133? X yes _____no

Section II - Financial Statement Findings

None

Section III - Findings and Questioned Costs - Major Federal Award Programs

None

**Western Texas College
Summary Schedule of Prior Audit Findings
Federal Awards
For the Year Ended August 31, 2014**

There were no findings or questioned costs noted in the prior year relative to Federal awards.

Western Texas College
 Statistical Supplement 1
 Net Position by Component
 Fiscal Years 2005 to 2014
 (unaudited)

	For the Fiscal Year Ended August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Invested in capital assets, net of related debt	\$11,230,170	\$10,784,094	\$10,555,927	\$10,263,912	\$8,834,459	\$9,916,283	\$9,498,157	\$5,253,222	\$5,436,236	\$5,639,015
Restricted - expendable	4,286,927	2,286,539	2,116,665	1,864,173	3,045,612	3,442,910	3,034,515	2,654,149	2,148,922	1,881,364
Restricted - nonexpendable	4,132,074	3,748,870	3,095,828	2,832,664	2,556,196	-	-	-	-	-
Unrestricted	3,214,685	2,418,292	1,219,328	(261,116)	(875,981)	(584,615)	107,405	61,553	(402,847)	(226,734)
Total Primary Government Net Position	\$22,863,856	\$19,237,795	\$16,987,748	\$14,699,633	\$13,560,286	\$12,774,578	\$12,640,077	\$7,968,924	\$7,182,311	\$7,293,645

Western Texas College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2005 to 2014
(unaudited)

	For the Year Ended August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tuition and Fees (Net of Discounts)	\$2,858,004	\$3,268,729	\$2,951,458	\$2,643,162	\$2,758,218	\$2,685,383	\$2,211,612	\$2,087,627	\$1,728,836	\$1,266,314
Governmental Grants and Contracts										
Federal Grants and Contracts	2,088,745	2,750,086	2,622,140	2,031,708	2,068,475	2,060,051	1,792,789	2,461,319	1,813,172	1,339,742
State Grants and Contracts	196,907	42,867	74,611	121,735	634,934	636,195	138,029	126,722	122,501	86,369
Non-Governmental Grants and Contracts	-	-	-	67,291	158,386	158,757	159,070	163,304	175,684	155,942
Sales and services of educational activities	18,265	11,018	18,025	19,409	26,074	17,463	18,174	30,310	23,271	29,908
Auxiliary enterprises	2,032,605	1,954,674	2,269,415	2,303,751	1,947,698	1,720,959	1,470,065	1,114,815	692,932	620,971
Other Operating Revenues	59,588	48,514	136,202	118,956	107,496	142,104	125,546	96,851	85,968	64,425
Total Operating Revenues	7,254,114	8,075,888	8,071,851	7,306,012	7,701,281	7,420,912	5,915,285	6,080,948	4,642,364	3,563,671
State Appropriations	4,725,902	4,219,625	4,412,712	4,847,314	4,910,633	4,074,218	3,957,140	3,657,064	3,522,108	3,423,027
Ad Valorem Taxes	8,452,066	6,194,971	5,686,282	4,066,974	3,792,196	3,515,940	3,330,031	3,115,109	2,860,178	2,676,835
Federal Revenue	2,406,214	2,751,122	3,084,048	2,884,637	2,596,141	1,430,656	1,225,843	-	-	-
Gifts	85,902	80,614	570,821	117,230	165,568	788,105	4,617,648	324,558	277,658	87,647
Investment income	119,108	88,488	49,273	40,384	32,474	23,592	50,571	125,596	83,440	63,602
Other non-operating revenues	781,239	1,110,159	294,242	1,396,648	859,868	242,286	348,629	496,325	147,869	121,116
Total Non-Operating Revenue	16,570,431	14,444,979	14,097,378	13,353,187	12,356,880	10,074,797	13,529,862	7,718,652	6,891,253	6,372,227
Total Revenues	\$23,824,545	\$22,520,867	\$22,169,229	\$20,659,199	\$20,058,161	\$17,495,709	\$19,445,147	\$13,799,600	\$11,533,617	\$9,935,898

	For the Year Ended August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tuition and Fees (Net of Discounts)	12.00%	14.51%	13.31%	12.79%	13.75%	15.35%	11.37%	15.13%	14.99%	12.74%
Governmental Grants and Contracts										
Federal Grants and Contracts	8.77%	12.21%	11.83%	9.83%	10.31%	11.77%	9.22%	17.84%	15.72%	13.48%
State Grants and Contracts	0.83%	0.19%	0.34%	0.59%	3.17%	3.64%	0.71%	0.92%	1.06%	0.87%
Non-Governmental Grants and Contracts	-	-	-	0.33%	0.79%	0.91%	0.82%	1.18%	1.52%	1.57%
Sales and services of educational activities	0.08%	0.05%	0.08%	0.09%	0.13%	0.10%	0.09%	0.22%	0.20%	0.30%
Auxiliary enterprises	8.53%	8.68%	10.24%	11.15%	9.71%	9.84%	7.56%	8.08%	6.01%	6.25%
Other Operating Revenues	0.25%	0.22%	0.61%	0.58%	0.54%	0.81%	0.65%	0.70%	0.75%	0.65%
Total Operating Revenues	30.45%	35.86%	36.41%	35.36%	38.39%	42.42%	30.42%	44.07%	40.25%	35.87%
State Appropriations	19.84%	18.74%	19.90%	23.46%	24.48%	23.29%	20.35%	26.50%	30.54%	34.45%
Ad Valorem Taxes	35.48%	27.51%	25.65%	19.69%	18.91%	20.10%	17.13%	22.57%	24.80%	26.94%
Federal Revenue	10.10%	12.22%	13.91%	13.96%	12.94%	8.18%	6.30%	-	-	-
Gifts	0.36%	0.36%	2.57%	0.57%	0.83%	4.50%	23.75%	2.35%	2.41%	0.88%
Investment income	0.50%	0.39%	0.22%	0.20%	0.16%	0.13%	0.26%	0.91%	0.72%	0.64%
Other non-operating revenues	3.28%	4.93%	1.33%	6.76%	4.29%	1.38%	1.79%	3.60%	1.28%	1.22%
Total Non-Operating Revenue	69.55%	64.14%	63.59%	64.64%	61.61%	57.58%	69.58%	55.93%	59.75%	64.13%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Western Texas College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2005 to 2014
(unaudited)

	For the Year Ended August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction	\$3,755,390	\$3,765,744	\$3,658,884	\$3,659,404	\$3,758,781	\$3,433,714	\$3,307,116	\$2,886,462	\$2,762,012	\$2,679,916
Research	-	-	-	-	-	-	-	-	-	-
Public service	1,662,361	1,776,719	2,146,940	2,279,847	2,548,756	2,770,107	2,144,244	1,748,603	1,487,856	950,891
Academic support	596,851	706,820	682,048	702,446	715,344	772,199	854,177	647,620	567,670	886,700
Student services	789,165	805,075	717,843	652,898	582,080	493,645	458,218	443,108	436,785	406,978
Institutional support	3,567,456	3,238,108	3,174,204	2,987,584	2,911,828	2,656,495	2,405,104	2,193,025	2,049,346	1,597,657
Operation and maintenance of plant	2,640,521	3,147,185	2,849,410	2,586,507	2,568,276	2,132,428	1,865,428	1,842,464	1,779,858	1,618,916
Scholarships and fellowships	2,272,603	2,525,044	2,624,492	2,616,780	2,371,791	1,430,639	834,025	783,673	516,783	432,450
Auxiliary enterprises	2,870,236	2,646,286	2,624,959	2,759,735	2,794,255	2,649,700	2,061,617	1,780,836	1,316,691	1,077,350
Depreciation	984,486	919,984	852,729	736,083	498,254	709,162	569,976	488,960	462,357	363,091
Total Operating Expenses	19,139,069	19,530,965	19,331,509	18,981,284	18,749,365	17,048,089	14,499,905	12,814,751	11,379,358	10,013,949
Interest on capital related debt	635,574	451,198	518,876	538,568	508,447	240,462	224,969	198,236	251,774	101,995
Debt Issuance cost	335,684	-	-	-	-	-	-	-	-	-
Loss on disposal of fixed assets	88,157	22,367	30,729	-	14,641	72,657	49,120	-	13,814	-
Total Non-Operating Expenses	1,059,415	473,565	549,605	538,568	523,088	313,119	274,089	198,236	265,588	101,995
Total Expenses	\$20,198,484	\$20,004,530	\$19,881,114	\$19,519,852	\$19,272,453	\$17,361,208	\$14,773,994	\$13,012,987	\$11,644,946	\$10,115,944

	For the Year Ended August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction	18.59%	18.82%	18.40%	18.75%	19.50%	19.78%	22.38%	22.18%	23.72%	26.49%
Research	-	-	-	-	-	-	-	-	-	-
Public service	8.23%	8.88%	10.80%	11.68%	13.22%	15.96%	14.51%	13.44%	12.78%	9.40%
Academic support	2.95%	3.53%	3.43%	3.60%	3.71%	4.45%	5.78%	4.98%	4.87%	8.77%
Student services	3.91%	4.02%	3.61%	3.34%	3.02%	2.84%	3.10%	3.41%	3.75%	4.02%
Institutional support	17.66%	16.19%	15.97%	15.31%	15.11%	15.30%	16.28%	16.85%	17.60%	15.79%
Operation and maintenance of plant	13.07%	15.73%	14.33%	13.25%	13.33%	12.28%	12.63%	14.16%	15.28%	16.00%
Scholarships and fellowships	11.25%	12.62%	13.20%	13.41%	12.31%	8.24%	5.65%	6.02%	4.44%	4.27%
Auxiliary enterprises	14.21%	13.23%	13.20%	14.14%	14.50%	15.26%	13.95%	13.69%	11.31%	10.65%
Depreciation	4.87%	4.60%	4.29%	3.77%	2.59%	4.08%	3.86%	3.76%	3.97%	3.59%
Total Operating Expenses	94.75%	97.63%	97.24%	97.24%	97.29%	98.20%	98.14%	98.48%	97.72%	98.99%
Interest on capital related debt	3.15%	2.26%	2.61%	2.76%	2.64%	1.39%	1.52%	1.52%	2.16%	1.01%
Debt Issuance cost	1.66%	-	-	-	-	-	-	-	-	-
Loss on disposal of fixed assets	0.44%	0.11%	0.15%	-	0.08%	0.42%	0.33%	-	0.12%	-
Total Non-Operating Expenses	5.25%	2.37%	2.76%	2.76%	2.71%	1.80%	1.86%	1.52%	2.28%	1.01%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Western Texas College
Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(unaudited)

Resident Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per hour)	In-District Tuition	Out-of-District Tuition	Building Use Fee	Student Activity Fee	Technology 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	25	52	81	2	-	-	948	1,296	0.00%	3.80%
2012	25	52	77	2	-	-	948	1,248	0.00%	4.00%
2011	25	52	73	2	-	-	948	1,200	8.22%	11.11%
2010	20	51	68	2	-	-	876	1,080	5.80%	8.73%
2009	20	47	61	2	-	-	828	996	4.55%	3.75%
2008	20	44	58	2	-	-	792	960	8.20%	17.65%
2007	20	39	46	2	-	-	732	816	5.17%	6.25%
2006	20	36	42	2	-	-	696	768	13.91%	14.46%
2005	16 per hour + 10	33	38	2	-	-	611	671	6.45%	5.84%
2004	15 per hour + 10	30	35	2	-	-	574	634	6.69%	6.02%

Non-Resident Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per hour)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Building Use Fee	Student Activity Fee	Technology Fee	Cost for 12 SCH Out-of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2013	25	118	118	2	-	-	1,740	1,740	7.40%	7.40%
2012	25	108	108	2	-	-	1,620	1,620	8.00%	8.00%
2011	25	98	98	2	-	-	1,500	1,500	8.70%	8.70%
2010	20	93	93	2	-	-	1,380	1,380	6.48%	6.48%
2009	20	86	86	2	-	-	1,296	1,296	2.86%	2.86%
2008	20	83	83	2	-	-	1,260	1,260	29.63%	29.63%
2007	20	59	59	2	-	-	972	972	10.96%	10.96%
2006	20	51	51	2	-	-	876	876	19.84%	19.84%
2005	16 per hour + 10	43	43	2	-	-	731	731	5.33%	5.33%
2004	15 per hour + 10	40	40	2	-	-	694	694	5.47%	5.47%

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

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

Direct Rate							
Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
2013-14	\$3,518,250,453	\$39,996,633	\$3,478,253,820	98.86%	0.2500	0.0000	0.2500
2012-13	3,401,434,277	49,905,229	3,351,529,048	98.53%	0.1858	0.0000	0.1858
2011-12	2,742,070,859	22,352,585	2,719,718,274	99.18%	0.2114	0.0000	0.2114
2010-11	2,730,522,636	18,648,843	2,711,873,793	99.32%	0.1523	0.0000	0.1523
2009-10	2,732,633,981	18,692,444	2,713,941,537	99.32%	0.1520	0.0000	0.1520
2008-09	2,544,476,821	2,669,506	2,541,807,315	99.90%	0.1174	0.0000	0.1174
2007-08	3,051,898,794	1,610,867	3,050,287,927	99.95%	0.1282	0.0000	0.1282
2006-07	2,588,223,007	1,109,771	2,587,113,236	99.96%	0.1423	0.0000	0.1423
2005-06	2,163,718,130	1,072,669	2,162,645,461	99.95%	0.1596	0.0000	0.1596
2004-05	1,782,643,948	1,064,948	1,781,579,000	99.94%	0.2178	0.0000	0.2178

Source: Scurry County Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation.

Western Texas College
 Statistical Supplement 6
 State Appropriation per FTSE and Contact Hour
 Last Ten Fiscal Years
 (unaudited)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			State Appropriation per Contact Hour
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	
2013-14	\$3,938,521	1,381	\$2,852	740,592	311,801	1,052,393	\$3.74
2012-13	3,525,806	1,504	2,344	832,048	378,850	1,210,898	2.91
2011-12	3,619,276	1,630	2,220	857,872	358,342	1,216,214	2.98
2010-11	3,717,725	1,612	2,306	828,144	373,821	1,201,965	3.09
2009-10	3,763,217	1,604	2,346	845,184	395,672	1,240,856	3.03
2008-09	3,071,796	1,555	1,975	759,408	484,606	1,244,014	2.47
2007-08	3,064,009	1,266	2,420	737,488	245,478	982,966	3.12
2006-07	2,713,916	1,026	2,645	650,752	259,021	909,773	2.98
2005-06	2,714,953	1,123	2,418	567,728	240,893	808,621	3.36
2004-05	2,647,801	1,120	2,364	558,576	220,128	778,704	3.40

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 CBM001 and CBM00A

Western Texas College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Kinder Morgan Production LP-Leases	Oil & Gas Producers	\$914,608,072	\$805,510,153	\$776,077,445	\$552,245,748	\$604,873,606	\$381,922,527	\$721,689,934	\$661,460,323	\$506,717,668	\$222,556,550
Patterson Drilling UTI Co	Oil Well Drilling	316,234,150	343,841,120	296,487,240	208,021,360	159,974,760	315,650,690	312,693,910	288,536,030	93,712,500	81,168,470
Occidental Permian, LTD	Oil & Gas Producers	201,284,564	208,318,773	182,040,671	152,927,315	151,808,948	127,658,511	221,271,319	132,236,982	73,069,911	46,204,110
Oncor Electric Delivery	Utility	87,008,460	88,068,750	82,127,970	28,686,850	20,066,390	20,523,720	20,032,970	-	-	-
Kinder Morgan Production	Oil & Gas Producers	86,106,650	89,804,990	94,349,990	77,822,040	68,724,550	70,684,670	-	-	-	-
Apache Corporation	Oil & Gas Producers	81,316,198	84,337,044	97,366,325	80,468,245	87,426,691	73,468,657	113,780,820	-	-	-
Parallel Petroleum LLC	Oil & Gas Producers	47,167,264	36,689,930	-	20,571,585	-	-	-	32,281,538	17,300,859	11,476,000
Wind Energy Transmission Tx	Utility	46,368,000	-	-	-	-	-	-	-	-	-
Kinder Morgan Production Co. LP	Oil & Gas Producers	45,427,740	46,175,190	47,347,780	46,045,580	45,428,010	48,228,130	126,726,340	-	-	-
Baker Hughes-Pressure Pumping	Oil & Gas Producers	30,721,580	-	-	-	-	-	-	-	-	-
BJ Services Co. USA	Oil & Gas Producers	-	31,214,670	-	-	-	-	-	-	-	-
Fuller, Gillian Account	Mineral Interest Owner	-	28,556,682	25,893,499	-	20,555,498	20,479,273	25,971,121	-	-	-
Kinder Morgan Power Company	Oil & Gas Producers	-	-	30,512,590	30,552,120	31,154,450	38,090,970	51,194,520	-	-	-
Kinder Morgan Production Co. LP	Oil & Gas Producers	-	-	27,505,277	-	-	-	-	-	-	-
Burlington North / Santa Fe	Railroad	-	-	-	20,468,940	-	-	-	-	-	-
Sharp Image Energy, Inc.	Oil & Gas Producers	-	-	-	-	24,066,721	24,135,507	36,852,812	23,132,024	-	-
French Capital Partners, LTD	Mineral Interest Owner	-	-	-	-	-	-	23,315,002	-	-	-
Kinder Morgan CO2-Centerline	Gas Producers	-	-	-	-	-	-	-	118,713,970	129,275,570	71,894,070
Anadarko Petroleum Corporation	Oil & Gas Producers	-	-	-	-	-	-	-	79,829,126	55,547,434	45,071,940
Kinder Morgan Power Co.	Oil & Gas Producers	-	-	-	-	-	-	-	41,039,690	-	-
Scurry County Wind	Utility	-	-	-	-	-	-	-	25,975,040	-	-
Cynara Company	Gas Producers	-	-	-	-	-	-	-	17,284,650	16,903,340	15,653,930
TXU Electric Delivery Company	Utility	-	-	-	-	-	-	-	-	15,308,710	14,351,780
Southwestern Bell Telephone Company	Utility	-	-	-	-	-	-	-	-	12,044,860	11,520,740
Exxon/Mobil Corporation	Oil & Gas Producers	-	-	-	-	-	-	-	-	12,526,927	11,313,290
Totals		\$1,856,242,678	\$1,762,317,302	\$1,659,708,787	\$1,217,809,783	\$1,213,879,624	\$1,120,842,655	\$1,653,528,748	\$1,421,089,373	\$932,407,579	\$531,210,880
Total Taxable Assessed Value		\$3,478,253,820	\$3,351,529,048	\$2,719,718,274	\$2,711,873,793	\$2,713,941,537	\$2,541,807,315	\$3,050,287,927	\$2,587,113,236	\$1,777,569,908	\$1,231,613,184

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Kinder Morgan Production LP-Leases	Oil & Gas Producers	26.30%	24.03%	28.54%	20.36%	22.29%	15.03%	23.66%	25.57%	28.51%	18.07%
Patterson Drilling UTI Co	Oil Well Drilling	9.09%	10.26%	10.90%	7.67%	5.89%	12.42%	10.25%	11.15%	5.27%	6.59%
Occidental Permian, LTD	Oil & Gas Producers	5.79%	6.22%	6.69%	5.64%	5.59%	5.02%	7.25%	5.11%	4.11%	3.75%
Oncor Electric Delivery	Utility	2.50%	2.63%	3.02%	1.06%	0.74%	0.81%	0.66%	-	-	-
Kinder Morgan Production	Oil & Gas Producers	2.48%	2.67%	3.47%	-	2.53%	2.78%	-	-	-	-
Apache Corporation	Oil & Gas Producers	2.34%	2.52%	3.58%	2.97%	3.22%	2.89%	3.73%	-	-	-
Parallel Petroleum	Oil & Gas Producers	1.36%	1.09%	-	0.76%	-	-	-	1.00%	-	-
Wind Energy Transmission Tx	Utility	1.33%	-	-	-	-	-	-	-	-	-
Kinder Morgan Production Co. LP	Oil & Gas Producers	1.31%	1.38%	1.74%	2.87%	1.67%	1.90%	4.15%	-	-	-
Baker Hughes-Pressure Pumping	Oil & Gas Producers	0.88%	-	-	-	-	-	-	-	-	-
BJ Services Co. USA	Oil & Gas Producers	-	0.93%	-	-	-	-	-	-	-	-
Fuller, Gillian Account	Mineral Interest Owner	-	0.85%	0.95%	-	0.76%	0.81%	0.85%	-	-	-
Kinder Morgan Power Company	Oil & Gas Producers	-	-	1.12%	1.13%	1.15%	1.50%	1.68%	0.89%	-	-
Kinder Morgan Production Co. LP	Oil & Gas Producers	-	-	1.01%	1.70%	-	-	-	-	-	-
Burlington North / Santa Fe	Railroad	-	-	-	0.75%	-	-	-	-	0.68%	0.94%
Sharp Image Energy, Inc.	Oil & Gas Producers	-	-	-	-	0.89%	0.95%	1.21%	-	-	-
French Capital Partners, LTD	Mineral Interest Owner	-	-	-	-	-	-	0.76%	4.59%	7.27%	5.84%
Kinder Morgan CO2-Centerline	Gas Producers	-	-	-	-	-	-	-	3.09%	3.12%	3.66%
Anadarko Petroleum Corporation	Oil & Gas Producers	-	-	-	-	-	-	-	1.61%	-	-
Kinder Morgan Power Co.	Oil & Gas Producers	-	-	-	-	-	-	-	1.25%	0.97%	0.93%
Scurry County Wind	Utility	-	-	-	-	-	-	-	0.67%	0.95%	1.27%
Cynara Company	Gas Producers	-	-	-	-	-	-	-	-	0.86%	1.17%
TXU Electric Delivery Company	Utility	-	-	-	-	-	-	-	-	-	-
Southwestern Bell Telephone Company	Utility	-	-	-	-	-	-	-	-	0.70%	0.92%
Exxon/Mobil Corporation	Oil & Gas Producers	-	-	-	-	-	-	-	-	-	-
Totals		53.37%	52.58%	61.03%	44.91%	44.73%	44.10%	54.21%	54.93%	52.45%	43.13%

Source: Scurry County Appraisal District

Western Texas College
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections -		Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Cumulative Collections of Adjusted Levy
				Year of Levy (c)	Percentage				
2014	\$8,621,889	\$2,717	\$8,624,606	\$8,565,120	99.31%	0	\$51,342	\$8,616,462	99.91%
2013	6,261,521	3,757	6,265,278	6,216,213	99.22%	0	53,608	6,269,821	100.07%
2012	5,760,035	5,429	5,765,463	5,714,890	99.12%	0	38,553	5,753,443	99.79%
2011	4,133,783	101	4,133,884	4,096,420	99.09%	0	52,415	4,148,835	100.36%
2010	3,853,553	(13,852)	3,839,701	3,807,216	99.15%	0	31,502	3,838,718	99.97%
2009	3,565,554	(549)	3,565,005	3,534,506	99.14%	0	26,966	3,561,472	99.90%
2008	3,314,616	1,969	3,316,585	3,296,257	99.39%	0	38,711	3,334,968	100.55%
2007	3,081,395	(158)	3,081,237	3,051,302	99.03%	0	53,963	3,105,265	100.78%
2006	2,845,802	2,622	2,848,424	2,755,004	96.72%	0	47,656	2,802,660	98.39%
2005	2,682,495	493	2,682,988	2,404,416	89.62%	0	55,757	2,460,173	91.70%

Source: Local Tax Assessor/Collector and District records.

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

(b) As of August 31st of the current reporting year.

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

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.

(e) Represents current year collections of prior years levies.

Total Collections = C + D + E

Western Texas College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Bonds	\$23,424,972	\$8,309,000	\$8,470,000	\$8,595,000	\$8,815,000	\$3,005,000	\$3,080,000	\$3,155,000	\$3,225,000	\$3,260,000
Notes	1,149,792	1,653,847	506,852	599,086	670,765	813,840	491,436	385,107	419,254	457,811
Capital lease obligations	738,649	720,119	731,227	801,524	1,114,795	1,264,182	300,631	69,074	96,776	109,680
Less: Funds restricted for debt service	(3,556,071)	(1,582,790)	(1,347,067)	(1,084,234)	(1,220,757)	(436,042)	(280,659)	(211,622)	(192,126)	(135,576)
Total Outstanding Debt	\$21,757,342	\$9,100,176	\$8,361,012	\$8,911,376	\$9,379,803	\$4,646,980	\$3,591,408	\$3,397,559	\$3,548,904	\$3,691,915
Bonded Debt Ratios										
Per Capita	N/A	\$480.23	\$495	\$508	\$521	\$185	\$193	\$197	\$199	\$201
Per FTSE	16,962	5,525	5,196	5,332	5,496	1,932	2,433	3,075	2,872	2,911
As a percentage of Taxable Assessed Value	0.67%	0.25%	0.31%	0.32%	0.32%	0.12%	0.10%	0.12%	0.15%	0.18%
Total Outstanding Debt Ratio										
Per Capita	N/A	\$525.96	\$488	\$527	\$578	\$291	\$224	\$210	\$219	\$228
Per FTSE	15,755	6,051	5,129	5,556	6,032	3,671	3,500	3,025	3,169	3,574
As a percentage of Taxable Assessed Value	0.63%	0.27%	0.31%	0.33%	0.35%	0.18%	0.12%	0.13%	0.16%	0.21%

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

NOT APPLICABLE

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues				Debt Service Requirements			Coverage Ratio
	Building Use Fee	Dormitory Income	Ad Valorem Taxes	Total	Principle	Interest	Total	
2014	\$60,119	\$886,359	\$8,452,066	\$9,398,544	\$209,000	\$569,416	\$778,416	12.07
2013	67,399	863,796	-	931,195	216,000	383,053	599,053	1.55
2012	68,611	886,561	-	955,172	125,000	454,579	579,579	1.65
2011	64,417	919,576	-	983,993	170,000	464,695	634,695	1.55
2010	66,314	662,482	-	728,796	80,000	150,140	230,140	3.17
2009	66,562	561,775	-	628,337	75,000	154,187	229,187	2.74
2008	57,872	411,773	-	469,645	75,000	158,233	233,233	2.01
2007	47,413	441,076	-	488,489	70,000	161,992	231,992	2.11
2006	43,456	189,503	-	232,959	35,000	198,224	233,224	1.00
2005	43,002	-	-	43,002	30,000	18,400	48,400	0.89

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

Calendar Year	District Population	District Personal Income	District Personal Income Per Capita	District Unemployment Rate
2013	17,302	N/A	N/A	3.6%
2012	17,126	\$816,750,000	\$47,691	4.1%
2011	16,919	642,420,000	37,970	5.6%
2010	16,921	562,088,000	33,162	6.4%
2009	16,222	559,464,000	34,488	6.8%
2008	15,973	561,460,000	35,043	4.1%
2007	16,011	502,472,000	31,436	3.9%
2006	16,202	454,017,000	28,601	4.8%
2005	16,217	502,216,000	31,047	5.0%
2004	16,174	430,886,000	26,641	5.4%

Sources: Texas Workforce Commission

Western Texas College
 Statistical Supplement 13
 Principle Employers
 Current Fiscal Year
 (unaudited)

Current Year

Employer	Number of Employees	Percentage of Total Employment
Snyder Independent School District	400	4.06%
Kinder Morgan	256	2.60%
Globe Energy	250	2.54%
Texas Department of Corrections	224	2.27%
Patterson - UTI Energy	220	2.23%
Cogdell Memorial Hospital	210	2.13%
Walton Construction	203	2.06%
Scurry County	197	2.00%
Baker Hughes	156	1.58%
Western Texas College	151	1.53%
Total	2,267	23.00%

Eight Years Prior

Employer
Snyder Independent School District
Texas Department of Corrections
Patterson - UTI Energy
Cogdell Memorial Hospital
Walton Construction
United Supermarkets
Scurry County
Western Texas College
Key Energy Services, Inc.
Wal-Mart
Total

Source: Development Corporation of Snyder
 Texas Workforce Commission

Western Texas 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
Faculty										
Full-time	61	60	46	44	45	57	46	41	41	39
Part-time	48	51	66	59	62	56	56	58	58	51
Total	109	111	112	103	107	113	102	99	99	90
Percent										
Full-time	55.96%	54.05%	41.07%	42.72%	42.06%	50.44%	45.10%	41.41%	41.41%	43.33%
Part-time	44.04%	45.95%	58.93%	57.28%	57.94%	49.56%	54.90%	58.59%	58.59%	56.67%
Staff and Administrators										
Full-time	82	83	86	86	88	82	84	73	72	63
Part-time	22	15	27	14	10	8	5	6	7	7
Total	104	98	113	100	98	90	89	79	79	70
Percent										
Full-time	78.85%	84.69%	76.11%	86.00%	89.80%	91.11%	94.38%	92.41%	91.14%	90.00%
Part-time	21.15%	15.31%	23.89%	14.00%	10.20%	8.89%	5.62%	7.59%	8.86%	10.00%
FTSE per Full-time Faculty										
FTSE per Full-time Faculty	22.64	25.07	35.43	36.64	35.64	27.28	27.52	25.02	27.39	28.72
FTSE per Full-time Staff Member	16.84	18.12	18.95	18.74	18.23	18.96	15.07	14.05	15.60	17.78
Average Annual Faculty Salary										
Average Annual Faculty Salary	\$53,343	\$46,067	\$45,776	\$46,176	\$46,342	\$46,760	\$40,660	\$36,456	\$38,741	\$37,857

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

Gender	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	1,041	50.27%	998	48.66%	1,153	51.45%	1,156	50.26%	1,142	49.46%
Male	1,030	49.73%	1,053	51.34%	1,088	48.55%	1,144	49.74%	1,167	50.54%
Total	2,071	100.00%	2,051	100.00%	2,241	100.00%	2,300	100.00%	2,309	100.00%

Ethnic Origin	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	1,138	54.95%	1,185	57.78%	1,325	59.13%	1,353	58.83%	1,416	61.33%
Hispanic	669	32.30%	594	28.96%	593	26.46%	639	27.78%	638	27.63%
African American	159	7.68%	157	7.65%	167	7.45%	162	7.04%	184	7.97%
Asian	19	0.92%	22	1.07%	16	0.71%	8	0.35%	23	1.00%
Foreign	44	2.12%	50	2.44%	64	2.86%	63	-	11	-
Native American	11	0.53%	7	0.34%	10	0.45%	10	0.43%	37	1.60%
Other	31	1.50%	36	1.76%	66	-	65	-	-	-
Total	2,071	100.00%	2,051	100.00%	2,241	97.05%	2,300	94.43%	2,309	99.52%

Age	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	616	29.74%	604	29.45%	659	29.41%	559	24.30%	656	28.41%
18-21	853	41.19%	808	39.40%	844	37.66%	898	39.04%	815	35.30%
22-24	211	10.19%	189	9.22%	224	10.00%	237	10.30%	223	9.66%
25-35	265	12.80%	311	15.16%	332	14.81%	376	16.35%	413	17.89%
36-50	108	5.21%	121	5.90%	143	6.38%	188	8.17%	180	7.80%
51 & over	18	0.87%	18	0.88%	39	1.74%	42	1.83%	22	0.95%
Total	2,071	100.00%	2,051	100.00%	2,241	100.00%	2,300	100.00%	2,309	100.00%

Average Age	21.1	22.5	22.5	22.9	22.6
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Western Texas College

Statistical Supplement 17

Transfers to Senior Institutions

2013 Fall Students as of Fall 2014

(Includes only public senior colleges in Texas)

(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
Texas A&M University	1,015	7	-	1,022	66.80%
Texas Tech University	132	3	-	135	8.82%
Angelo State University	73	-	-	73	4.77%
The University of Texas at Austin	49	-	-	49	3.20%
Tarleton State University	41	-	-	41	2.68%
West Texas A & M University	27	2	-	29	1.90%
Texas State University - San Marcos	25	3	-	28	1.83%
Sam Houston State University	20	-	-	20	1.31%
The University of Texas at the Permian Basin	20	-	-	20	1.31%
University of North Texas	14	-	-	14	0.92%
Midwestern State University	11	-	-	11	0.72%
Texas Tech University Health Sciences Center	10	-	-	10	0.65%
The University of Texas at Arlington	8	-	-	8	0.52%
University of Houston	6	-	-	6	0.39%
Stephen F. Austin State University	5	-	-	5	0.33%
Texas A&M University - Galveston	5	-	-	5	0.33%
The University of Texas at Dallas	5	-	-	5	0.33%
The University of Texas at San Antonio	4	-	-	4	0.26%
Sul Ross State University	4	-	-	4	0.26%
The University of Texas Medical Branch Galveston	4	-	-	4	0.26%
The University of Texas - Pan American	4	-	-	4	0.26%
Texas A&M University - Corpus Christi	3	-	-	3	0.20%
Texas A&M University - Commerce	3	-	-	3	0.20%
Texas A&M University - Kingsville	3	-	-	3	0.20%
Texas Woman's University	3	-	-	3	0.20%
Prairie View A&M University	3	-	-	3	0.20%
The University of Texas Health Science Center at Houston	3	-	-	3	0.20%
The University of Texas at El Paso	2	-	-	2	0.13%
University of Houston - Victoria	2	1	-	3	0.20%
Texas A & M University Health Science Center	2	-	-	2	0.13%
Texas A&M University - San Antonio	2	-	-	2	0.13%
University of Houston - Clear Lake	2	-	-	2	0.13%
Baylor College of Medicine	1	-	-	1	0.07%
The University of Texas at Brownville	1	-	-	1	0.07%
The University of Texas Health Science Center at San Antonio	1	-	-	1	0.07%
University of North Texas Health Science Center	1	-	-	1	0.07%
Totals	1,514	16	-	1,530	100.00%

Western Texas College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2010 to 2014
(unaudited)

	Fiscal Year				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Academic Buildings	11	11	11	11	10
Square footage	90,411	90,411	90,411	90,411	90,411
Libraries	1	1	1	1	1
Square footage	24,420	24,420	24,420	24,420	24,420
Number of volumes	32,323	32,323	32,323	32,323	31,604
Administrative and support buildings	9	9	9	9	9
Square footage	76,008	76,008	76,008	76,008	76,008
Dormitories	3	3	3	3	3
Square footage	117,755	117,755	117,755	117,755	117,755
Number of beds	496	496	496	496	496
Apartments	5	5	5	5	5
Square footage	11,792	11,792	11,792	11,792	11,792
Number of beds	44	44	44	44	44
Dining Facilities	1	1	1	1	1
Square footage	9,500	9,500	9,500	9,500	9,500
Average daily customers	242	242	250	250	276
Athletic Facilities	2	2	2	2	2
Square footage	40,056	40,056	40,056	40,056	40,056
Fields	3	3	3	2	2
Gymnasiums	1	1	1	1	1
Golf Course	1	1	1	1	1
Racquetball courts	4	4	4	4	4
Plant Facilities	3	3	3	3	3
Square footage	15,333	15,333	15,333	15,333	15,333
Coliseum	1	1	1	1	1
Square footage	111,644	111,644	111,644	111,644	111,644
Transportation					
Cars	13	12	13	13	15
Light Trucks/Vans	13	16	16	16	24
Buses	6	6	6	6	5