

CLARENDON COLLEGE
Clarendon, Texas

ANNUAL FINANCIAL REPORT
August 31, 2014 and 2013

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**CLARENDON COLLEGE
ORGANIZATIONAL DATA
August 31, 2014**

Board of Regents

	<u>Officers</u>	Term Expires <u>May</u>
John C. Howard	Chairman	2020
Jerry W. Woodard	Vice Chairman	2018
Delbert W. Robertson	Secretary	2018

	<u>Members</u>	
Douglas Lowe	Clarendon, Texas	2018
Jack A. Moreman	Clarendon, Texas	2020
Ruth Robinson	Clarendon, Texas	2016
William A. Sansing	Clarendon, Texas	2020
Leonard "Tex" Selvidge	Clarendon, Texas	2016
Mary Ellen Shields	Clarendon, Texas	2016

Principal Administrative Officers

Dr. Robert Riza	President
Dr. Roger Schustereit	Vice President of Instruction
Tex Buckhaults	Vice President of Student Services
Lana Ritchie	Vice President of Administrative Services

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Independent Auditor's Report

Board of Regents
Clarendon College
Clarendon, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Clarendon College (the College) as of and for the years ended August 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2014, the College adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 9-20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The Schedule of Expenditures of Federal Awards, the Schedule of Expenditures of State of Texas Awards, and the Other Supplemental Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Schedule of Expenditures of State of Texas Awards, and the Other Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 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.

Zouner, McMillon, Mitchell & Shennum, PLLC

Amarillo, Texas
December 18, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**

Discussion of Currently Known Facts, Decisions, or Conditions:

The past twelve months for Clarendon College have seen many things change. The previous five-year plan, *Unleash Your Potential*, has been wrapped up and a new three-year strategic plan, *One College...One Vision*, has been created.

A new president was brought on in December 2013 and with that several personnel changes occurred within the administration. The current Vice President of Administrative Services (CFO) came on board the end of August 2014. The College operated without a CFO during the summer months.

With the new strategic vision of the College, enrollment has stabilized for the first time in five years and increases in semester credit hours (10%) and contact hours (15%) were seen in the fall semester. A strong commitment to increasing dual credit enrollment with the high schools has been seen this fall with more programming and course offerings being available in the spring and next fall (2015).

The current budget (2014-15) was developed with a decrease in both revenue projections and expenses. This is a direct opposite view of previous administrations that simply increased the budget annually. This was done without increasing the tax rates or tuition and fees, and at the same time, increasing local scholarships to allow for more low socioeconomic students to take advantage of Clarendon College.

Clarendon College is committed to being a leader and partner with our local counties to increase both the educational attainment and economic development of our communities.

It is a great day to be a Bulldog!

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**

This section presents the management's discussion and analysis of the financial performance of Clarendon College (the College) during the fiscal year ending August 31, 2014. This discussion and analysis focuses on current activities, resulting changes and currently known facts, and should be read in conjunction with the accompanying financial statements and footnotes. The financial analysis is for fiscal year 2014, with fiscal years 2013 and 2012 data for comparative purposes. The financial statements, footnotes and discussion are the responsibility of the College management.

Using the Annual Financial Report:

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

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

Condensed Statements of Net Position as of August 31, 2014, 2013 and 2012 (in thousands):

	<u>2014</u>	<u>2013</u> (restated)	<u>2012</u>
Current assets			
Cash and cash equivalents	\$ 720	\$ 2,142	\$ 1,907
Short-term investments	2,244	1,635	1,905
Accounts receivable, net	2,478	1,018	261
Other assets	<u>148</u>	<u>37</u>	<u>52</u>
Total current assets	<u>5,590</u>	<u>4,832</u>	<u>4,125</u>
Noncurrent assets			
Restricted cash and cash equivalents	234	367	101
Endowment investments	1,195	1,194	1,193
Other long-term investments	1,292	1,275	1,256
Real estate held by endowments	341	341	341
Unamortized bond and lease payable issue cost	-	-	163
Capital assets, net	16,494	16,641	16,622
Other noncurrent assets	<u>20</u>	<u>20</u>	<u>20</u>
Total noncurrent assets	<u>19,576</u>	<u>19,838</u>	<u>19,696</u>
Total assets	<u>\$ 25,166</u>	<u>\$ 24,670</u>	<u>\$ 23,821</u>

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**

	<u>2014</u>	<u>2013</u> (restated)	<u>2012</u>
Current liabilities			
Accounts payable and accrued liabilities	\$ 628	\$ 601	\$ 428
Unearned revenue	2,360	1,412	501
Other current liabilities	645	621	449
Total current liabilities	<u>3,633</u>	<u>2,634</u>	<u>1,378</u>
Noncurrent liabilities	<u>4,553</u>	<u>4,956</u>	<u>5,100</u>
Total liabilities	<u>8,186</u>	<u>7,590</u>	<u>6,478</u>
Net position			
Net investment in capital assets	11,538	11,302	11,423
Nonexpendable	1,536	1,535	1,534
Restricted for expendable	1,775	1,904	1,619
Unrestricted	<u>2,131</u>	<u>2,339</u>	<u>2,767</u>
Total net position	<u>16,980</u>	<u>17,080</u>	<u>17,343</u>
Total liabilities and net position	<u>\$ 25,166</u>	<u>\$ 24,670</u>	<u>\$ 23,821</u>

There was an increase of \$758,000 in the total current assets for 2013-2014 when compared to 2012-2013. Cash and investments showed a slight decrease, while accounts receivable showed an increase of \$1,460,000. The College has seen a continued decline in investment income in recent years. The College Investment Committee believes the rates are going to remain low for at least two years, so a change was made in the investment of funds during 2011-2012. Operating cash was moved to a short-term investment account and investment maturity dates on other investments were laddered out over a two-year period, the longest period College policy allows cash to be invested. The funds are divided between monthly, quarterly, one-year, and two-year investments in addition to cash on hand based on projected cash flow needs. By investing more cash and locking in a higher rate of return on investments with a maturity longer than thirty days, the College should be able to earn more investment income. The increase in student accounts receivable of \$1,460,000, going from \$1,018,000 in 2012-2013 to \$2,478,000 in 2013-2014, is the result of an increase in early enrollment. Also, attributing to the increase is the fact that the College did not draw down the student financial aid until after the end of the year as has been done in prior years. Although the total enrollment for Fall 2014 compared to Fall 2013 was slightly down, Clarendon College did see an increase in early student enrollment for Fall 2014 compared to Fall 2013. The College added one additional enrollment day for freshmen to the summer schedule, going from two to three, and offered an incentive to sophomore students to enroll before going home for the summer. The increase in early enrollment is also reflected in the \$948,000 increase in current liabilities-unearned revenue, going from \$1,412,000 in 2012-2013 to \$2,360,000 in 2013-2014.

Noncurrent assets decreased \$262,000 in 2013-2014. It went from \$19,838,000 in 2012-2013 to \$19,576,000 in 2013-2014. The change in restricted cash and cash equivalents was a decrease of \$133,000 in 2013-2014, going from \$367,000 in 2012-2013 to \$234,000 in 2013-2014. This decrease reflects usage of the gift the College received to build a restroom facility at the Livestock and Equine Center. The College started construction in June 2014 and expects to have it completed by winter 2014.

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**

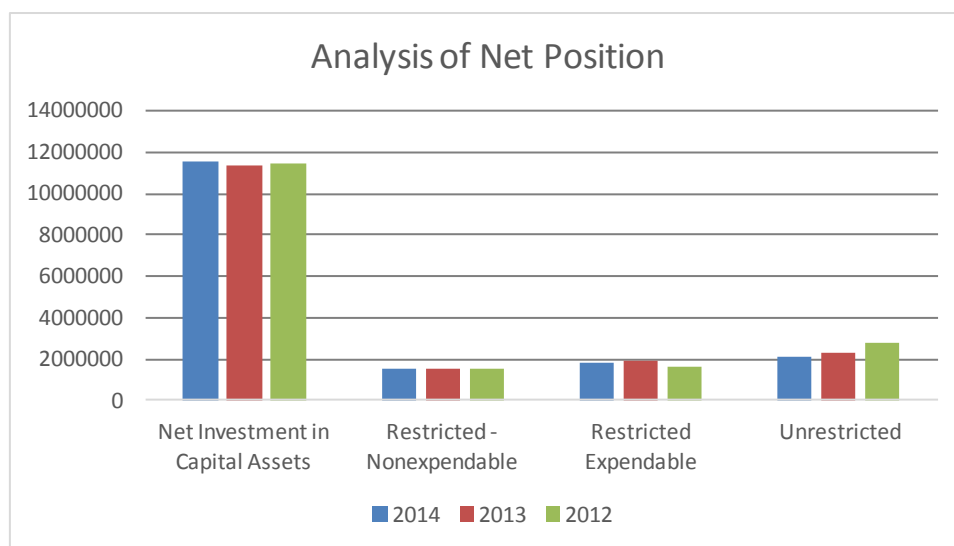
Net capital assets for 2013-2014 were \$16,494,000, for 2012-2013 were \$16,641,000, and for 2011-2012 were \$16,622,000. The capital additions for 2013-2014 totaled \$767,000. At August 31, 2014, there was \$182,000 in construction in progress. The College also wrote-off old equipment totaling \$16,000. The equipment was fully depreciated and resulted in no additional write-off expense. Depreciation expense for 2013-2014 was \$909,000 and \$875,000 for 2012-2013.

In 2012-2013 current liabilities were \$2,634,000 and increased to \$3,633,000 in 2013-2014. The \$999,000 increase was a combination of a \$27,000 increase in accounts payable, a \$24,000 increase in other current liabilities, and a \$948,000 increase in unearned revenue. Accounts payable increased \$27,000 in 2013-2014, going from \$601,000 in 2012-2013 to \$628,000 in 2013-2014; \$55,000 of the increase was due to the payable to our online bookstore vendor. Unearned revenue showed an increase of \$948,000. This increase was due to an increase in early enrollment for Fall 2014 and not drawing down the student financial aid, as discussed earlier. Other current liabilities increased \$24,000 in 2013-2014 mainly due to increases in the current portion of bond and lease payments.

Noncurrent liabilities decreased by \$403,000 in 2013-2014 when compared to 2012-2013, \$4,553,000 compared to \$4,956,000, respectively. The decrease is a result of scheduled principal payments during 2013-2014 totaling \$383,000 and an additional \$20,000 that was moved to the current portion of the lease and bond payables.

The net of this activity resulted in a decrease in total net position of \$100,000, which was \$17,080,000 in 2012-2013 compared to \$16,980,000 in 2013-2014.

The following is a comparison of net position and net investment in capital assets at August 31, 2014, 2013 and 2012:



**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**

Condensed Statements of Revenues, Expenses and Changes in Net Position as of August 31, 2014, 2013 and 2012 (in thousands):

	<u>2014</u>	<u>2013</u> (restated)	<u>2012</u>
Operating revenue			
Tuition & fees (net of discounts)	\$ 1,359	\$ 1,239	\$ 1,170
Federal grants and contracts	373	118	110
State grants and contracts	230	203	208
Local grants and contracts	1,328	1,211	1,143
Auxiliary enterprises (net of discounts)	462	446	757
Other operating revenues	168	171	292
Total operating revenue	<u>3,920</u>	<u>3,388</u>	<u>3,680</u>
Operating expenses			
Instruction	3,173	3,135	3,053
Academic support	480	522	444
Student services	682	591	499
Institutional support	1,575	1,377	1,140
Operation and maintenance of plant	1,055	965	970
Scholarship expense	743	835	832
Auxiliary enterprises	1,148	1,118	1,567
Depreciation	909	875	850
Total operating expenses	<u>9,765</u>	<u>9,418</u>	<u>9,355</u>
Operating loss	<u>(5,845)</u>	<u>(6,030)</u>	<u>(5,675)</u>
Nonoperating revenues (expenses)			
State appropriations	2,980	2,813	2,972
Ad valorem taxes	432	431	411
Federal revenue, nonoperating	2,417	2,508	2,957
Gifts	75	308	207
Investment income	74	83	169
Interest on capital related debt	(240)	(252)	(277)
Other gain/revenue (loss/expense)	7	64	11
Net nonoperating revenues (expenses)	<u>5,745</u>	<u>5,955</u>	<u>6,450</u>
Increase (decrease) in net position	(100)	(75)	775
Net position – beginning of year	17,080	17,343	16,568
Prior year adjustment	-	(188)	-
Net position – end of year	<u>\$ 16,980</u>	<u>\$ 17,080</u>	<u>\$ 17,343</u>

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**

Operating revenue includes tuition and fees net of scholarship discounts and allowances, federal, state and local grants and contracts, auxiliary enterprises and other. The College's total operating revenue increased slightly in 2013-2014, going from \$3,388,000 in 2012-2013 to \$3,920,000 in 2013-2014. Tuition and fees (net of discounts) were \$1,359,000 in 2013-2014 and \$1,239,000 in 2012-2013; however, federal revenue-nonoperating did show a decrease of \$91,000. The College's rate of tuition and fees did not change between 2013-2014 and 2012-2013. Contact hours went from 734,325 in 2011-2012, to 667,891 in 2012-2013, and 662,512 in 2013-2014. Total head count for the Fall term went from 1,341 in 2011-2012, to 1,245 in 2012-2013, and 1,213 in 2013-2014. The reduction in contact hours and head count came from several factors:

- The College's service area has experienced an increase in employment opportunities in the recent years due to the increase of oil and gas production. While the average unemployment rate for the state of Texas is between 5.8% and 5.3%, the local unemployment rate is 1.5 percentage points below the state average, coming in between 4.3% and 4.0%. This is especially evident in enrollment at the Pampa Center which is down 136 students, or 32.9% since 2010-2011.
- In order to meet the requirements of Senate Bill 497 the hours requirement for an associate's degree was lowered from 62 hours to 60 hours.
- The College also saw a reduction in enrollment between the Fall 2013 term and Spring 2014 term. There was a 7.2% reduction between the Fall term and Spring term in 2013-2014.

All of these factors lead to a 6.6% decrease in academic contact hours, going from 438,688 in 2012-2013 to 409,648 in 2013-2014. An increase in technical contact hours of 10.3%, from 229,203 in 2012-2013 to 252,864 in 2013-2014, was experienced in conjunction with the opening of the Amarillo Cosmetology Center in January 2014.

Federal grants and state grants increased \$255,000, up from \$118,000 in 2012-2013 to \$373,000 in 2013-2014. There was an increase of \$16,000 in auxiliary revenue. There was an increase of \$117,000 in local grants and contracts. This increase is the result of a higher collection of the College maintenance tax in 2013-2014 when compared to 2012-2013. There was a slight decrease, \$3,000, in other operating revenue.

Operating expenses increased \$347,000 in 2013-2014 over 2012-2013. Instruction increased \$38,000, and auxiliary enterprises increased \$30,000. Institutional support increased \$198,000 while student services increased by \$91,000. Maintenance of plant expenses increased \$90,000 and depreciation increased \$34,000. Decreases in expenditures were found in scholarship expense by \$92,000 and academic support by \$42,000.

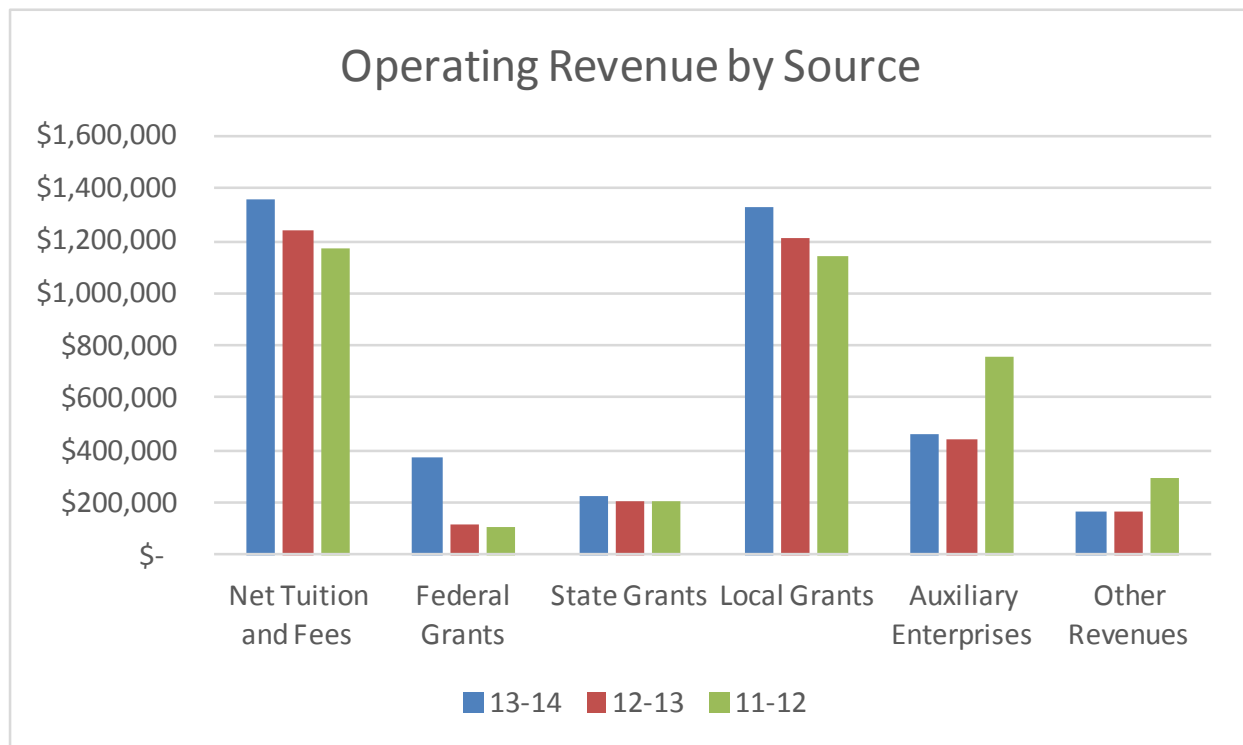
The increases in operating expenses are due in part to the creation of a new student services program, the Learning Resource Center, in addition to adding a new position of Director of Student Life. Increases in Institutional Support are due primarily to the increased function and

**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**

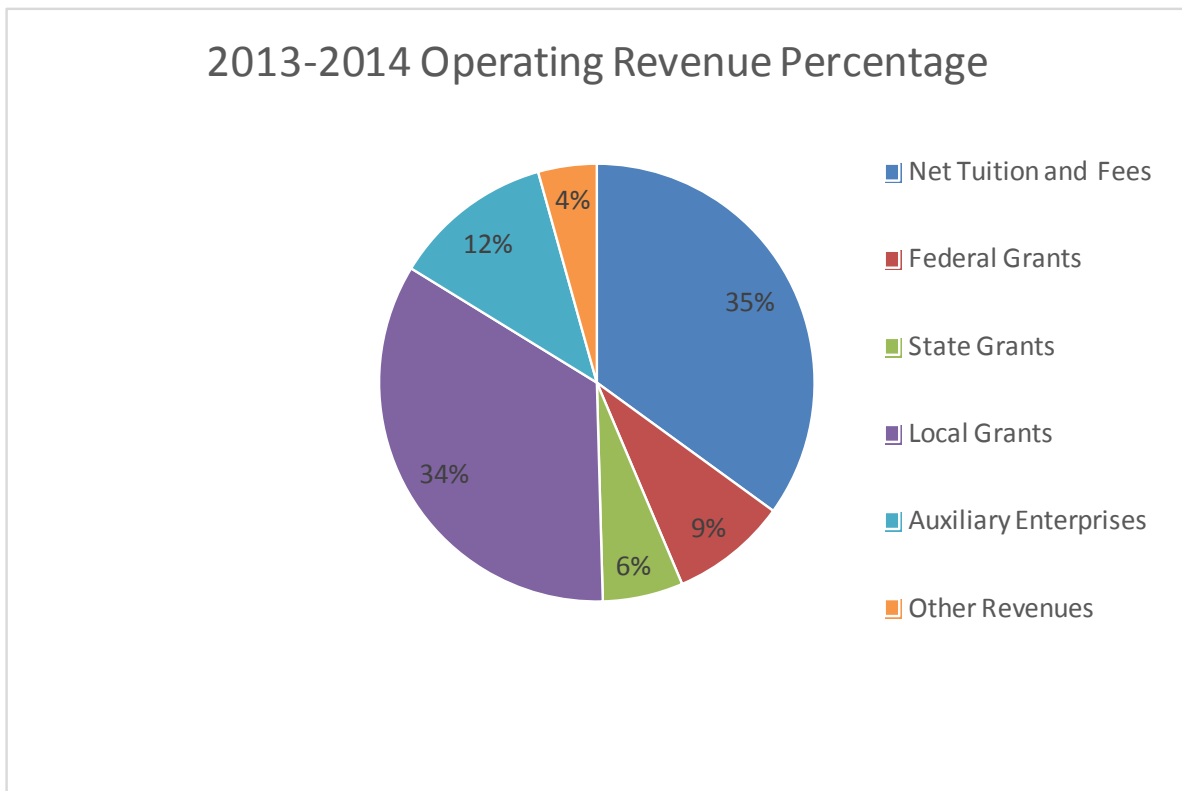
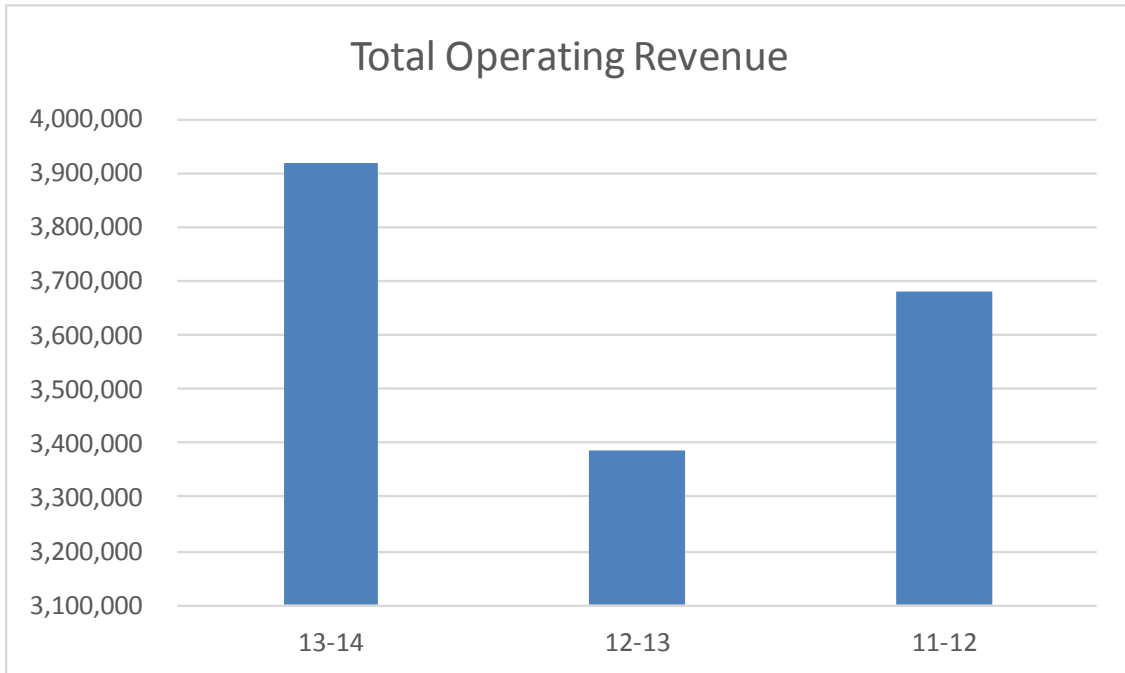
staffing of the Institutional Research department. Increases in maintenance expenses include \$26,000 insurance deductible for roof replacement, care for an aging automotive fleet, and expanded facilities.

Total nonoperating revenue for 2013-2014 decreased \$210,000 from \$5,955,000 in 2012-2013 to \$5,745,000 in 2013-2014. The federal aid received by the students, which is classified as federal revenue–nonoperating, decreased \$91,000 in 2013-2014 when compared to 2012-2013; \$2,417,000 in 2013-2014 compared to \$2,508,000 in 2012-2013. This is a 3.6% decline in the total amount awarded. State appropriations for 2013-2014 increased \$167,000. The total appropriations went from \$2,813,000 in 2012-2013 to \$2,980,000 in 2013-2014. Investment income for 2013-2014 continued to decline due to the continued drop in investment interest rates. The College saw a decrease, \$233,000, in gifts for 2013-2014. Overall, total net position, end of year 2013-2014 decreased \$100,000.

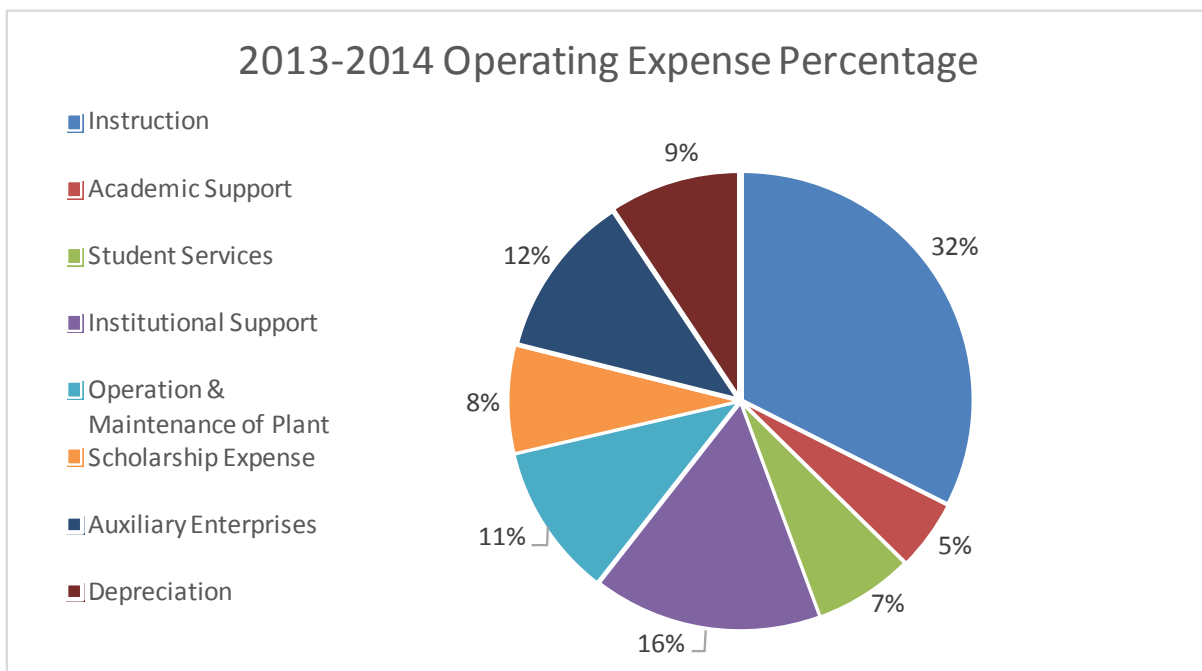
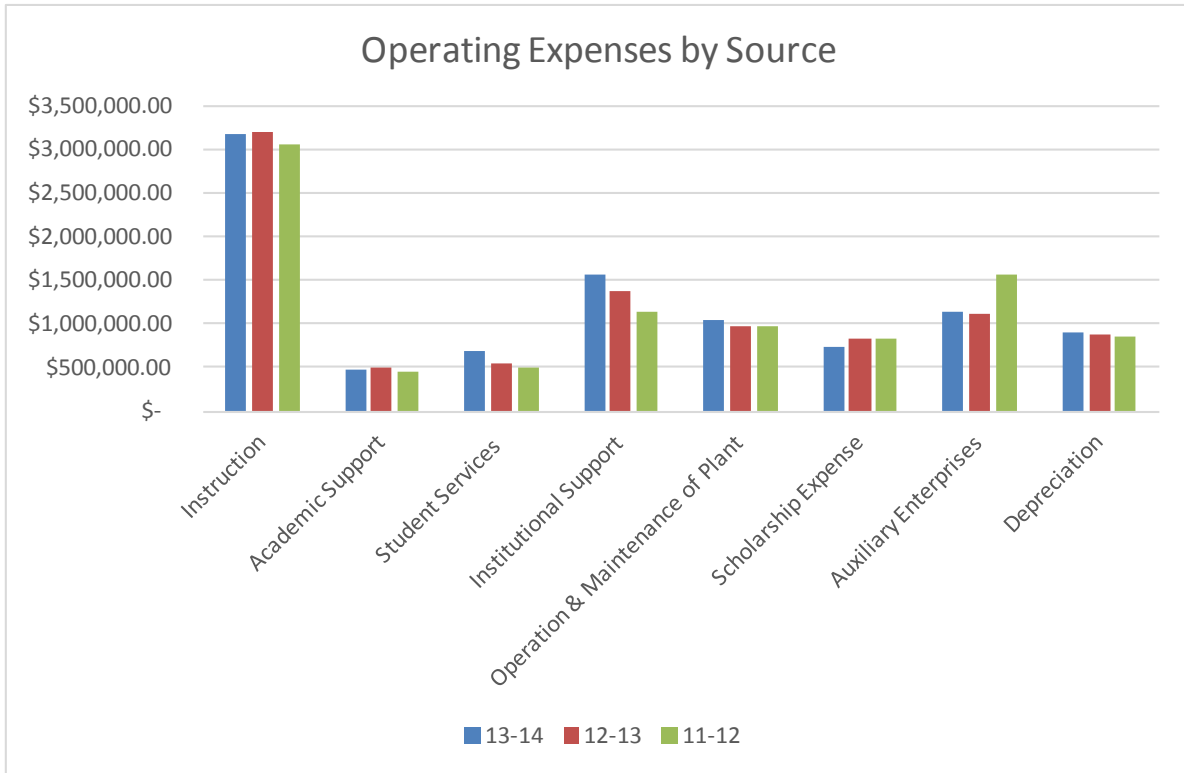
The following charts are an Analysis of Revenue and Expenses as of August 31, 2014, 2013, and 2012:



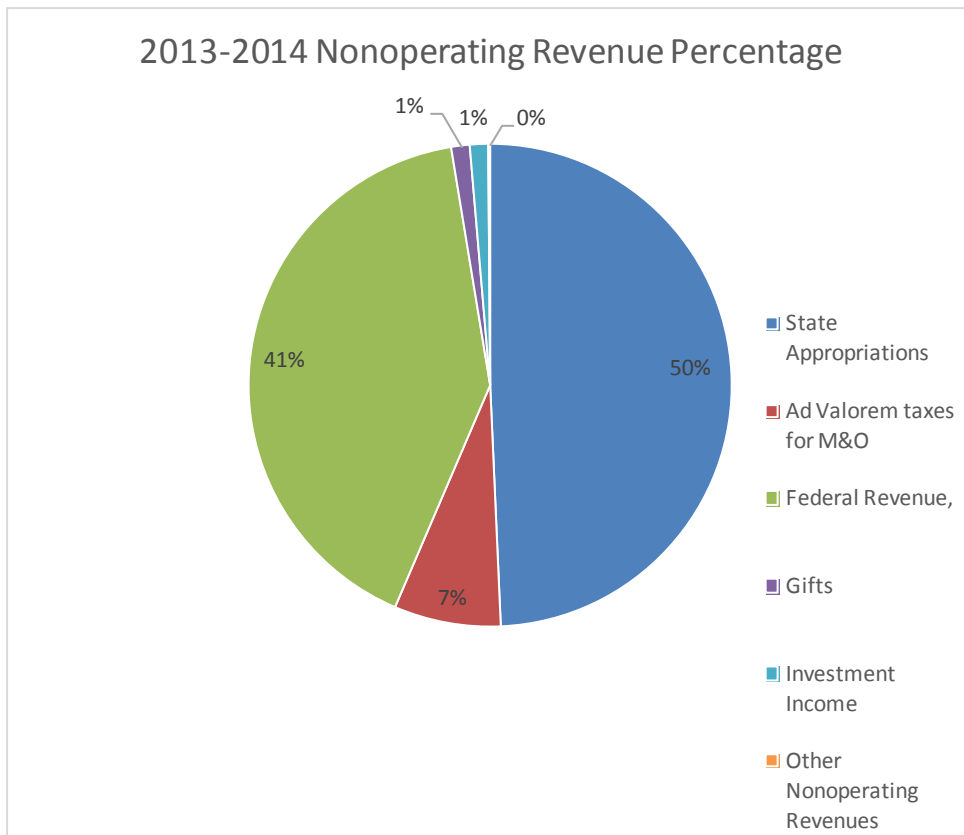
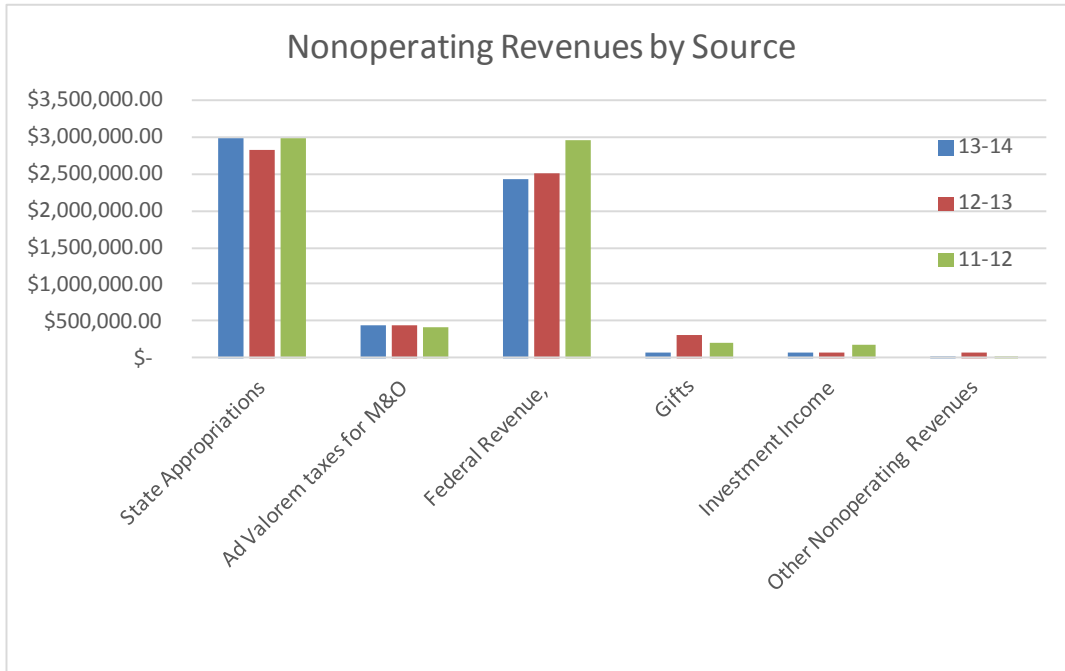
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MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**



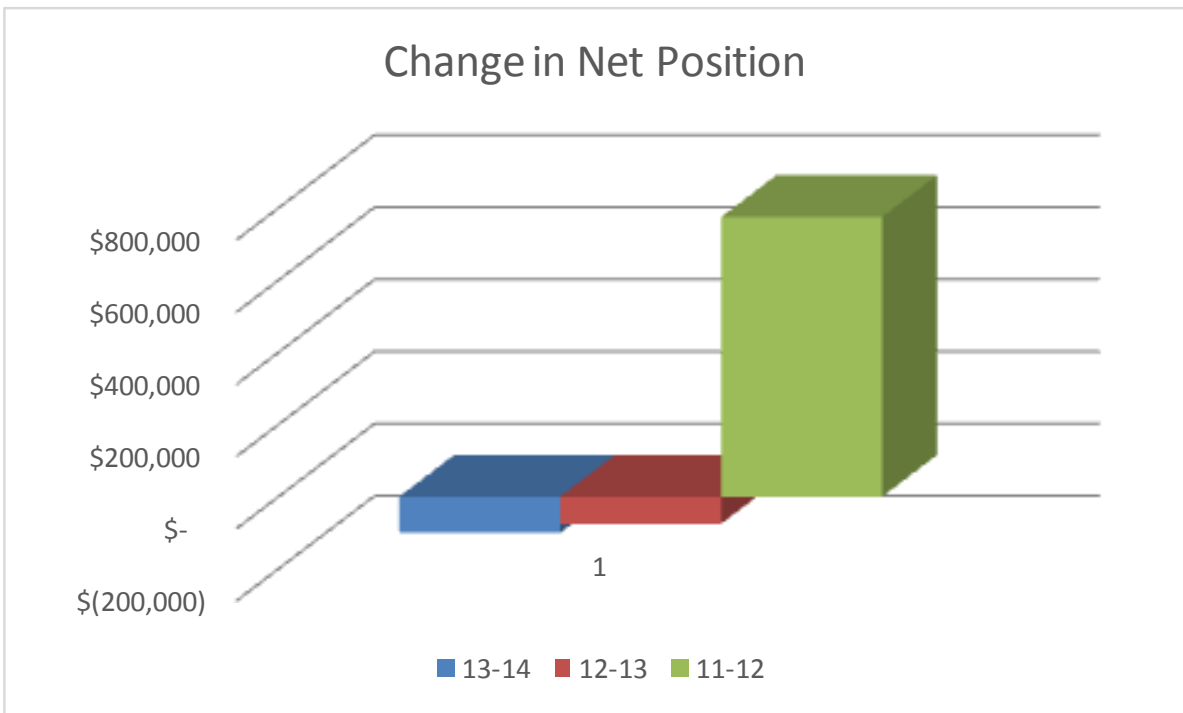
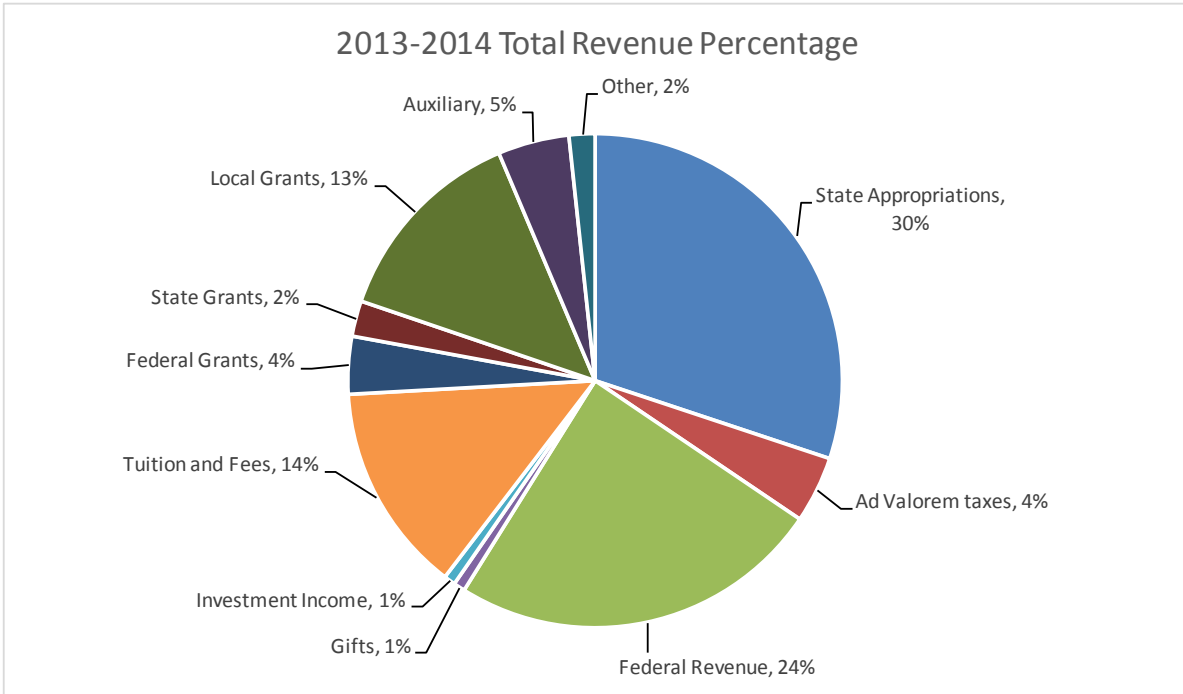
**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**



**CLARENDON COLLEGE
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Fiscal Year Ending August 31, 2014**



**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**



**CLARENDON COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2014**

Statement of Cash Flows as of August 31, 2014, 2013 and 2012 (in thousands):

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Cash provided by (used in):			
Operating activities	\$ (4,378)	\$ (4,985)	\$ (4,250)
Noncapital financing activities	5,427	5,661	6,135
Capital and related financing activities	(2,051)	(503)	(1,269)
Investing activities	<u>(552)</u>	<u>328</u>	<u>(3,145)</u>
Net increase (decrease) in cash and cash equivalents	(1,554)	501	(2,529)
Cash and cash equivalents, beginning of year	<u>2,509</u>	<u>2,008</u>	<u>4,537</u>
Cash and cash equivalents, end of year	<u>\$ 955</u>	<u>\$ 2,509</u>	<u>\$ 2,008</u>

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

The net cash used by operating activities decreased by \$607,000, going from \$4,985,000 in 2012-2013 to \$4,378,000 in 2013-2014. The net cash provided by noncapital financing activities went from \$5,661,000 in 2012-2013 to \$5,427,000 in 2013-2014. The net cash that is provided by noncapital financing activities decreased \$234,000; the majority of this decrease is due to the decrease in federal financial aid received by our students. The net cash used by capital and related financing activities is due to the annual bond and lease payments and the purchase of capital assets in the amount of \$2,051,000. The net cash provided by investing activities is due to the investment practices of the College. Operating cash has been moved to a short-term investment account, and investment maturity dates on other investments were laddered out over a two-year period. The funds were divided between monthly, quarterly, one-year, and two-year investments in addition to cash on hand based on projected cash flow needs. The College will continue to watch this and invest the funds available in a safe and secure manner. Overall, there was a net cash decrease of \$1,554,000.

Significant Capital Assets and Long-Term Debt Activity:

During 2013-2014 the College invested \$767,000 in buildings, computers, equipment, and facility improvements and was funded through operations.

Noncurrent liabilities decreased by \$403,000 in 2013-2014 when compared to 2012-2013, \$4,553,000 compared to \$4,956,000, respectively. The decrease is a result of scheduled principal payments during 2013-2014 totaling \$383,000, and an additional \$20,000 moved to current liabilities for the 2013-2014 year.

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

FINANCIAL STATEMENTS

CLARENDON COLLEGE
STATEMENTS OF NET POSITION
AUGUST 31, 2014 AND 2013
Exhibit 1

	2014	2013
		(restated)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 720,418	\$ 2,141,909
Short-term investments	2,243,958	1,635,153
Accounts receivable, net	2,478,028	1,018,153
Prepaid expenses	147,936	36,769
Total current assets	5,590,340	4,831,984
NONCURRENT ASSETS		
Restricted cash and cash equivalents	234,338	367,192
Endowment investments	1,194,614	1,193,670
Other long-term investments	1,291,514	1,274,519
Real estate held as investments by endowments	341,160	341,160
Deposits	20,500	20,500
Unamortized bond and lease issuance cost	-	-
Capital assets, net	16,493,804	16,641,258
Total noncurrent assets	19,575,930	19,838,299
TOTAL ASSETS	\$ 25,166,270	\$ 24,670,283
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 380,072	\$ 355,890
Accrued liabilities	247,950	244,904
Funds held for others	190,451	184,216
Unearned revenues	2,360,055	1,411,641
Deposits	51,350	53,735
Leases payable - current portion	258,333	248,333
Bonds payable - current portion	145,000	135,000
Total current liabilities	3,633,211	2,633,719
NONCURRENT LIABILITIES		
Leases payable - noncurrent portion	3,347,778	3,606,111
Bonds payable - noncurrent portion	1,205,000	1,350,000
Total noncurrent liabilities	4,552,778	4,956,111
TOTAL LIABILITIES	8,185,989	7,589,830
NET POSITION		
Net investment in capital assets	11,537,693	11,301,814
Restricted for:		
Nonexpendable:		
Endowment - True	1,535,774	1,534,830
Expendable:		
Student aid	413,654	405,911
Debt service	238,000	238,000
Other	1,124,512	1,260,785
Unrestricted	2,130,648	2,339,113
Total net position (Schedule D)	16,980,281	17,080,453
TOTAL LIABILITIES AND NET POSITION	\$ 25,166,270	\$ 24,670,283

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

CLARENDON COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years ended August 31, 2014 and 2013
Exhibit 2

	<u>2014</u>	<u>2013</u> (restated)
OPERATING REVENUES		
Tuition and fees, net of discounts of \$2,237,085 and \$2,220,803 in 2014 and 2013, respectively	\$ 1,358,712	\$ 1,238,401
Federal grants and contracts	373,651	118,360
State grants and contracts	230,571	203,162
Local grants and contracts	1,327,780	1,211,315
Auxiliary enterprises, net of discounts of \$708,436 and \$610,860 in 2014 and 2013, respectively	461,835	445,457
Other operating revenues	167,881	171,387
	<u>3,920,430</u>	<u>3,388,082</u>
OPERATING EXPENSES		
Instruction	3,173,052	3,134,922
Academic support	480,160	522,255
Student services	682,376	591,115
Institutional support	1,574,541	1,376,653
Operation and maintenance of plant	1,054,905	965,003
Scholarship expense	743,003	834,719
Auxiliary enterprises	1,148,304	1,117,950
Depreciation	909,323	875,058
	<u>9,765,664</u>	<u>9,417,675</u>
Total operating expenses (Schedule B)	<u>9,765,664</u>	<u>9,417,675</u>
Operating loss	<u>(5,845,234)</u>	<u>(6,029,593)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	2,980,180	2,813,148
Ad valorem taxes for maintenance and operations	431,903	430,621
Federal revenue, nonoperating	2,416,887	2,508,109
Gifts	74,742	308,026
Investment income	74,042	83,354
Interest on capital-related debt	(240,455)	(252,640)
Gain (loss) on disposal of fixed assets	847	(5,572)
Other nonoperating revenues (expenses)	6,916	69,512
	<u>5,745,062</u>	<u>5,954,558</u>
Net nonoperating revenues (Schedule C)	<u>5,745,062</u>	<u>5,954,558</u>
Decrease in net position	(100,172)	(75,035)
NET POSITION - BEGINNING OF YEAR	17,080,453	17,343,154
PRIOR YEAR ADJUSTMENT	-	(187,666)
NET POSITION - END OF YEAR	<u><u>\$16,980,281</u></u>	<u><u>\$17,080,453</u></u>

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

CLARENDON COLLEGE
STATEMENTS OF CASH FLOWS
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	\$ 1,538,399	\$ 1,711,699
Receipts from grants and contracts	2,521,725	1,180,509
Payments to or on behalf of employees	(4,745,277)	(4,678,305)
Payments to suppliers for goods or services	(2,949,942)	(2,364,551)
Payments of scholarships	(743,003)	(834,719)
Net cash used by operating activities	<u>(4,378,098)</u>	<u>(4,985,367)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	2,485,093	2,359,072
Receipts from ad valorem tax revenues	443,769	416,653
Receipts from nonoperating federal revenue	2,416,887	2,508,109
Gifts and grants	74,742	308,026
Student organizations and other agency transactions	6,917	69,512
Net cash provided by noncapital financing activities	<u>5,427,408</u>	<u>5,661,372</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from disposal of capital assets	6,425	-
Purchases of capital assets	(767,448)	(620,101)
Deferred insurance proceeds (release)	(663,021)	663,021
Principal payments on capital debt	(135,000)	(130,000)
Principal payments on capital lease	(248,333)	(165,556)
Interest payments on capital debt	(243,577)	(250,094)
Net cash used by capital and related financing activities	<u>(2,050,954)</u>	<u>(502,730)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	74,042	83,354
Maturities of investments	4,122,598	1,905,101
Purchase of investments	(4,749,341)	(1,660,405)
Net cash provided (used) by investing activities	<u>(552,701)</u>	<u>328,050</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,554,345)</u>	<u>501,325</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,509,101</u>	<u>2,007,776</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 954,756</u>	<u>\$ 2,509,101</u>
Cash and cash equivalents are reported in the Statement of Net Position as follows:		
Cash and cash equivalents	\$ 720,418	\$ 2,141,909
Restricted cash and cash equivalents	<u>234,338</u>	<u>367,192</u>
Total cash and cash equivalents	<u>\$ 954,756</u>	<u>\$ 2,509,101</u>

CLARENDON COLLEGE
STATEMENTS OF CASH FLOWS, CONTINUED
Years ended August 31, 2014 and 2013
Exhibit 3

	<u>2014</u>	<u>2013</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (5,845,234)	\$ (6,029,593)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	909,323	875,058
State-funded benefits	495,087	454,076
Change in allowance for bad debt	30,495	63,500
Changes in operating assets and liabilities:		
Receivables	(1,502,236)	(806,606)
Inventories	-	20,997
Prepaid expenses	(111,167)	(6,021)
Accounts payable	24,182	114,987
Accrued liabilities	12,402	76,301
Unearned revenue	1,611,435	247,232
Deposits	(2,385)	4,702
Net cash used by operating activities	<u>\$ (4,378,098)</u>	<u>\$ (4,985,367)</u>

Non-cash investing and financing activity:

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

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

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CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 1 - REPORTING ENTITY

Clarendon College (the College) was established in 1927 in accordance with the laws of the State of Texas, to serve the educational needs of Clarendon, Texas, and the surrounding communities. The College is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

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

Tuition Discounting

Texas Public Education Grants

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

Title IV, HEA Program Funds

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

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

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Tuition Discounts

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

Basis of Accounting

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

Budgetary Data

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

Cash and Cash Equivalents

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

Deferred Inflows

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

Deferred Outflows

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

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

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

Inventories

There is no inventory at August 31, 2014 and 2013, the College has partnered with the E-Campus for textbooks. Materials and supplies are charged to expense when purchased.

Capital Assets

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

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

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

Unearned Revenues

Tuition, fees, and other revenues received and related to the following fiscal year have been deferred. Tuition and fees of \$2,360,055 and \$1,411,641 have been reported as unearned revenue at August 31, 2014 and 2013, respectively.

Estimates

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

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Nonoperating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major nonoperating revenues are state appropriations, federal Title IV revenue and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The College has contracted with Great Western Living for food service. Payments under this agreement were \$421,385 and \$382,476 for the years ended August 31, 2014 and 2013, respectively.

When both restricted and unrestricted resources are available for use, it is the College's practice to use restricted resources first and then unrestricted resources as they are needed.

Change in Accounting Principles

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for financial statements for periods beginning after December 15, 2012. This Statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The College has implemented this Statement in the year ended August 31, 2014. As a result, prior year bond issuance costs and other debt costs of \$187,666 have been expensed in the prior period adjustment.

Prior Period Restatement

The College restated prior year amounts for changes that were made due to the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement requires that bond issuance costs be shown as current-period outflows of resources (expenses). The accounts affected by this restatement are as follows:

Unamortized debt issuance costs as of August 31, 2013, as previously reported	\$ 152,848
Adjustment for prior period restatement of bond issuance costs	<u>(152,848)</u>
Unamortized debt issuance costs as of August 31, 2013, restated	<u>\$ -</u>
Bonds payable - noncurrent as of August 31, 2013, as previously reported	\$ 1,327,980
Adjustment for prior period restatement of deferred loss on refunding	<u>22,020</u>
Bonds payable - noncurrent as of August 31, 2013, restated	<u>\$ 1,350,000</u>
Interest on capital-related debt as of August 31, 2013, as previously reported	\$ 265,438
Adjustment for bond issuance costs amortization, as previously reported	<u>(12,798)</u>
Interest on capital-related debt as of August 31, 2013, restated	<u>\$ 252,640</u>
Net position as of August 31, 2013, as previously reported	\$ 17,255,321
Adjustment for bond issuance costs, net	<u>(174,868)</u>
Net position as of August 31, 2013, restated	<u>\$ 17,080,453</u>

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the 2013 financial statements have been reclassified to conform with the 2014 presentation.

NOTE 3 - AUTHORIZED INVESTMENTS

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

	<u>2014</u>	<u>2013</u>
Petty cash on hand	\$ 1,000	\$ 900
Demand deposits	953,756	1,355,810
Time deposits	<u>—</u>	<u>1,152,391</u>
Total cash and cash equivalents	<u>\$ 954,756</u>	<u>\$ 2,509,101</u>

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

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 720,418	\$ 2,141,909
Restricted cash and cash equivalents	<u>234,338</u>	<u>367,192</u>
Total cash and cash equivalents	<u>\$ 954,756</u>	<u>\$ 2,509,101</u>

**CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013**

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

<u>Type of Security</u>	<u>Market Value</u>	
	<u>2014</u>	<u>2013</u>
Certificates of deposit	<u>\$ 4,730,086</u>	<u>\$ 4,103,342</u>
Total investments (Exhibit 1)	<u>\$ 4,730,086</u>	<u>\$ 4,103,342</u>
Cash and cash equivalents (Exhibit 1)	\$ 954,756	\$ 2,509,101
Investments (Exhibit 1)	<u>4,730,086</u>	<u>4,103,342</u>
Total deposits and investments	<u>\$ 5,684,842</u>	<u>\$ 6,612,443</u>

Investments are classified as follows:

	<u>2014</u>	<u>2013</u>
Short-term investments	\$ 2,243,958	\$ 1,635,153
Endowment investments	1,194,614	1,193,670
Other long-term investments	<u>1,291,514</u>	<u>1,274,519</u>
Total investments	<u>\$ 4,730,086</u>	<u>\$ 4,103,342</u>

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>(in years)</u>	
		<u>Less than 1</u>	<u>1 to 2</u>
Certificate of deposits	<u>\$ 4,730,086</u>	<u>\$ 2,243,958</u>	<u>\$ 2,486,128</u>
Total fair value	<u>\$ 4,730,086</u>	<u>\$ 2,243,958</u>	<u>\$ 2,486,128</u>

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

Credit Risk: In accordance with state law and the College's investment policy, with the exception of endowed investments, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A. As of August 31, 2014, the College did not have any investments in commercial paper or no-load money market mutual funds.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

NOTE 5 - CAPITAL ASSETS

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

	<u>Beginning Balance</u> <u>September 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u> <u>August 31, 2014</u>
Not depreciated:				
Land	\$ 1,313,633	\$ -	\$ -	\$ 1,313,633
Construction in progress	117,086	328,615	263,669	182,032
Total not depreciated	<u>1,430,719</u>	<u>328,615</u>	<u>263,669</u>	<u>1,495,665</u>
Other capital assets:				
Buildings	14,818,759	267,130	-	15,085,889
Facility and land improvements	2,742,937	172,399	-	2,915,336
Furniture, machinery, vehicles and other equipment	2,773,491	119,598	15,937	2,877,152
Telecommunications and peripheral equipment	1,820,655	137,567	-	1,958,222
Library books	540,589	5,807	-	546,396
Total other capital assets	<u>22,696,431</u>	<u>702,501</u>	<u>15,937</u>	<u>23,382,995</u>
Total cost of capital assets	<u>24,127,150</u>	<u>1,031,116</u>	<u>279,606</u>	<u>24,878,660</u>
Accumulated depreciation:				
Buildings	3,476,541	267,121	-	3,743,662
Facility and land improvements	886,502	128,438	-	1,014,940
Furniture, machinery, vehicles and other equipment	1,479,389	249,093	10,359	1,718,123
Telecommunications and peripheral equipment	1,157,548	257,763	-	1,415,311
Library books	485,912	6,908	-	492,820
Total accumulated depreciation	<u>7,485,892</u>	<u>909,323</u>	<u>10,359</u>	<u>8,384,856</u>
Capital assets, net	<u>\$ 16,641,258</u>	<u>\$ 121,793</u>	<u>\$ 269,247</u>	<u>\$ 16,493,804</u>

Capital assets include gross assets acquired under capital leases of \$3,749,999 at August 31, 2014. Related amortization included in accumulated amortization was \$226,170. Capital leases are included as a component of building, equipment and land. Amortization of assets under capital leases is included in depreciation expense.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

	<u>Beginning Balance September 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance August 31, 2013</u>
Not depreciated:				
Land	\$ 1,269,593	\$ 44,040	\$ -	\$ 1,313,633
Construction in progress	<u>-</u>	<u>117,086</u>	<u>-</u>	<u>117,086</u>
Total not depreciated	<u>1,269,593</u>	<u>161,126</u>	<u>-</u>	<u>1,430,719</u>
Other capital assets:				
Buildings	14,582,799	235,960	-	14,818,759
Facility and land improvements	2,472,873	270,064	-	2,742,937
Furniture, machinery, vehicles and other equipment	2,708,249	93,126	27,884	2,773,491
Telecommunications and peripheral equipment	1,741,208	132,009	52,562	1,820,655
Library books	<u>532,773</u>	<u>7,816</u>	<u>-</u>	<u>540,589</u>
Total other capital assets	<u>22,037,902</u>	<u>738,975</u>	<u>80,446</u>	<u>22,696,431</u>
Total cost of capital assets	<u>23,307,495</u>	<u>900,101</u>	<u>80,446</u>	<u>24,127,150</u>
Accumulated depreciation:				
Buildings	3,213,962	262,579	-	3,476,541
Facility and land improvements	769,736	116,766	-	886,502
Furniture, machinery, vehicles and other equipment	1,257,091	250,182	27,884	1,479,389
Telecommunications and peripheral equipment	965,883	238,656	46,991	1,157,548
Library books	<u>479,037</u>	<u>6,875</u>	<u>-</u>	<u>485,912</u>
Total accumulated depreciation	<u>6,685,709</u>	<u>875,058</u>	<u>74,875</u>	<u>7,485,892</u>
Capital assets, net	<u>\$ 16,621,786</u>	<u>\$ 25,043</u>	<u>\$ 5,571</u>	<u>\$ 16,641,258</u>

NOTE 6 - NONCURRENT LIABILITIES

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

	<u>Balance September 1, 2013 (restated)</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance August 31, 2014</u>	<u>Current Portion</u>
Bonds payable	\$ 1,485,000	\$ -	\$ 135,000	\$ 1,350,000	\$ 145,000
Long-term capital lease	3,854,444	-	248,333	3,606,111	258,333
Noncurrent liabilities	<u>5,339,444</u>	<u>\$ -</u>	<u>\$ 383,333</u>	<u>4,956,111</u>	<u>\$ 403,333</u>
Current portion	<u>(383,333)</u>			<u>(403,333)</u>	
	<u>\$ 4,956,111</u>			<u>\$ 4,552,778</u>	

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 6 - NONCURRENT LIABILITIES (CONTINUED)

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

	Balance September 1, 2012 (restated)	Additions	Deductions	Balance August 31, 2013 (restated)	Current Portion
Bonds payable	\$ 1,615,000	\$ -	\$ 130,000	\$ 1,485,000	\$ 135,000
Long-term capital lease	3,740,000	280,000	165,556	3,854,444	248,333
Noncurrent liabilities	5,355,000	<u>\$ 280,000</u>	<u>\$ 295,556</u>	5,339,444	<u>\$ 383,333</u>
Current portion	(280,000)			(383,333)	
	<u>\$ 5,075,000</u>			<u>\$ 4,956,111</u>	

NOTE 7 - DEBT OBLIGATIONS

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

For the Year Ended August 31,	Revenue Bonds		
	Principal	Interest	Total
2015	\$ 145,000	\$ 63,450	\$ 208,450
2016	150,000	56,635	206,635
2017	155,000	49,585	204,585
2018	165,000	42,300	207,300
2019	170,000	34,545	204,545
2020-2022	565,000	53,815	618,815
Total	<u>\$ 1,350,000</u>	<u>\$ 300,330</u>	<u>\$ 1,650,330</u>

Details of bonds and notes payable as of August 31, 2014 and 2013 are as follows:

Refunding Revenue Bonds, Series 2005

- To refund the 2006 through 2022 maturities of the Series 2002 Improvement and Refunding Revenue Bonds.
- Issued April 15, 2005
- Original principal amount of \$2,380,000
- Secured by a pledge of revenues, including certain tuition and fees, 20% of the gross revenues received from the cafeteria and 60% of the gross revenues received from the dormitory system.
- Bonds payable are due in annual installments varying from \$145,000 to \$195,000 with an interest rate of 4.7% with the final installment due in 2022.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 7 - DEBT OBLIGATIONS (CONTINUED)

Lease Payable to Gray County

Lease payable to Gray County, Texas, issued on September 1, 2009, in the amount of \$4,175,000, interest varies from 2.5% to 5.125%, annual principal installments varying from \$165,000 to \$315,000 plus interest due semi-annually, with a maturity date of August 1, 2029. The loan proceeds were used for the construction of two new buildings and equipment at the Pampa, Texas, Campus. The College paid \$328,781 lease expense, principal and interest, in the year ended August 31, 2014.

Lease Payable to an Individual

Lease payable to an individual, signed July 1, 2013, in the amount of \$280,000, 0% interest, monthly installments of \$7,778, with a maturity of June 30, 2016. This was for the purchase of land and a building for the College's Amarillo Cosmetology Center. The College paid \$93,336 principal in the year ended August 31, 2014.

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

For the Year Ended August 31,	Total
2015	\$ 425,914
2016	408,759
2017	328,331
2018	330,456
2019	331,669
2020-2024	1,646,281
2025-2029	<u>1,655,039</u>
Total minimum lease payments	5,126,449
Less: Amount representing interest costs	<u>1,520,338</u>
Present value of minimum lease payments	<u>\$ 3,606,111</u>

NOTE 8 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

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

	<u>2014</u>	<u>2013</u>
Taxes receivable	\$ 116,169	\$ 128,035
Student receivables	2,642,960	803,704
Grants receivable	42,094	521,141
Other receivables	<u>153,502</u>	<u>975</u>
	2,954,725	1,453,855
Allowance for doubtful accounts	<u>(476,697)</u>	<u>(435,702)</u>
Total accounts receivable, net	<u>\$ 2,478,028</u>	<u>\$ 1,018,153</u>

**CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013**

**NOTE 8 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES
(CONTINUED)**

Accounts payable at August 31, 2014 and 2013 consisted of amounts payable to vendors.

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

	<u>2014</u>	<u>2013</u>
Accrued interest payable	\$ 40,442	\$ 43,563
Accrued liability to U.S. Department of Education	61,547	61,547
Other accrued liabilities	<u>145,961</u>	<u>139,794</u>
Total accrued liabilities	<u>\$ 247,950</u>	<u>\$ 244,904</u>

NOTE 9 - CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedules A and C. For federal and nonfederal contract and grant awards, funds expended, but not collected, are reported as accounts receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. There were no contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal year 2014 and 2013 for which monies have not been received nor funds expended.

NOTE 10 - EMPLOYEES' RETIREMENT PLAN

State-Sponsored Benefit Plans

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

Teacher Retirement System of Texas – Defined Benefit Plan

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

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 10 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)

State-Sponsored Benefit Plans (Continued)

Teacher Retirement System of Texas – Defined Benefit Plan (Continued)

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

Optional Retirement Plan – Defined Contribution Plan

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state are 6.6% and 6.0% for fiscal years 2014 and 2013, respectively. The participant contribution rate is 6.65% for both years. The College contributed 0% and 1.31% for all employees that participated in ORP for fiscal years 2014 and 2013, respectively. Benefits fully vest after one year plus one day of employment.

Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the state for the College was approximately \$106,000, \$160,000, and \$150,000 for the fiscal years ended August 31, 2014, 2013, and 2012, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll for all College employees was \$4,063,943, \$4,033,804, and \$3,792,863 for fiscal years 2014, 2013, and 2012, respectively. The total payroll of employees covered by the Teacher Retirement System was \$3,461,395, \$3,136,819, and \$2,967,904 and the total payroll of employees covered by the Optional Retirement Program was approximately \$125,000 \$121,000, and \$88,000 for fiscal years 2014, 2013, and 2012, respectively.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 11 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums.

For the year ended August 31, 2014, the state's contribution per full-time employee and retiree was \$503 per month and totaled approximately \$389,000 for the year. The cost of providing those benefits for 40 retirees was approximately \$269,000 and for 69 active employees was approximately \$120,000.

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

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

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

Funding Policy

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

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB Statement 45.

**CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013**

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Funding Policy (Continued)

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

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

The College's contributions to SRHP for the years ended August 31, 2014, 2013, and 2012 were \$449,995, \$469,913, and \$437,874, respectively, which equaled the required contributions each year.

NOTE 13 - DEFERRED COMPENSATION PROGRAM

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

NOTE 14 - AD VALOREM TAX

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

At August 31, 2014:

Assessed valuation of the College	\$ 198,205,860
Less: Exemptions	831,557
Less: Abatements	<u> —</u>
Net assessed valuation of the College	<u>\$ 197,374,303</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$.850000	\$ —	\$.850000
Tax rate per \$100 valuation for assessed	.222732	—	.222732

**CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013**

NOTE 14 - AD VALOREM TAX (CONTINUED)

At August 31, 2014 (Continued):

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 422,668	\$ -	\$ 422,668
Delinquent taxes collected	14,215	-	14,215
Penalties and interest collected	<u>5,033</u>	<u>-</u>	<u>5,033</u>
Total collections	<u>\$ 441,916</u>	<u>\$ -</u>	<u>\$ 441,916</u>

At August 31, 2013:

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

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

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

Taxes levied for the year ended August 31, 2014 and 2013 were approximately \$437,000 and \$439,000, respectively (which included penalty and interest assessed, if applicable).

Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Tax collections for the years ended August 31, 2014 and 2013 were 97% and 96% of the current tax levy for each year, respectively. Property tax revenues are recognized in the year for which they are levied. The use of tax proceeds is restricted for the maintenance and operations of the College.

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 15 - EXTENSION CENTER MAINTENANCE TAX

A maintenance tax was established by election in 2009 and is levied by Gray County tax office and Childress County Appraisal District. It is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the College. Collections are transferred to the College to be used for operation of a campus at Gray and Childress counties. This revenue is reported under local grants and contracts. Collections in fiscal years 2014 and 2013 (including penalties and interest) from Gray County totaled approximately \$897,000 and \$813,000, respectively, and from Childress County totaled approximately \$164,000 and \$144,000, respectively.

NOTE 16 - INCOME TAXES

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

NOTE 17 - RELATED PARTIES

The Clarendon College Foundation (CCF) is a nonprofit organization with the sole purpose of supporting the educational and other activities of the College. The College does not appoint a voting majority of CCF's Board of Directors, and it does not fund, nor is it obligated to pay, debt related to CCF. CCF solicits donations and acts as coordinator of gifts made by other parties as well as providing scholarships to students attending the College. During the fiscal year, the College furnished certain services, i.e., office space, utilities, and some staff assistance, to CCF for which CCF did not reimburse the College. CCF is controlled by an autonomous Board of Directors and is not considered a component unit of the College for financial reporting purposes. During the years ended August 31, 2014 and 2013, the College received funds consisting of donations and scholarships for students from CCF totaling \$10,950 and \$12,415, respectively.

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

NOTE 18 - PAMPA CENTER FOUNDATION LEASE

During the year ended August 31, 2000, the College entered into a 30-year lease agreement with the PCF. The leased premises, located in Pampa, Texas, are used by the College to provide secondary, vocational and other community college courses. The College paid an

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 18 - PAMPA CENTER FOUNDATION LEASE (CONTINUED)

advance rental of \$700,000 as payment in full for the 30-year lease term. During 2009, PCF donated the building and 13 acres of land occupied by the building to the College. The donation was recorded in 2009 at a fair market value for the building of \$2,497,050 and a fair market value of the land of \$118,400. The unamortized prepaid was used to offset these amounts resulting in a gain of approximately \$2,118,000.

NOTE 19 - COMMITMENTS, CONTINGENCIES AND LAWSUITS

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

On August 31, 2014, claims involving the College were pending. While the ultimate liability with respect to claims asserted against the College cannot be reasonably estimated at this time, this liability, if any, to the extent not provided for by insurance, is not likely to have a material effect on the College.

NOTE 20 - NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued several new pronouncements that the College has reviewed for application to their accounting and reporting.

Recently Issued and Adopted Accounting Pronouncements

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for financial statements for periods beginning after December 15, 2012. This Statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. See Note 2 - Summary of Significant Accounting Policies.

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

CLARENDON COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2014 and 2013

NOTE 20 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Recently Issued Accounting Pronouncements

In June 2012 the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, which establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Statement No. 68 is effective for the 2015 fiscal year, implementation of which is currently being evaluated.

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

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, was issued in November 2013. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. This Statement is effective for the 2015 fiscal year, implementation of which is currently being evaluated.

NOTE 21 - SUBSEQUENT EVENTS

The College has evaluated for inclusion as a subsequent event disclosure only those events that occurred prior to December 18, 2014, the date the financial statements were available to be issued.

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

OTHER SUPPLEMENTAL INFORMATION

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2014</u>	<u>2013</u>
TUITION						
State-funded courses						
In-district resident tuition	\$ 92,802	\$ -	\$ 92,802	\$ -	\$ 92,802	\$ 85,281
Out-of-district resident tuition	888,519	-	888,519	-	888,519	893,136
Non-resident tuition	191,449	-	191,449	-	191,449	183,036
TPEG - Credit (set aside)*	77,286	-	77,286	-	77,286	78,139
Non-state funded continuing education	5,215	-	5,215	-	5,215	3,965
Total tuition	<u>1,255,271</u>	<u>-</u>	<u>1,255,271</u>	<u>-</u>	<u>1,255,271</u>	<u>1,243,557</u>
FEES						
Building use fee	527,010	-	527,010	-	527,010	585,727
Out-of-district fee	494,266	-	494,266	-	494,266	490,596
General fee	688,921	-	688,921	-	688,921	692,235
Laboratory fee	328,025	-	328,025	-	328,025	177,797
Other fees	302,304	-	302,304	-	302,304	269,292
Total fees	<u>2,340,526</u>	<u>-</u>	<u>2,340,526</u>	<u>-</u>	<u>2,340,526</u>	<u>2,215,647</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Scholarship allowances	(340,792)	-	(340,792)	-	(340,792)	(274,449)
Remissions and exemptions	(102,256)	-	(102,256)	-	(102,256)	(122,324)
TPEG allowances	(41,479)	-	(41,479)	-	(41,479)	(54,420)
Federal grants to students	(1,573,568)	-	(1,573,568)	-	(1,573,568)	(1,603,972)
Other federal grants	(178,990)	-	(178,990)	-	(178,990)	(165,638)
Total scholarship allowances and discounts	<u>(2,237,085)</u>	<u>-</u>	<u>(2,237,085)</u>	<u>-</u>	<u>(2,237,085)</u>	<u>(2,220,803)</u>
Total net tuition and fees	<u>1,358,712</u>	<u>-</u>	<u>1,358,712</u>	<u>-</u>	<u>1,358,712</u>	<u>1,238,401</u>

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2014</u>	<u>2013</u>
ADDITIONAL OPERATING REVENUES						
Federal grants and contracts	-	373,651	373,651	-	373,651	118,360
State grants and contracts	-	230,571	230,571	-	230,571	203,162
Local grants and contracts	1,060,940	266,840	1,327,780	-	1,327,780	1,211,315
Other operating revenues	<u>22,730</u>	<u>-</u>	<u>22,730</u>	<u>145,151</u>	<u>167,881</u>	<u>171,387</u>
Total additional operating revenues	<u>1,083,670</u>	<u>871,062</u>	<u>1,954,732</u>	<u>145,151</u>	<u>2,099,883</u>	<u>1,704,224</u>
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	105,925	105,925	32,272
Less: Discounts	-	-	-	(164,019)	(164,019)	(141,489)
Residential	-	-	-	1,064,346	1,064,346	1,024,045
Less: Discounts	-	-	-	(544,417)	(544,417)	(469,371)
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>461,835</u>	<u>461,835</u>	<u>445,457</u>
TOTAL OPERATING REVENUES	<u><u>\$ 2,442,382</u></u>	<u><u>\$ 871,062</u></u>	<u><u>\$ 3,313,444</u></u>	<u><u>\$ 606,986</u></u>	<u><u>\$ 3,920,430</u></u>	<u><u>\$ 3,388,082</u></u>
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, \$77,286 and \$78,139 for years August 31, 2014 and 2013, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

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

	Operating Expenses				2014	2013
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	\$ 2,084,825	\$ -	\$ 328,899	\$ 433,381	\$ 2,847,105	\$ 2,819,361
Academic support	326,286	-	50,096	56,762	433,144	477,360
Student services	457,648	-	65,372	93,411	616,431	547,232
Institutional support	555,220	-	78,274	531,999	1,165,493	1,188,443
Operation and maintenance of plant	321,205	-	127,392	606,308	1,054,905	965,003
Total unrestricted educational activities	<u>3,745,184</u>	<u>-</u>	<u>650,033</u>	<u>1,721,861</u>	<u>6,117,078</u>	<u>5,997,399</u>
RESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	-	302,089	-	23,858	325,947	315,561
Academic support	-	47,016	-	-	47,016	44,895
Student services	-	65,945	-	-	65,945	43,883
Institutional support	248,350	80,037	241	80,420	409,048	188,210
Scholarship expense	-	-	-	743,003	743,003	834,719
Total restricted educational activities	<u>248,350</u>	<u>495,087</u>	<u>241</u>	<u>847,281</u>	<u>1,590,959</u>	<u>1,427,268</u>
Total educational activities	<u>3,993,534</u>	<u>495,087</u>	<u>650,274</u>	<u>2,569,142</u>	<u>7,708,037</u>	<u>7,424,667</u>
AUXILIARY ENTERPRISES	<u>70,409</u>	<u>-</u>	<u>37,295</u>	<u>1,040,600</u>	<u>1,148,304</u>	<u>1,117,950</u>
DEPRECIATION EXPENSE						
Buildings and other real estate improvements	-	-	-	395,559	395,559	379,345
Equipment and furniture	-	-	-	513,764	513,764	495,713
Total depreciation expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>909,323</u>	<u>909,323</u>	<u>875,058</u>
TOTAL OPERATING EXPENSES	<u>\$ 4,063,943</u>	<u>\$ 495,087</u>	<u>\$ 687,569</u>	<u>\$ 4,519,065</u>	<u>\$ 9,765,664</u>	<u>\$ 9,417,675</u>
				(Exhibit 2)	(Exhibit 2)	

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2014</u>	<u>2013</u> (restated)
NONOPERATING REVENUES:					
State appropriations:					
Education and general state support	\$ 2,485,093	\$ -	\$ -	\$ 2,485,093	\$ 2,359,072
State group insurance	-	388,692	-	388,692	293,814
State retirement matching	-	106,395	-	106,395	160,262
Total state appropriations	<u>2,485,093</u>	<u>495,087</u>	<u>-</u>	<u>2,980,180</u>	<u>2,813,148</u>
Ad valorem taxes for maintenance and operations	431,903	-	-	431,903	430,621
Federal revenue, nonoperating	2,416,887	-	-	2,416,887	2,508,109
Gifts	74,742	-	-	74,742	308,026
Investment income	73,706	336	-	74,042	83,354
Other nonoperating revenues	<u>6,917</u>	<u>-</u>	<u>-</u>	<u>6,917</u>	<u>69,512</u>
Total nonoperating revenues	<u>5,489,248</u>	<u>495,423</u>	<u>-</u>	<u>5,984,671</u>	<u>6,212,770</u>
NONOPERATING EXPENSES:					
Interest on capital-related debt	240,455	-	-	240,455	252,640
(Gain) loss on disposal of assets	<u>(846)</u>	<u>-</u>	<u>-</u>	<u>(846)</u>	<u>5,572</u>
Total nonoperating expenses	<u>239,609</u>	<u>-</u>	<u>-</u>	<u>239,609</u>	<u>258,212</u>
NET NONOPERATING REVENUES	<u>\$ 5,249,639</u>	<u>\$ 495,423</u>	<u>\$ -</u>	<u>\$ 5,745,062</u>	<u>\$ 5,954,558</u>
				(Exhibit 2)	(Exhibit 2)

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

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
CURRENT							
Unrestricted	\$ 2,705,400	\$ -	\$ -	\$ -	\$ 2,705,400	\$ 2,705,400	\$ -
Restricted	-	1,538,166	-	-	1,538,166	1,538,166	-
Auxiliary enterprises	(574,752)	-	-	-	(574,752)	(574,752)	-
LOAN	-	-	-	-	-	-	-
ENDOWMENT							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	1,535,774	-	1,535,774	-	1,535,774
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
PLANT							
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt service	-	238,000	-	-	238,000	-	238,000
Investment in plant	-	-	-	11,537,693	11,537,693	-	11,537,693
Total net position, August 31, 2014	<u>2,130,648</u>	<u>1,776,166</u>	<u>1,535,774</u>	<u>11,537,693</u>	<u>16,980,281</u>	<u>3,668,814</u>	<u>13,311,467</u>
					(Exhibit 1)		
Total net position, August 31, 2013	<u>2,339,113</u>	<u>1,904,696</u>	<u>1,534,830</u>	<u>11,301,814</u>	<u>17,080,453</u>	<u>4,005,809</u>	<u>13,074,644</u>
					(Exhibit 1)		
NET INCREASE (DECREASE) IN NET POSITION	<u>\$ (208,465)</u>	<u>\$ (128,530)</u>	<u>\$ 944</u>	<u>\$ 235,879</u>	<u>\$ (100,172)</u>	<u>\$ (336,995)</u>	<u>\$ 236,823</u>
					(Exhibit 2)		

**CLARENDON COLLEGE
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2014**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass-Through Disbursements</u>
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007	-	\$ 14,623
Federal Work Study Program	84.033	-	31,956
Federal Pell Grant Program	84.063	-	2,370,308
Federal Direct Student Loans	84.268	-	2,225,723
Title III - Hispanic Serving Institutions	84.031	-	<u>284,672</u>
Total Direct Programs			<u>4,927,282</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	104210	<u>88,979</u>
Total Pass-Through from Texas Higher Education Coordinating Board			<u>88,979</u>
Total U.S. Department of Education			<u>5,016,261</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 5,016,261</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CLARENDON COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2014

NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION

Federal grants and contracts revenue - per Schedule A	\$ 373,651
Nonoperating federal revenue - per Schedule C	2,416,887
Federal Direct Student Loans	<u>2,225,723</u>
Total federal revenues per Schedule of Expenditures of Federal Awards	<u>\$ 5,016,261</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**CLARENDON COLLEGE
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
YEAR ENDED AUGUST 31, 2014**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Workforce Commission		
Workforce Investment Act Program	-	\$ 6,053
Total Texas Workforce Commission		<u>6,053</u>
Texas Department of Assistive and Rehabilitative Services		
Tuition Waiver	-	14,285
Total Texas Department of Assistive and Rehabilitative Services		<u>14,285</u>
Texas Higher Education Coordinating Board		
Texas Grant Program	-	82,391
Texas Educational Opportunity Grant	-	56,193
Texas College Work-Study Program	-	6,782
Texas Engineering Extension Service	-	64,867
Total Texas Higher Education Coordinating Board		<u>210,233</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 230,571</u>

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

CLARENDON COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
August 31, 2014

NOTE 1 - STATE ASSISTANCE RECONCILIATION

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

State Grants and Contracts Revenue per Schedule A	<u>\$ 230,571</u>
Total state revenues per Schedule of Expenditures of State Awards	<u>\$ 230,571</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

SINGLE AUDIT SECTION

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

Board of Regents
Clarendon College
Clarendon, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clarendon College (the College), as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 18, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Connor, McMillen Mitchell & Shennum, PLLC

Amarillo, Texas
December 18, 2014

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

Board of Regents
Clarendon College
Clarendon, Texas

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Program

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

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-001 through 2014-006. Our opinion on the major federal programs is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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 the federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001 through 2014-006, that we consider to be significant deficiencies.

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

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

Conner, McMillon, Mitchell & Shennum, PLLC

Amarillo, Texas
December 18, 2014

**CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2014**

SECTION I - Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:

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

Internal control over financial reporting:

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

Federal and State Awards

Internal control over major programs:

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

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

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

Identification of major programs:

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

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

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

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2014

SECTION II - Financial Statement Findings

None reported.

SECTION III - Federal and State Award Findings and Questioned Costs

Finding 2014-001

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

Compliance Requirement: Activities allowed or unallowed

Condition: The College was not using the original awarded amount when calculating the Return to Title IV for two students with unsubsidized loan amounts.

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

Cause: The College was not pulling the account statements for the students and using the awarded amount.

Effect: The College can become liable to the DOE for incorrect amount of school portion of the return or lose future aid.

Context: A sample of 46 students receiving all "F's" or "W's" was pulled. There were two students with Return to Title IV calculations prepared using the incorrect unsubsidized loan amounts.

Recommendation: The College should implement procedures and controls to ensure Return to Title IV calculations are being prepared on all students using their account statement award amounts. We further recommend that there be a second review of all Title IV calculations.

Views of Responsible Officials and Corrective Action Plan: The original award letter will become part of the student's permanent electronic file. The original award letter will be utilized for all future calculations.

Finding 2014-002

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

Compliance Requirement: Activities allowed or unallowed

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2014

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

Finding 2014-002 (Continued)

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

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

Cause: The College was using transcripts of students to determine who received all "F's" for the semester, and they missed preparing the Return to Title IV calculation on four students. Two of those students had a refund due to the DOE.

Effect: The College will be required to return approximately \$1,715 to the DOE.

Context: A sample of 33 students receiving all "F's" was pulled. There were four students with no Return to Title IV calculations prepared. Two of these students owed a refund back to the DOE.

Recommendation: The College should implement procedures and controls to ensure Return to Title IV calculations are being prepared on all students.

Views of Responsible Officials and Corrective Action Plan: We will utilize updated reporting to closely monitor students receiving all "F's". Returns will be calculated at semester end unless prior data is available.

Finding 2014-003

Program: 84.268 Federal Direct Student Loans

Compliance Requirement: Special Tests

Condition: Student Status Filings for late graduates were not properly reported as graduated by the College to the National Clearinghouse.

Criteria: Per the OMB A-133 Compliance Supplement, the status of all students is to be reported on a timely basis to the National Clearinghouse.

Cause: The College does not have a system to ensure late graduates are graduated in the National Clearinghouse. The College is allowing the Clearinghouse to withdraw them the next semester.

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

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2014

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

Finding 2014-003 (Continued)

Context: A sample of 50 student status changes was tested. There were two late graduates that were filled as withdrawn after 60 days from the date of completing graduation requirements and graduated in the College's system. One of those graduates had loans that caused the six-month grace period to be extended from November 2014 to March 2015.

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

Views of Responsible Officials and Corrective Action Plan: The graduation process has been automated to graduate and report all students as soon as they meet program graduation requirements.

Finding 2014-004

Program: Student Financial Aid Cluster

Compliance Requirement: Reporting

Condition: The College submitted the annual Fiscal Operations Report and Application to Participate (FISAP) online on October 1, 2014. However, they could not file it with the required electronic signature. Therefore, a signed copy was mailed on October 2, 2014, which was after the deadline to submit. A signed copy of the report was not retained by the College.

Criteria: Per the OMB A-133 Compliance Supplement, the FISAP report should contain all identifying information and is required to be submitted by October 1, 2014.

Cause: The College's employee preparing the FISAP completed it too late on October 1, 2014, to be mailed that day. A signed copy was mailed on October 2, 2014. The College did not retain a copy of the signed form.

Effect: The College is not in compliance with DOE filing requirements. Furthermore, the College is unable to document that the FISAP was reviewed and signed by the President.

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

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2014

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

Finding 2014-004 (Continued)

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

Views of Responsible Officials and Corrective Action Plan: The electronic signature ability will be in place and the FY15 FISAP will be filed prior to September 15, 2015. Two signed copies will be retained, one by the Vice President of Administrative Services and one by the Director of Financial Aid.

Finding 2014-005

Program: 84.033 Federal Work Study Program

Compliance Requirement: Reporting

Condition: The amount of Federal Work Study as reported on the annual FISAP was incorrect.

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

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

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

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

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

Views of Responsible Officials and Corrective Action Plan: The financial aid department now has access to all applicable general ledger accounts. The FISAP will be reviewed by the Vice President of Administrative Services prior to submission.

CLARENDON COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2014

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

Finding 2014-006

Program: Federal Grants

Compliance Requirement: Reporting

Condition: The College is required to balance Federal and State Grants to match revenues to expenditures for the Schedule of Expenditures of Federal Awards (SEFA) and Schedule of Expenditures of State Awards (SESA). Of 11 grants (federal and state), eight did not balance without proposed entries to the client.

Criteria: Per the OMB A-133 Compliance Supplement, recipients should use the standard financial reporting forms to report program outlays and program income specified by the pass-through entity for financial reporting compliance.

Cause: The College recently had turnover in the Vice President of Administrative Services position. The Vice President is new to governmental accounting and was unaware of the requirements for grant accounting at year-end. The Director of Financial Aid does not have access to the general ledger and has not made an effort to obtain the ledgers to balance the Financial Aid accounts. In the past, grant administrators have not been responsible for balancing their grants.

Effect: Grant revenue and expenditures could be misstated.

Context: Test work was performed to tie grant expenditures to revenues.

Recommendation: Grant administrators should have access to the general ledger and perform reconciliations of the grants on a routine basis. The employee preparing the SEFA and the SESA should ensure all grant administrators send reconciliations for review. The Vice President of Administrative Services should review and ensure that the general ledger ties grant revenues to grant expenditures.

Views of Responsible Officials and Corrective Action Plan: The Director of Financial Aid and all grant administrators now have access to all revenue and expenditure accounts that they are responsible for. They will be responsible for initiating revenue requests and overseeing all expenditures. Quarterly reconciliations will be submitted to the Vice President of Administrative Services.

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

Finding 2014-001

Condition: The College was not using the original awarded amount when calculating the Return to Title IV for two students with unsubsidized loan amounts.

Corrective Action Plan: The original award letter will become part of the student's permanent electronic file. The original award letter will be utilized for all future calculations.

Finding 2014-002

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

Corrective Action Plan: We will utilize updated reporting to closely monitor students receiving all "F's". Returns will be calculated at semester end unless prior data is available.

Finding 2014-003

Condition: Student Status Filings for late graduates were not properly reported as graduated by the College to the National Clearinghouse.

Corrective Action Plan: The graduation process has been automated to graduate and report all students as soon as they meet program graduation requirements.

Finding 2014-004

Condition: The College submitted the annual Fiscal Operations Report and Application to Participate (FISAP) online on October 1, 2014. However, they could not file it with the required electronic signature. Therefore, a signed copy was mailed on October 2, 2014, which was after the deadline to submit. A signed copy of the report was not retained by the College.

Corrective Action Plan: The electronic signature ability will be in place and the FY15 FISAP will be filed prior to September 15, 2015. Two signed copies will be retained, one by the Vice President of Administrative Services and one by the Director of Financial Aid.

**CLARENDON COLLEGE
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2014**

Finding 2014-005

Condition: The amount of Federal Work Study as reported on the annual FISAP was incorrect.

Corrective Action Plan: The financial aid department now has access to all applicable general ledger accounts. The FISAP will be reviewed by the Vice President of Administrative Services prior to submission.

Finding 2014-006

Condition: The College is required to balance Federal and State Grants to match revenues to expenditures for the Schedule of Expenditures of Federal Awards (SEFA) and Schedule of Expenditures of State Awards (SESA). Of 11 grants, eight did not balance without proposed entries to the client.

Corrective Action Plan: The Director of Financial Aid and all grant administrators now have access to all revenue and expenditure accounts that they are responsible for. They will be responsible for initiating revenue requests and overseeing all expenditures. Quarterly reconciliations will be submitted to the Vice President of Administrative Services.

CLARENDON COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended August 31, 2014

Significant Deficiencies

Finding 2013-001

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

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

Finding 2013-002

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

Current Status: The Pell expenditures were keyed incorrectly. The FISAP was corrected with the correct Pell expenditure by Friday, December 13, 2013. Vice President of Administrative Services will review the FISAP before it is submitted to verify the expenditures are reported correctly.

Finding 2013-003

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

Current Status: First-time borrowers are flagged in the financial aid system to prevent refunds from being made to them prior to 30 days after the first day of classes.

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**STATISTICAL SUPPLEMENT
(Unaudited)**

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

	For the Fiscal Year Ended August 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net investment in capital assets	\$ 11,537	\$ 11,302	\$ 11,423	\$ 11,278	\$ 11,641	\$ 10,358	\$ 6,782	\$ 6,930	\$ 6,965	\$ 6,656
Restricted - nonexpendable	1,536	1,535	1,534	1,450	1,548	1,545	1,184	1,129	573	532
Restricted - expendable	1,776	1,905	1,619	1,636	714	630	650	542	961	506
Unrestricted	2,131	2,339	2,767	2,204	955	940	1,618	1,593	1,499	1,796
Total net position	\$ 16,980	\$ 17,081	\$ 17,343	\$ 16,568	\$ 14,858	\$ 13,473	\$ 10,234	\$ 10,194	\$ 9,998	\$ 9,490

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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tuition and fees (net of discounts)	\$ 1,359	\$ 1,239	\$ 1,170	\$ 1,177	\$ 1,541	\$ 1,349	\$ 1,133	\$ 898	\$ 1,133	\$ 812
Governmental grants and contracts										
Federal grants and contracts	373	118	110	383	138	100	111	1,161	1,226	1,024
State grants and contracts	230	203	208	516	78	94	86	56	52	43
Local grants and contracts	1,328	1,211	1,143	1,169	911	917	-	-	-	-
Nongovernmental grants and contracts	-	-	-	-	-	-	-	-	-	4
Auxiliary enterprises	462	446	757	775	929	880	941	855	604	628
Other operating revenues	168	171	292	91	81	77	68	220	216	90
Total operating revenues	3,920	3,388	3,680	4,111	3,678	3,417	2,339	3,190	3,231	2,601
State appropriations	2,980	2,813	2,972	3,094	3,133	2,693	2,712	2,652	2,653	2,541
Ad valorem taxes	432	431	411	442	409	425	352	342	343	329
Federal revenue, nonoperating	2,417	2,508	2,957	3,363	2,586	1,484	1,192	-	-	-
Gifts	75	308	207	210	474	281	210	244	482	474
Investment income	75	83	169	96	124	256	206	222	164	116
Other nonoperating revenues	7	70	14	7	7	-	4	2	-	276
Total nonoperating revenues	5,986	6,213	6,730	7,212	6,733	5,139	4,676	3,462	3,642	3,736
TOTAL REVENUES	\$ 9,906	\$ 9,601	\$ 10,410	\$ 11,323	\$ 10,411	\$ 8,556	\$ 7,015	\$ 6,652	\$ 6,873	\$ 6,337

For the Year Ended August 31,

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tuition and fees (net of discounts)	13.72%	12.90%	11.24%	10.40%	14.80%	15.77%	16.15%	13.50%	16.48%	12.81%
Governmental grants and contracts										
Federal grants and contracts	3.77%	1.23%	1.06%	3.38%	1.33%	1.17%	1.58%	17.45%	17.84%	16.16%
State grants and contracts	2.32%	2.11%	2.00%	4.56%	0.75%	1.10%	1.23%	0.84%	0.76%	0.68%
Local grants and contracts	13.41%	12.61%	10.98%	10.32%	8.75%	10.72%	0.00%	0.00%	0.00%	0.00%
Nongovernmental grants and contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%
Auxiliary enterprises	4.66%	4.65%	7.27%	6.85%	8.92%	10.29%	13.41%	12.85%	8.79%	9.93%
Other operating revenues	1.69%	1.79%	2.80%	0.80%	0.78%	0.90%	0.97%	3.31%	3.14%	1.42%
Total operating revenues	39.57%	35.29%	35.35%	36.31%	35.33%	39.95%	33.34%	47.95%	47.01%	41.06%
State appropriations	30.08%	29.30%	28.55%	27.33%	30.09%	31.47%	38.66%	39.86%	38.60%	40.10%
Ad valorem taxes	4.36%	4.49%	3.95%	3.90%	3.93%	4.97%	5.02%	5.14%	4.99%	5.19%
Federal revenue, nonoperating	24.40%	26.12%	28.41%	29.70%	24.84%	17.34%	16.99%	0.00%	0.00%	0.00%
Gifts	0.76%	3.21%	1.99%	1.85%	4.55%	3.28%	2.99%	3.67%	7.01%	7.48%
Investment income	0.76%	0.86%	1.62%	0.85%	1.19%	2.99%	2.94%	3.35%	2.39%	1.83%
Other nonoperating revenues	0.07%	0.73%	0.13%	0.06%	0.07%	0.00%	0.06%	0.03%	0.00%	4.34%
Total nonoperating revenues	60.43%	64.71%	64.65%	63.69%	64.67%	60.05%	66.66%	52.05%	52.99%	58.94%
TOTAL REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction	\$ 3,173	\$ 3,135	\$ 3,053	\$ 3,051	\$ 2,977	\$ 2,317	\$ 2,280	\$ 2,272	\$ 2,136	\$ 1,902
Public service	-	-	-	-	-	-	-	-	1	4
Academic support	480	523	444	518	529	505	432	389	333	330
Student services	682	591	499	507	465	489	392	381	386	336
Institutional support	1,575	1,376	1,140	1,155	1,082	1,072	952	954	848	923
Operation and maintenance of plant	1,055	965	970	999	972	1,012	1,147	803	1,071	813
Scholarships and fellowships	743	835	832	1,142	872	-	-	-	-	-
Auxiliary enterprises	1,148	1,118	1,567	1,201	1,415	1,378	1,127	1,002	1,015	844
Depreciation	909	875	850	720	587	529	506	485	457	388
Total operating expenses	9,765	9,418	9,355	9,293	8,899	7,302	6,836	6,286	6,247	5,540
Interest on capital related debt	241	252	277	287	300	124	132	129	116	139
Other nonoperating expense	-	6	3	33	-	8	8	41	-	-
Total nonoperating expenses	241	258	280	320	300	132	140	170	116	139
Prior period adjustment	-	188	-	-	-	-	-	-	-	-
TOTAL EXPENSES	\$ 10,006	\$ 9,864	\$ 9,635	\$ 9,613	\$ 9,199	\$ 7,434	\$ 6,976	\$ 6,456	\$ 6,363	\$ 5,679

For the Year Ended August 31,

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction	31.71%	31.79%	31.69%	31.74%	32.36%	31.17%	32.68%	35.19%	33.57%	33.50%
Public service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.07%
Academic support	4.80%	5.30%	4.61%	5.39%	5.76%	6.79%	6.19%	6.03%	5.23%	5.81%
Student services	6.82%	5.99%	5.18%	5.28%	5.05%	6.58%	5.62%	5.90%	6.07%	5.92%
Institutional support	15.74%	13.95%	11.83%	12.01%	11.76%	14.42%	13.65%	14.78%	13.33%	16.26%
Operation and maintenance of plant	10.54%	9.78%	10.07%	10.39%	10.57%	13.61%	16.44%	12.44%	16.83%	14.32%
Scholarships and fellowships	7.43%	8.47%	8.64%	11.88%	9.48%	0.00%	0.00%	0.00%	0.00%	0.00%
Auxiliary enterprises	11.47%	11.33%	16.26%	12.49%	15.38%	18.53%	16.16%	15.52%	15.95%	14.86%
Depreciation	9.08%	8.87%	8.82%	7.49%	6.38%	7.12%	7.25%	7.51%	7.18%	6.81%
Total operating expenses	97.59%	95.48%	97.10%	96.67%	96.74%	98.22%	97.99%	97.37%	98.18%	97.55%
Interest on capital related debt	2.41%	2.55%	2.87%	2.99%	3.26%	1.67%	1.89%	2.00%	1.82%	2.45%
Other nonoperating expense	0.00%	0.06%	0.03%	0.34%	0.00%	0.11%	0.12%	0.63%	0.00%	0.00%
Total nonoperating expenses	2.41%	2.61%	2.90%	3.33%	3.26%	1.78%	2.01%	2.63%	1.82%	2.45%
Prior period adjustment	-	1.91%	-	-	-	-	-	-	-	-
TOTAL EXPENSES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	A	B	C	D	E	F	G	H	I	J	K	L	M
Resident Fees per Semester Credit Hour (SCH)													
Academic Year (Fall)	Bldg Use Fee	Out-of-District Fee*	In-District Tuition	Out-of-District Tuition	General Institution Fees	Technology Fees	Student Activity Fees	Library Fees	Cost for 12 SCH In Maint Tax District	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2014	\$ 24	14 - 23	\$ 42	\$ 42	\$ 25	\$ -	\$ -	\$ -	\$ 1,260	\$ 1,092	\$ 1,368	0.00%	0.00%
2013	24	14 - 23	42	42	25	-	-	-	1,260	1,092	1,368	0.00%	0.00%
2012	24	14 - 23	42	42	25	-	-	-	1,260	1,092	1,368	7.06%	5.56%
2011	24	14 - 23	42	42	19	-	-	-	1,188	1,020	1,296	2.41%	5.88%
2010	24	10 - 19	42	42	17	-	-	-	1,116	996	1,224	5.06%	4.08%
2009	24	10 - 19	38	38	17	-	-	-	1,068	948	1,176	0.00%	0.00%
2008	24	10 - 19	38	38	17	-	-	-	1,068	948	1,176	3.95%	3.16%
2007	24	19	38	38	14	-	-	-	-	912	1,140	10.14%	10.47%
2006	24	17	38	38	7	-	-	-	-	828	1,032	11.29%	8.86%
2005	24	17	38	38	-	-	-	-	-	744	948	12.73%	12.86%
Nonresident Fees per Semester Credit Hour (SCH)													
Academic Year (Fall)	Bldg Use Fee	Out-of-District Fee	Out-of-State Tuition	Tuition International	General Institution Fees	Technology Fees	Student Activity Fees	Library Fees	Cost for 12 SCH International	Cost for 12 SCH Out-of-State	Cost for 12 SCH Out-of-District	Increase from Prior Year Out-of-State	Increase from Prior Year International
2014	\$ 24	23	\$ 73	\$ 73	\$ 25	\$ -	\$ -	\$ -	\$ 1,740	\$ 1,740	\$ -	0.00%	0.00%
2013	24	23	73	73	25	-	-	-	1,740	1,740	-	0.00%	0.00%
2012	24	23	73	73	25	-	-	-	1,740	1,740	-	4.32%	4.32%
2011	24	23	73	73	19	-	-	-	1,668	1,668	-	4.51%	4.51%
2010	24	19	73	73	17	-	-	-	1,596	1,596	-	13.68%	13.68%
2009	24	19	57	57	17	-	-	-	1,404	1,404	-	0.00%	0.00%
2008	24	19	57	57	17	-	-	-	1,404	1,404	-	2.63%	2.63%
2007	24	19	57	57	14	-	-	-	1,368	1,368	-	12.87%	12.87%
2006	24	17	53	53	7	-	-	-	1,212	1,212	-	7.45%	7.45%
2005	24	17	53	53	-	-	-	-	1,128	1,128	-	10.59%	10.59%

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

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

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

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2013-14	\$ 198,205,860	\$ 831,557	\$ 197,374,303	99.58%	\$ 0.22217	\$ -	\$ 0.22217
2012-13	198,970,752	873,388	198,097,364	96.66%	0.22217	-	0.22217
2011-12	189,684,860	2,153,459	187,531,401	98.86%	0.22217	-	0.22217
2010-11	189,977,658	2,200,655	187,777,003	98.84%	0.22193	-	0.22193
2009-10	190,535,874	1,658,181	188,877,693	99.13%	0.22193	-	0.22193
2008-09	181,387,900	2,377,114	179,010,786	98.69%	0.20650	-	0.20650
2007-08	169,308,750	-	169,308,750	100.00%	0.20650	-	0.20650
2006-07	168,160,692	-	168,160,692	100.00%	0.20650	-	0.20650
2005-06	165,685,336	-	165,685,336	100.00%	0.02650	-	0.02650
2004-05	159,491,370	-	159,491,370	100.00%	0.20650	-	0.20650

Source: Donley County Appraisal District

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

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

(unaudited)

(amounts expressed in thousands)

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2013-14	\$ 2,485,093	867	2,866	409,700	252,864	662,564	3.75
2012-13	2,359,072	878	2,687	438,688	229,203	667,891	3.53
2011-12	2,540,249	957	2,654	477,216	257,109	734,325	3.46
2010-11	2,473,033	1,055	2,344	524,462	288,313	812,775	3.04
2009-10	2,508,554	962	2,608	490,016	261,248	751,264	3.34
2008-09	2,091,792	1,122	1,864	460,736	183,664	644,400	3.25
2007-08	2,088,598	836	2,498	411,360	130,688	542,048	3.85
2006-07	2,088,598	968	2,158	405,088	148,608	553,696	3.77
2005-06	2,125,106	1,051	2,022	417,664	135,472	553,136	3.84
2004-05	2,086,739	971	2,149	408,928	74,256	483,184	4.32

Note:

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

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

(a) Source CBM001

(b) Source CBM00A

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

		% of Taxable Assessed Value (TAV) by Tax Year									
Taxpayer	Type of Business	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
BNSF Railway Company	Railroad	\$ 23,453,950	\$ 23,414,130	\$ 21,607,420	\$ 19,050,130	\$ 16,026,810	\$ 14,587,580	\$ 13,908,194	\$ 12,739,084	\$ 11,260,564	\$ -
Texas Express Pipeline	Utility	17,038,770	-	-	-	-	-	-	-	-	-
Southwestern Electric Power Co	Utility	8,146,480	7,342,214	7,588,370	4,639,390	4,926,830	4,352,630	-	-	-	-
Nustar Logistics LP	Utility	2,775,440	2,820,100	-	3,128,380	2,899,150	2,992,790	2,765,930	2,564,340	-	-
Clarendon Hotel Corporation	Hotel	2,376,489	2,145,612	-	1,220,000	1,156,782	1,289,357	2,214,187	2,226,627	2,244,327	-
Cattlemens Feedlot LTD	Cattle/Feedlot	2,181,202	2,669,149	2,790,135	2,604,186	2,694,247	2,685,900	2,759,507	-	-	-
J Lee Milligan Inc	Construction	1,753,000	1,431,550	-	1,027,200	-	-	-	-	-	-
KLM Griffin Ranch LP	Ranch	1,654,980	1,683,245	-	-	-	-	-	-	-	-
Ritchie Birkbeck GC Trust	Ranch	1,572,773	1,576,284	1,681,674	1,681,815	1,823,316	1,825,756	1,815,949	1,813,864	1,813,864	-
McLean Feed Yard LTD	Cattle/Feedlot	1,372,801	1,374,367	-	1,455,938	1,533,658	1,697,839	1,740,192	1,987,192	1,972,379	-
Sunoco Pipeline LP	Utility	1,355,860	1,307,190	-	1,674,180	-	-	1,291,760	1,391,660	-	-
Crofoot Cattle Co	Cattle/Feedlot	1,232,438	-	539,558	-	-	-	-	-	1,085,526	-
Crop Production Services	Ag Sales	1,114,114	-	-	-	-	-	-	-	-	-
Greenbelt Electric Co-Op Inc.	Utility	1,034,630	-	-	919,810	913,910	-	-	-	-	-
Level 3 Communications LLC	Utility	1,019,700	1,081,350	-	936,610	927,390	1,058,170	1,151,215	1,409,770	1,134,840	-
Jjob, LTD	Ranch	1,014,921	1,003,377	1,048,450	1,043,533	1,119,277	1,098,393	1,078,603	-	-	-
Salt Fork Family Ranch	Ranch	838,527	-	-	-	-	-	-	-	-	-
Roach, TL	Ranch	815,014	-	909,666	898,626	960,098	976,474	-	-	-	-
Lowes Pay-n-Save Inc	Grocer	759,970	-	-	-	-	-	-	-	-	-
Schaefer, Curtis	Farm	745,699	-	-	-	-	-	-	-	-	-
Matthews, Kade L. Trust #1	Ranch	-	-	1,771,844	1,701,744	1,225,285	1,225,285	1,225,287	-	1,198,936	-
Oneok Westex Transmission	Utility	-	-	-	1,616,920	1,229,640	1,307,810	-	-	1,074,190	-
Rio Bravo Cattle Feeders	Cattle/Feedlot	-	1,222,232	-	1,374,975	1,692,178	1,111,405	-	-	-	-
Valor Telecommunications of TX, LP	Utility	-	-	-	-	954,000	1,404,300	1,624,453	1,597,863	1,779,863	-
Automotive Properties LP	Car Dealer	-	-	-	-	-	1,247,896	-	-	-	-
AEP West Texas Utilities	Utility	-	-	-	-	-	-	2,894,244	2,398,943	2,694,443	-
Crow Hollow LLC	Cattle/Feedlot	-	-	-	-	-	-	-	3,044,310	3,014,250	-
Valero Logistise OP LP	Utility	-	-	-	-	-	-	-	-	1,910,690	-
Bitter Creek LP	Ranch	-	-	899,259	-	-	-	-	-	-	-
Fletcher, Gary	Ranch	-	-	793,613	-	-	-	-	-	-	-
Young, Betty Family LTD	Ranch	-	-	650,120	-	-	-	-	-	-	-
Obrien John Jay	Ranch	-	-	596,128	-	-	-	-	-	-	-
High Card Ranch LLC	Ranch	-	-	442,492	-	-	-	-	-	-	-
Royal Oil & Gas Corp	Ranch	-	-	392,353	-	-	-	-	-	-	-
Ritchie Birkbest Testamentary	Ranch	-	-	385,664	-	-	-	-	-	-	-
Martinez Ranch LTD	Ranch	-	-	320,640	-	-	-	-	-	-	-
Wild Card Ranch LLC	Ranch	-	-	307,438	-	-	-	-	-	-	-
Obrien, John Jay ET AL	Ranch	-	-	304,289	-	-	-	-	-	-	-
TR Land & Cattle Co.	Ranch	-	-	294,639	-	-	-	-	-	-	-
Totals		\$ 72,256,758	\$ 49,072,813	\$ 43,323,752	\$ 44,973,437	\$ 40,082,571	\$ 38,861,585	\$ 34,469,521	\$ 31,173,653	\$ 31,183,872	\$ -
Total Taxable Assessed Value		\$ 197,374,303	\$ 198,097,364	\$ 187,531,401	\$ 187,777,003	\$ 188,877,693	\$ 179,010,786	\$ 169,308,750	\$ 168,160,692	\$ 165,685,336	\$ 159,491,370

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

		% of Taxable Assessed Value (TAV) by Tax Year									
Taxpayer	Type of Business	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
BNSF Railway Company	Railroad	11.88%	11.82%	11.52%	10.15%	8.49%	8.15%	8.21%	7.58%	6.80%	0.00%
Texas Express Pipeline	Utility	8.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwestern Electric Power Co	Utility	4.13%	3.71%	4.05%	2.47%	2.61%	2.43%	0.00%	0.00%	0.00%	0.00%
Nustar Logistics LP	Utility	1.41%	1.42%	0.00%	1.67%	1.53%	1.67%	1.63%	1.52%	0.00%	0.00%
Clarendon Hotel Corporation	Hotel	1.20%	1.08%	0.00%	0.65%	0.61%	0.72%	1.31%	1.32%	1.35%	0.00%
Cattlemens Feedlot LTD	Cattle/Feedlot	1.11%	1.35%	1.49%	1.39%	1.43%	1.50%	1.63%	0.00%	0.00%	0.00%
J Lee Milligan Inc	Construction	0.89%	0.72%	0.00%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
KLM Griffin Ranch LP	Ranch	0.84%	0.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ritchie Birkbeck GC Trust	Ranch	0.80%	0.80%	0.90%	0.90%	0.97%	1.02%	1.07%	1.08%	1.09%	0.00%
McLean Feed Yard LTD	Cattle/Feedlot	0.70%	0.69%	0.00%	0.78%	0.81%	0.95%	1.03%	1.18%	1.19%	0.00%
Sunoco Pipeline LP	Utility	0.69%	0.66%	0.00%	0.89%	0.00%	0.00%	0.76%	0.83%	0.00%	0.00%
Crofoot Cattle Co	Cattle/Feedlot	0.62%	0.00%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%	0.00%
Crop Production Services	Ag Sales	0.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Greenbelt Electric Co-Op Inc.	Utility	0.52%	0.00%	0.00%	0.49%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%
Level 3 Communications LLC	Utility	0.52%	0.55%	0.00%	0.50%	0.49%	0.59%	0.68%	0.84%	0.68%	0.00%
Jjob, LTD	Ranch	0.51%	0.51%	0.56%	0.56%	0.59%	0.61%	0.64%	0.00%	0.00%	0.00%
Salt Fork Family Ranch	Ranch	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Roach, TL	Ranch	0.41%	0.00%	0.49%	0.48%	0.51%	0.55%	0.00%	0.00%	0.00%	0.00%
Lowes Pay-n-Save Inc	Grocer	0.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Schaefer, Curtis	Farm	0.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Matthews, Kade L. Trust #1	Ranch	0.00%	0.00%	0.94%	0.91%	0.65%	0.68%	0.72%	0.72%	0.72%	0.00%
Oneok Westex Transmission	Utility	0.00%	0.00%	0.00%	0.86%	0.65%	0.73%	0.00%	0.00%	0.65%	0.00%
Rio Bravo Cattle Feeders	Cattle/Feedlot	0.00%	0.62%	0.00%	0.73%	0.90%	0.62%	0.00%	0.00%	0.00%	0.00%
Valor Telecommunications of TX, LP	Utility	0.00%	0.00%	0.00%	0.00%	0.51%	0.78%	0.96%	0.95%	1.07%	0.00%
Automotive Properties LP	Car Dealer	0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	0.00%	0.00%	0.00%	0.00%
AEP West Texas Utilities	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.71%	1.43%	1.63%	0.00%
Crow Hollow LLC	Cattle/Feedlot	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.81%	1.82%	0.00%
Valero Logistise OP LP	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%	0.00%
Bitter Creek LP	Ranch	0.00%	0.00%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fletcher, Gary	Ranch	0.00%	0.00%	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Young, Betty Family LTD	Ranch	0.00%	0.00%	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Obrien John Jay	Ranch	0.00%	0.00%	0.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
High Card Ranch LLC	Ranch	0.00%	0.00%	0.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Royal Oil & Gas Corp	Ranch	0.00%	0.00%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ritchie Birkbest Testamentary	Ranch	0.00%	0.00%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Martinez Ranch LTD	Ranch	0.00%	0.00%	0.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wild Card Ranch LLC	Ranch	0.00%	0.00%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Obrien, John Jay ET AL	Ranch	0.00%	0.00%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TR Land & Cattle Co.	Ranch	0.00%	0.00%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		36.61%	24.78%	20.24%	23.98%	21.23%	21.70%	20.35%	18.54%	17.66%	0.00%

Source: Donley County Appraisal District
* 2005 Data not available

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

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections- Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2014	\$ 437,340	\$ -	\$ 437,340	\$ 422,668	96.6%	\$ 14,215	\$ -	\$ 436,883	99.90%
2013	438,971	-	438,971	422,085	96.2%	8,971	-	431,056	98.20%
2012	417,200	-	417,200	400,225	95.9%	14,973	-	415,198	99.52%
2011	414,559	-	414,559	398,210	96.1%	12,596	-	410,806	99.09%
2010	413,712	-	412,712	397,642	96.1%	14,278	-	396,479	96.07%
2009	370,495	-	370,495	344,528	93.0%	25,906	-	370,434	99.98%
2008	353,718	-	353,718	322,144	91.1%	26,973	-	349,117	98.70%
2007	347,252	-	347,252	334,301	96.3%	14,040	-	348,341	100.31%
2006	342,341	-	342,341	327,525	95.7%	15,479	-	343,004	100.19%
2005	330,366	-	330,366	302,761	91.6%	18,843	-	321,604	97.35%

Source: Donley County Appraisal District

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

Total Collections = c + d + e

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

	For the Year Ended August 31 (amounts expressed in thousands)									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt										
Revenue bonds	\$ 1,350,000	\$ 1,485,000	\$ 1,615,000	\$ 1,740,000	\$ 1,830,640	\$ 1,975,000	\$ 2,080,000	\$ 2,180,000	\$ 2,280,000	\$ 2,338,406
Notes	-	-	-	-	-	330,597	385,093	460,834	29,159	-
Capital lease obligations	3,606,111	3,854,444	3,740,000	3,885,000	4,025,000	-	-	-	-	-
Total outstanding debt	\$ 4,956,111	\$ 5,339,444	\$ 5,355,000	\$ 5,625,000	\$ 5,855,640	\$ 2,305,597	\$ 2,465,093	\$ 2,640,834	\$ 2,309,159	\$ 2,338,406
General Bonded Debt Ratios										
Per capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios										
Per capita	* \$ 1,516	\$ 1,487	\$ 1,549	\$ 1,593	\$ 598	\$ 614	\$ 655	\$ 594	\$ 589	
Per FTSE	5,716	6,082	5,596	5,331	6,087	2,055	2,949	2,728	2,197	2,408
As a percentage of Taxable Assessed Value	2.51%	2.70%	2.86%	3.00%	3.10%	1.29%	1.46%	1.57%	1.39%	1.47%

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

* Per capital information is not available for 2013 or 2014.

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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Taxable assessed value	\$ 197,374,303	\$ 198,097,364	\$ 187,531,401	\$ 187,777,003	\$ 188,877,693	\$ 179,010,786	\$ 169,308,750	\$ 168,160,692	\$ 165,685,336	\$ 159,491,370
General obligation bonds:										
Statutory tax levy limit for debt service	\$ 986,872	\$ 990,487	\$ 937,657	\$ 938,885	\$ 944,388	\$ 895,054	\$ 846,544	\$ 840,803	\$ 828,427	\$ 797,457
Less: funds restricted for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Total net general obligation debt	986,872	990,487	937,657	938,885	944,388	895,054	846,544	840,803	828,427	797,457
Current year debt service requirements	-	-	-	-	-	-	-	-	-	-
Excess of statutory limit for debt service over current requirements	\$ 986,872	\$ 990,487	\$ 937,657	\$ 938,885	\$ 944,388	\$ 895,054	\$ 846,544	\$ 840,803	\$ 828,427	\$ 797,457
Net current requirements as a % of statutory limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues				Debt Service Requirements			Coverage Ratio
	Tuition	Housing	Food Service	Total	Principal	Interest	Total	
2014	\$ 334,970	\$ 205,674	\$ 135,277	\$ 675,921	\$ 135,000	\$ 69,795	\$ 204,795	3.30
2013	335,346	198,363	129,828	663,537	130,000	75,905	205,905	3.22
2012	334,173	199,962	129,098	663,233	125,000	81,780	206,780	3.21
2011	360,474	200,773	131,950	693,197	120,000	87,420	207,420	3.34
2010	331,276	187,085	118,368	636,729	115,000	92,825	207,825	3.06
2009	335,209	198,390	123,250	656,849	105,000	97,760	202,760	3.24
2008	317,591	194,790	117,579	629,960	100,000	102,460	202,460	3.11
2007	285,573	171,888	112,797	570,258	100,000	107,160	207,160	2.75
2006	114,333	342,997	114,333	571,663	100,000	107,510	207,510	2.75
2005	70,603	211,810	70,603	353,016	80,000	141,863	221,863	1.59

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

Calendar Year	District Population	District Personal Income (a) (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2013	3,522	*	*	4.8%
2012	3,602	126,837	35,212	6.4%
2011	3,631	124,057	34,166	6.1%
2010	3,677	117,982	32,200	6.7%
2009	3,853	113,379	29,426	6.2%
2008	4,015	114,606	28,544	6.7%
2007	4,030	108,546	26,934	4.4%
2006	4,059	114,783	28,279	4.6%
2005	3,889	113,436	29,168	4.3%
2004	3,969	111,796	28,167	5.0%

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

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

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

Employer	Current Fiscal Year		Five Years Prior	
	Number of Employees	***Percentage of Total Employment***	Number of Employees	***Percentage of Total Employment***
Clarendon Consolidated ISD	60-139	4.66%	60-139	5.20%
Clarendon College	50-99	3.49%	50-99	3.89%
Community Care Center	50-99	3.49%	50-99	3.89%
Cattlemen's Feedlot	20-49	1.62%	20-49	1.80%
Clarendon Outpost Company	20-49	1.62%	20-49	1.80%
Hedley ISD	20-49	1.62%	20-49	1.80%
Lowes	20-49	1.62%	20-49	1.80%
Sonic Drive In	20-49	1.62%	20-49	1.80%
Best Western - Red River Inn	10-19	0.68%	10-19	0.76%
Clarendon City	10-19	0.68%	10-19	0.76%
Clarendon Country Club	10-19	0.68%	20-49	1.80%
Clarendon Family Medical Center	10-19	0.68%	10-19	0.76%
Dollar General	10-19	0.68%	10-19	0.76%
Donley County Hospital District	10-19	0.68%	10-19	0.76%
Donley County Sherriff	10-19	0.68%	10-19	0.76%
Donley County State Bank	10-19	0.68%	10-19	0.76%
Great Western Dining	10-19	0.68%	10-19	0.76%
Greenbelt Municipal & Ind	10-19	0.68%	10-19	0.76%
Herring Bank	10-19	0.68%	10-19	0.76%
Pizza Hut	10-19	0.68%	10-19	0.76%
Texas Dept of Transportation	10-19	0.68%	10-19	0.76%
Wallace Monument Co	10-19	0.68%	10-19	0.76%
Total	400-848	29.26%	410-878	33.66%
Total Workforce	2,133		1,915	

Source: The Texas Workforce Commission - Prior to 2006 is not available.

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

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

As of November 1,	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Faculty										
Full-Time	34	35	35	37	33	31	32	31	30	30
Part-Time	41	43	41	52	46	48	41	47	34	33
Total	75	78	76	89	79	79	73	78	64	63
Percent										
Full-Time	45.3%	44.9%	46.1%	41.6%	41.8%	39.2%	43.8%	39.7%	46.9%	47.6%
Part-Time	54.7%	55.1%	53.9%	58.4%	58.2%	60.8%	56.2%	60.3%	53.1%	52.4%
Staff and Administrators										
Full-Time	39	42	43	47	46	43	36	37	34	33
Part-Time	4	3	4	2	3	7	7	3	4	2
Total	43	45	47	49	49	50	43	40	38	35
Percent										
Full-Time	90.7%	93.3%	91.5%	95.9%	93.9%	86.0%	83.7%	92.5%	89.5%	94.3%
Part-Time	9.3%	6.7%	8.5%	4.1%	6.1%	14.0%	16.3%	7.5%	10.5%	5.7%
FTSE per Full-Time Faculty	25.50	25.09	27.34	28.51	29.15	36.19	26.13	31.23	35.03	32.37
FTSE per Full-Time Staff Member	22.23	20.90	22.26	22.45	20.91	26.09	23.22	26.16	30.91	29.42
Average Annual Faculty Salary	\$ 40,709	\$ 39,757	\$ 38,757	\$ 41,537	\$ 39,337	\$ 40,828	\$ 40,619	\$ 38,669	\$ 35,361	\$ 33,184

Source: IPEDS Human Resources

**Clarendon College
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)**

Student Classification	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 Hours	978	80.63%	969	77.83%	1,045	77.93%	1,140	72.02%	1,162	81.72%
31-60 Hours	149	12.28%	209	16.79%	250	18.64%	394	24.89%	243	17.09%
>60 Hours	76	6.27%	59	4.74%	4	0.30%	8	0.51%	12	0.84%
Unclassified	10	0.82%	8	0.64%	42	3.13%	41	2.58%	5	0.35%
Total	1,213	100.00%	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%

Semester Hour Load	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	2	0.16%	12	0.96%	10	0.75%	23	1.45%	8	0.56%
3-5 semester hours	234	19.30%	240	19.29%	246	18.35%	364	22.99%	304	21.38%
6-8 Semester hours	237	19.54%	270	21.69%	287	21.40%	316	19.96%	331	23.28%
9-11 semester hours	182	15.00%	222	17.83%	189	14.09%	189	11.94%	145	10.20%
12-14 semester hours	289	23.83%	275	22.09%	324	24.16%	379	23.94%	266	18.70%
15-17 semester hours	221	18.22%	166	13.33%	223	16.63%	246	15.54%	257	18.07%
18 & over	48	3.95%	60	4.81%	62	4.62%	66	4.18%	111	7.81%
Total	1,213	100.00%	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%

Average course load	10.4	10.0	10.3	9.9	10.2
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Tuition Status	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	91	7.50%	93	7.47%	172	12.83%	305	19.27%	270	18.99%
Texas Resident (out-of-District)	1,053	86.81%	1,112	89.32%	1,128	84.12%	1,221	77.13%	1,080	75.95%
Non-Resident Tuition	69	5.69%	40	3.21%	41	3.05%	57	3.60%	72	5.06%
Total	1,213	100.00%	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%

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

Gender	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	716	59.03%	740	59.44%	533	39.75%	786	49.65%	675	47.47%
Male	497	40.97%	505	40.56%	808	60.25%	797	50.35%	747	52.53%
Total	1,213	100.00%	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%

Ethnic Origin	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	789	65.05%	798	64.10%	867	64.65%	959	60.58%	987	69.41%
Hispanic	237	19.54%	83	6.67%	252	18.79%	302	19.08%	293	20.60%
African American	52	4.29%	69	5.54%	63	4.70%	97	6.13%	103	7.24%
Asian	4	0.33%	4	0.32%	8	0.60%	16	1.01%	15	1.05%
Foreign	14	1.15%	16	1.29%	11	0.82%	7	0.44%	11	0.78%
Native American	18	1.49%	20	1.61%	21	1.57%	10	0.63%	11	0.78%
Other	99	8.15%	255	20.47%	119	8.87%	192	12.13%	2	0.14%
Total	1,213	100.00%	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%

Age	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	361	29.76%	387	31.08%	409	30.50%	451	28.49%	401	28.20%
18 -21	549	45.26%	548	44.02%	549	40.94%	552	34.87%	532	37.41%
22 - 24	78	6.43%	73	5.86%	94	7.01%	117	7.39%	102	7.17%
25 - 35	140	11.54%	150	12.05%	175	13.05%	300	18.95%	234	16.46%
36 - 50	72	5.94%	70	5.62%	96	7.16%	126	7.96%	123	8.65%
51 & over	13	1.07%	17	1.37%	18	1.34%	37	2.34%	30	2.11%
Total	1,213	100.00%	1,245	100.00%	1,341	100.00%	1,583	100.00%	1,422	100.00%

Average Age	22	22	23	24	24
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Clarendon College
Statistical Supplement 17
Transfers to Senior Institutions
2012-13 Graduates, Completers, and Non-Returners as of Fall 2013
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 West Texas A&M University	115	-	-	115	51.57%
2 Texas Tech University	40	-	-	40	17.94%
3 Midwestern State University	10	-	-	10	4.48%
4 Tarleton State University	9	-	-	9	4.04%
5 Texas A&M University - College Station	9	-	-	9	4.04%
6 Angelo State University	5	-	-	5	2.24%
7 Texas A&M University - Commerce	5	-	-	5	2.24%
8 Texas A&M University - Kingsville	4	-	-	4	1.79%
9 Texas State University - San Marcos	4	-	-	4	1.79%
10 University of North Texas	4	-	-	4	1.79%
11 University of Texas - Austin	4	-	-	4	1.79%
12 Sam Houston State University	3	-	-	3	1.35%
13 Sul Ross State University	3	-	-	3	1.35%
14 University of Texas - Arlington	3	-	-	3	1.35%
15 University of Houston - Downtown	2	-	-	2	0.89%
16 Stephen F. Austin State University	1	-	-	1	0.45%
17 Texas Southern University	1	-	-	1	0.45%
18 University of Texas - Pan American	1	-	-	1	0.45%
19 Baylor College of Medicine - Academics	-	-	-	-	0.00%
20 Lamar University Institute of Technology	-	-	-	-	0.00%
21 Other - Texas State University	-	-	-	-	0.00%
22 Prairie View A&M University	-	-	-	-	0.00%
23 Southwest Texas State University	-	-	-	-	0.00%
24 Sul Ross State University - Rio Grande College	-	-	-	-	0.00%
25 Texas A&M International University	-	-	-	-	0.00%
26 Texas A&M University - Corpus Christi	-	-	-	-	0.00%
27 Texas A&M University - Galveston	-	-	-	-	0.00%
28 Texas A&M University System Health Science Center	-	-	-	-	0.00%
29 Texas Tech University Health Science Center	-	-	-	-	0.00%
30 Texas Women's University	-	-	-	-	0.00%
31 University of Houston - Clear Lake	-	-	-	-	0.00%
32 University of Houston - University Park	-	-	-	-	0.00%
33 University of Houston - Victoria	-	-	-	-	0.00%
34 University of North Texas Health Science Center - Forth Worth	-	-	-	-	0.00%
35 University of Texas - Brownsville	-	-	-	-	0.00%
36 University of Texas - Dallas	-	-	-	-	0.00%
37 University of Texas - El Paso	-	-	-	-	0.00%
38 University of Texas - Permian Basin	-	-	-	-	0.00%
39 University of Texas - San Antonio	-	-	-	-	0.00%
40 University of Texas - Tyler	-	-	-	-	0.00%
41 University of Texas Health Science Center - Houston	-	-	-	-	0.00%
42 University of Texas Health Science Center - San Antonio	-	-	-	-	0.00%
43 University of Texas Medial Branch Galveston	-	-	-	-	0.00%
44 University of Texas Southwestern Medical Center - Dallas	-	-	-	-	0.00%
Totals	223	-	-	223	100.00%

Clarendon 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	10	9	9	9	8
Square footage (in thousands)	120,426	115,210	115,210	115,210	80,910
Libraries*	1	1	1	1	2
Square footage (in thousands)	10,507	10,507	10,507	10,507	10,507
Number of Volumes (in thousands)	18	18	18	18	18
Administrative and support buildings	5	5	5	5	5
Square footage (in thousands)	40,374	40,374	40,374	40,374	40,374
Dormitories	5	5	5	5	5
Square footage (in thousands)	60,489	60,489	60,489	60,489	56,672
Number of Beds	296	296	296	296	296
Apartments	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-
Number of Beds	-	-	-	-	-
Dining Facilities*	1	1	1	1	1
Square footage (in thousands)	7,788	7,788	7,788	7,788	7,788
Average daily customers	425	425	425	425	425
Athletic Facilities	3	3	3	3	3
Square footage(in thousands)	93,671	93,671	93,671	93,671	93,547
Stadiums	-	-	-	-	-
Gymnasiums*	1	1	1	1	1
Fitness Centers*	1	1	1	1	1
Rodeo Arena	1	1	1	1	1
Tennis Court	-	-	-	-	-
Plant facilities	2	2	2	2	2
Square footage (in thousands)	17,335	17,335	17,335	17,335	17,335
Transportation					
Cars	7	7	7	7	7
Light Trucks/Vans (includes Instructional)	8	8	8	8	8
Buses (Instructional)	8	8	8	8	8