

**CLARENDON COLLEGE**

Clarendon, Texas

**ANNUAL FINANCIAL REPORT**

August 31, 2015

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**CLARENDON COLLEGE  
ORGANIZATIONAL DATA  
August 31, 2015**

**Board of Regents**

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	<u>Officers</u>	Term Expires <u>May</u>
Jerry W. Woodard	Chairman	2018
Darlene Spier	Vice Chairman	2020*
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
Lon Adams	Clarendon, Texas	2016
Mary Ellen Shields	Clarendon, Texas	2016

**Principal Administrative Officers**

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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

\* Will seek election in spring of 2016 to fill 2020 term

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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 year ended August 31, 2015, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As described in Notes 2 and 21 to the financial statements, in 2015, the College adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an Amendment of GASB Statement No. 68*. 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, the Schedule of the College's Proportionate Share of the Net Pension Liability, and the Schedule of the College's Contributions on pages 9-20 and pages 52-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements of the College. The accompanying supplemental information listed in the table of contents, Schedules A, B, C and D (Other Supplemental Information), 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 17, 2015, 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.

*Zannon, McMillon, Mitchell & Shennum, PLLC*

Amarillo, Texas  
December 17, 2015

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

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**CLARENDON COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**

**Discussion of Currently Known Facts, Decisions, or Conditions:**

Clarendon College has seen many positive things occur in the past year. After four years of declining enrollment, the College posted a 12.5% increase registering its third highest enrollment in the College's history. Also, an onsite visit from SACS-COC for its ten-year reaccreditation visit went very well.

We have made significant changes in our financial aid office, bringing in a director with more than 17 years of experience in the field, and offering our staff more specific training and professional development. This has resulted in greater efficiency for our students as well as fewer mistakes.

The College's strategic plan, One College...One Vision, is already to its halfway point. The College is focusing on its completion and preparing for the next plan that will continue to carry the College forward into the future.

This year's College budget saw another decrease in planned revenue as the current administration carefully reviewed and studied actual revenue and made very conservative projections. The difference in the revenue projections was due to an increase in grant funds brought into the College. The College did raise tuition and fees about 5% this fall, the first increase in four years.

Clarendon College takes its role in our community very seriously as a leader and partner to increase the economic development and educational attainment of our communities.

Thank you for your assistance to the Bulldog Nation.

**CLARENDON COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**

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, 2015. 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 2015, with fiscal years 2014 and 2013 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, 2015, 2014, and 2013 (in thousands):**

	<u>2015</u>	<u>2014</u>	<u>2013</u> (restated)
<b>Current Assets</b>			
Cash and cash equivalents	\$ 370	\$ 720	\$ 2,142
Short-term investments	961	2,244	1,635
Accounts receivable, net	1,420	2,478	1,018
Other assets	149	148	37
Total current assets	<u>2,900</u>	<u>5,590</u>	<u>4,832</u>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	64	234	367
Endowment investments	1,195	1,195	1,194
Other long-term investments	2,547	1,292	1,275
Real estate held by endowments	503	341	341
Unamortized bond and lease payable issue cost	-	-	-
Capital assets, net	16,294	16,494	16,641
Other noncurrent assets	20	20	20
Total noncurrent assets	<u>20,623</u>	<u>19,576</u>	<u>19,838</u>
<b>Total Assets</b>	<u>\$ 23,523</u>	<u>\$ 25,166</u>	<u>\$ 24,670</u>
<b>Deferred Outflows of Resources</b>	<u>\$ 260</u>	<u>\$ -</u>	<u>\$ -</u>

**CLARENDON COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**

	<u>2015</u>	<u>2014</u>	<u>2013</u> (restated)
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 236	\$ 628	\$ 601
Unearned revenue	1,537	2,360	1,412
Other current liabilities	834	645	621
Total current liabilities	<u>2,607</u>	<u>3,633</u>	<u>2,634</u>
<b>Noncurrent Liabilities</b>	<u>5,550</u>	<u>4,553</u>	<u>4,956</u>
<b>Total Liabilities</b>	<u>\$ 8,157</u>	<u>\$ 8,186</u>	<u>\$ 7,590</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 427</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Position</b>			
Net investment in capital assets	\$ 11,819	\$ 11,538	\$ 11,302
Nonexpendable	1,698	1,536	1,535
Restricted for expendable	1,716	1,775	1,904
Unrestricted	<u>(34)</u>	<u>2,131</u>	<u>2,339</u>
<b>Total Net Position</b>	<u>\$ 15,199</u>	<u>\$ 16,980</u>	<u>\$ 17,080</u>

There was a decrease of \$2,690,000 in the total current assets for 2014-2015 when compared to 2013-2014. Cash and short-term investments showed a decrease due to changes in investment strategy. Accounts receivable showed a decrease of \$1,058,000. The College Investment Committee shifted the endowed funds as well as other donated funds to be invested in a managed corporate bond portfolio in February. Excess operating cash was moved to laddered certificates of deposit, with fund coming available semi-annually. 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 decrease in student accounts receivable of \$1,058,000, going from \$2,478,000 in 2013-2014 to \$1,420,000 in 2014-2015, is the result of a change in calculating unearned revenue. The overall change in calculation on unearned revenue had no material effect on the financial statements. The change in calculation is also reflected in the \$823,000 decrease in current liabilities – unearned revenue, going from \$2,360,000 in 2013-2014 to \$1,537,000 in 2014-2015.

Noncurrent assets increased \$1,047,000 in 2014-2015. They went from \$19,576,000 in 2013-2014 to \$20,623,000 in 2014-2015. The change in restricted cash and cash equivalents was a decrease of \$170,000 in 2014-2015, going from \$234,000 in 2013-2014 to \$64,000 in 2014-2015. This decrease reflects usage of the gift the College received to build a restroom facility at the Livestock and Equine Center. The construction was complete in May 2015.

Net capital assets for 2014-2015 were \$16,294,000, for 2013-2014 were \$16,494,000, and for 2012-2013 were \$16,641,000. The capital additions for 2014-2015 totaled \$753,000. At August 31, 2015, there was no construction in progress. The College also wrote-off old equipment totaling \$55,000. The equipment had \$13,700 remaining in depreciation, but the receipt of insurance proceeds exceeded this amount, negating additional write-off expense. Depreciation expense for 2014-2015 was \$938,000 and \$909,000 for 2013-2014.

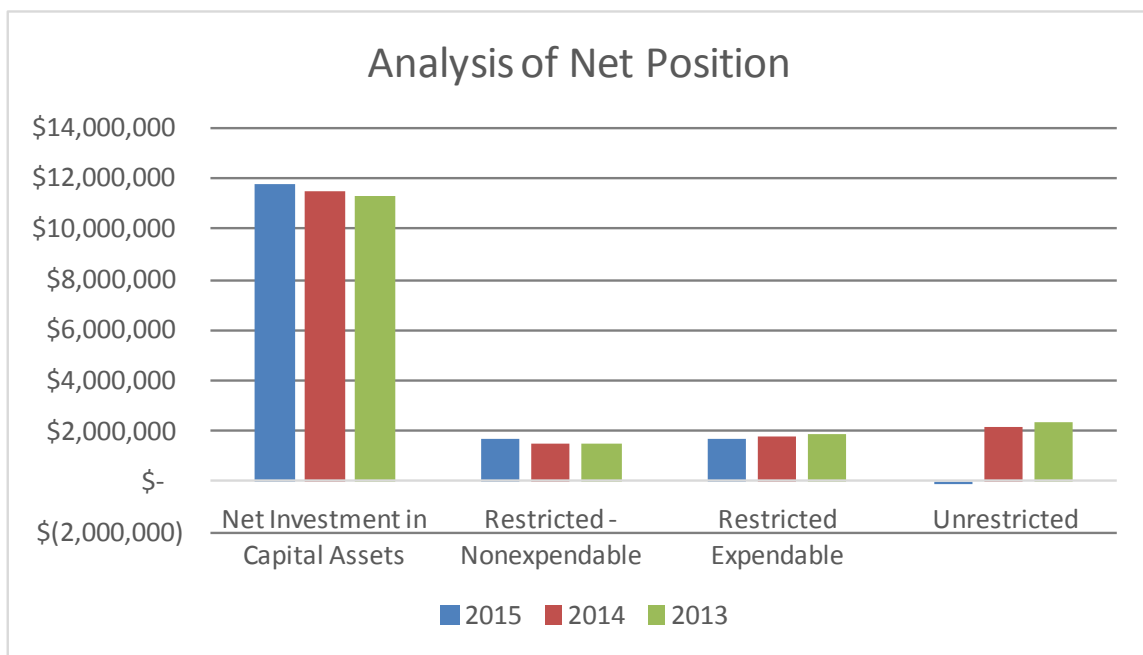
**CLARENDON COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**

In 2013-2014 current liabilities were \$3,633,000 and decreased to \$2,607,000 in 2014-2015. The \$1,026,000 decrease was a combination of a decrease of \$392,000 in accounts payable, an increase of \$189,000 in other current liabilities, and a decrease of \$823,000 in unearned revenue. Accounts payable increased \$392,000 in 2014-2015, going from \$628,000 in 2013-2014 to \$236,000 in 2014-2015. Unearned revenue showed a decrease of \$823,000. This decrease was due to a change in the calculation of unearned revenue, as discussed earlier. Other current liabilities increased \$189,000 in 2014-2015 mainly due to increases in the current portion of bond and lease payments.

Noncurrent liabilities increased by \$997,000 in 2014-2015 when compared to 2013-2014, \$5,550,000 compared to \$4,553,000, respectively. The increase is a result of the net effect of scheduled principal payments during 2014-2015 totaling \$399,000 and an additional \$1,396,000 net pension liability that was recorded for GASB 68 compliance.

The net of this activity resulted in a decrease in total net position of \$1,781,000. \$1,581,000 of the decrease was recorded as a prior period adjustment, reducing the 2013-2014 net position to \$15,399,000 compared to \$15,199,000 at the end of 2014-2015.

The following is a comparison of net position and net investment in capital assets at August 31, 2015, 2014, and 2013:



**CLARENDON COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**

**Condensed Statements of Revenues, Expenses and Changes in Net Position as of August 31, 2015, 2014, and 2013 (in thousands):**

	<u>2015</u>	<u>2014</u>	<u>2013</u> (restated)
<b>Operating revenue</b>			
Tuition & fees (net of discounts)	\$ 1,241	\$ 1,359	\$ 1,239
Federal grants and contracts	418	373	118
State grants and contracts	219	230	203
Local grants and contracts	1,458	1,328	1,211
Auxiliary enterprises (net of discounts)	501	462	446
Other operating revenues	38	168	171
Total operating revenue	<u>3,875</u>	<u>3,920</u>	<u>3,388</u>
<b>Operating expenses</b>			
Instruction	3,580	3,173	3,135
Academic support	281	480	522
Student services	723	682	591
Institutional support	1,630	1,575	1,377
Operation and maintenance of plant	961	1,055	965
Scholarship expense	622	743	835
Auxiliary enterprises	1,188	1,148	1,118
Depreciation	938	909	875
Total operating expenses	<u>9,923</u>	<u>9,765</u>	<u>9,418</u>
Operating loss	<u>(6,048)</u>	<u>(5,845)</u>	<u>(6,030)</u>
<b>Nonoperating revenues (expenses)</b>			
State appropriations	3,007	2,980	2,813
Ad valorem taxes	463	432	431
Federal revenue, nonoperating	2,258	2,417	2,508
Gifts	131	75	308
Investment income	209	74	83
Interest on capital related debt	(227)	(240)	(252)
Other gain/revenue (loss/expense)	7	7	64
Net nonoperating revenues (expenses)	<u>5,848</u>	<u>5,745</u>	<u>5,955</u>
Decrease in net position	(200)	(100)	(75)
<b>Net position – beginning of year</b>	16,980	17,080	17,343
<b>Prior period adjustment</b>	<u>(1,581)</u>	<u>-</u>	<u>(188)</u>
<b>Net position – end of year</b>	<u>\$ 15,199</u>	<u>\$ 16,980</u>	<u>\$ 17,080</u>



**CLARENDON COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**

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 decreased slightly, going from \$3,920,000 in 2013-2014 to \$3,875,000 in 2014-2015. Tuition and fees (net of discounts) showed a decrease of \$118,000 from 2014-2015, \$1,241,000 in 2014-2015, and \$1,359,000 in 2013-2014. The College's rate of tuition and fees did not change between 2014-2015 and 2013-2014. Contact hours went from 667,891 in 2012-2013, to 662,512 in 2013-2014, and 648,832 in 2014-2015. Total head count for the Fall term went from 1,245 in 2012-2013, to 1,213 in 2013-2014, and 1,199 in 2014-2015. 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 approximately 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 34% 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.
- Although the College has seen a decrease in enrollment since the Fall of 2010, the College saw a 12.5% increase in enrollment for the Fall of 2015.

All of these factors lead to a 4.7% decrease in academic contact hours, going from 409,648 in 2013-2014 to 390,496 in 2014-2015. An increase in technical contact hours of 2.16%, from 252,864 in 2013-2014 to 258,336 in 2014-2015, was experienced in conjunction with the opening of the Amarillo Cosmetology Center in January 2014.

Federal grants and state grants increased \$45,000, up from \$373,000 in 2013-2014 to \$418,000 in 2014-2015. There was an increase of \$39,000 in auxiliary revenue. There was an increase of \$130,000 in local grants and contracts. This increase is the result of a higher collection of the College maintenance tax in 2014-2015 when compared to 2013-2014. There was a decrease, \$130,000, in other operating revenue.

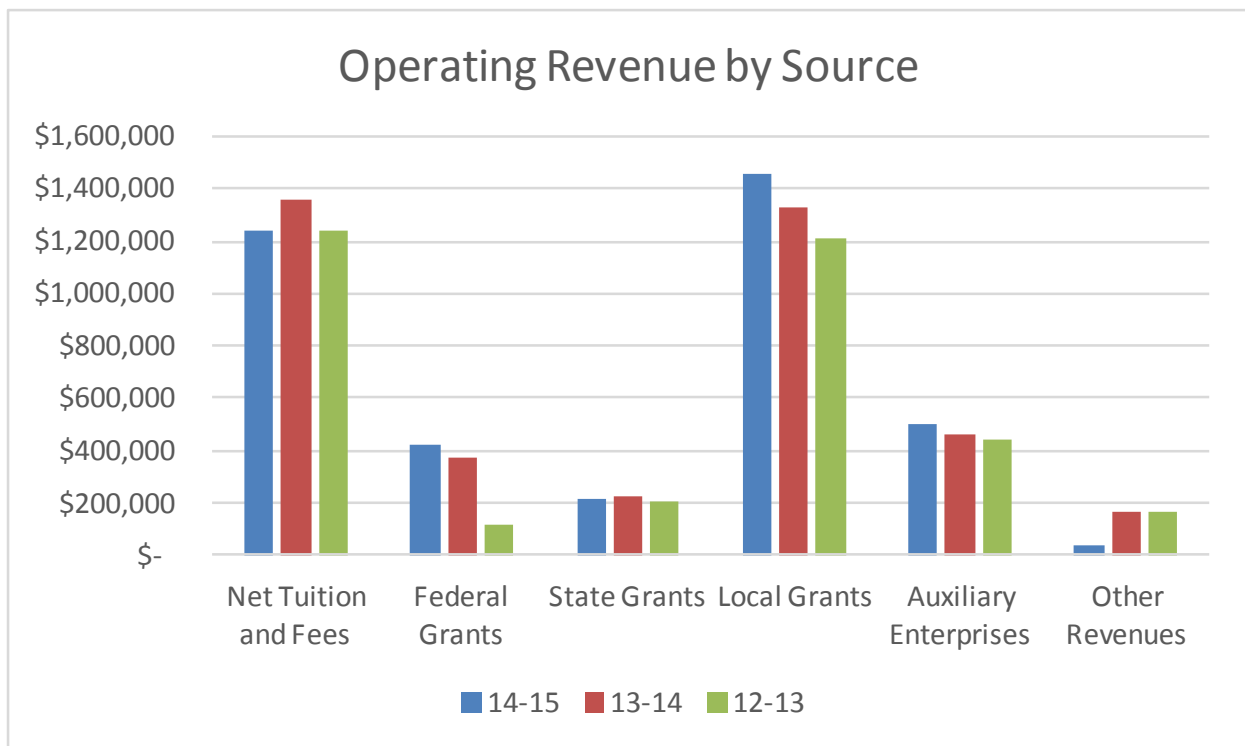
Operating expenses increased \$158,000 in 2014-2015 over 2013-2014. Instruction increased \$407,000, and auxiliary enterprises increased \$40,000. Institutional support increased \$55,000 while student services increased by \$41,000. Maintenance of plant expenses decreased \$94,000 and depreciation increased \$29,000. Decreases in expenditures were found in scholarship expense by \$121,000 and academic support by \$199,000.

The increases in operating expenses are due in part to the creation of a new student services program, the Learning Resource Center. Increases in Institutional Support are due primarily to the increased function and staffing of the Institutional Research department.

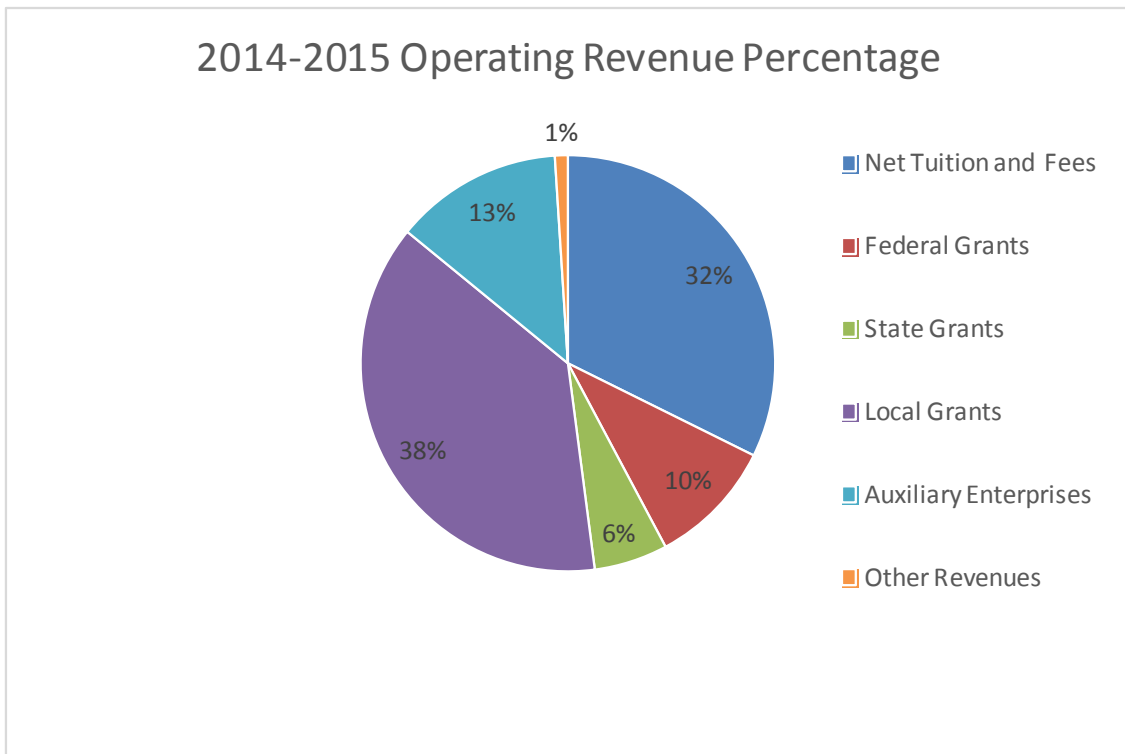
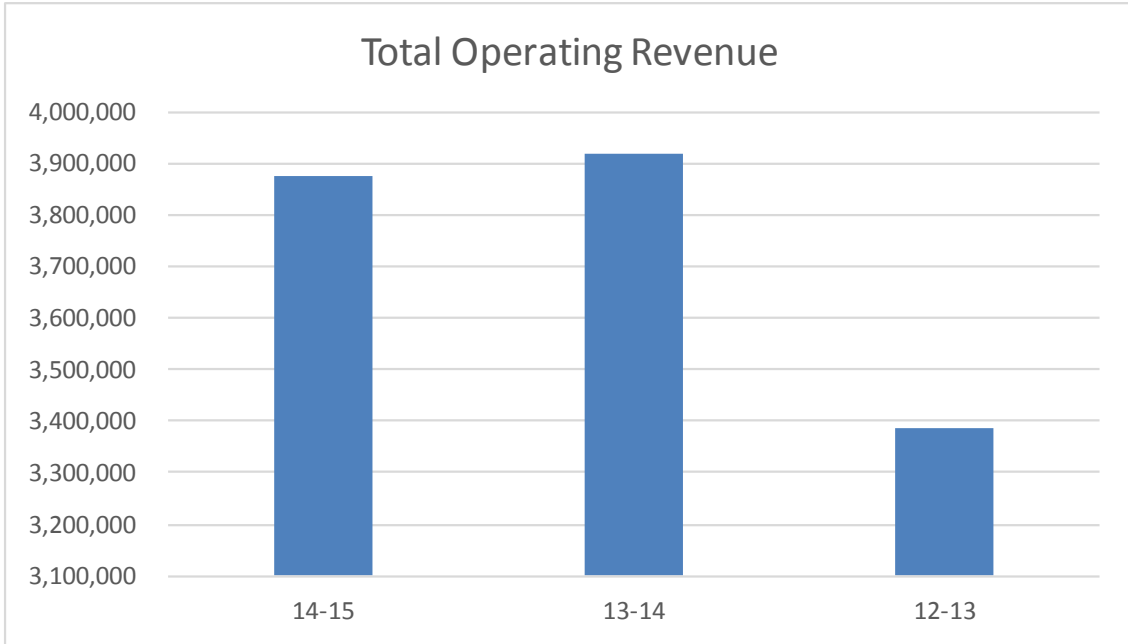
**CLARENDON COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**

Total nonoperating revenue for 2014-2015 increased \$90,000 from \$5,985,000 in 2013-2014 to \$6,075,000 in 2014-2015. The federal aid received by the students, which is classified as federal revenue–nonoperating, decreased \$159,000 in 2014-2015 when compared to 2013-2014 and down from \$2,258,000 in 2014-2015 compared to \$2,417,000 in 2013-2014. This is a 6.6% decline in the total amount awarded. State appropriations for 2014-2015 increased \$27,000. The total appropriations went from \$2,980,000 in 2013-2014 to \$3,007,000 in 2014-2015. Investment income for 2014-2015 increased primarily due to the increase in property owned in Carson County. The College saw an increase, \$56,000, in gifts for 2014-2015. Overall, total net position, end of year 2014-2015 decreased \$200,000.

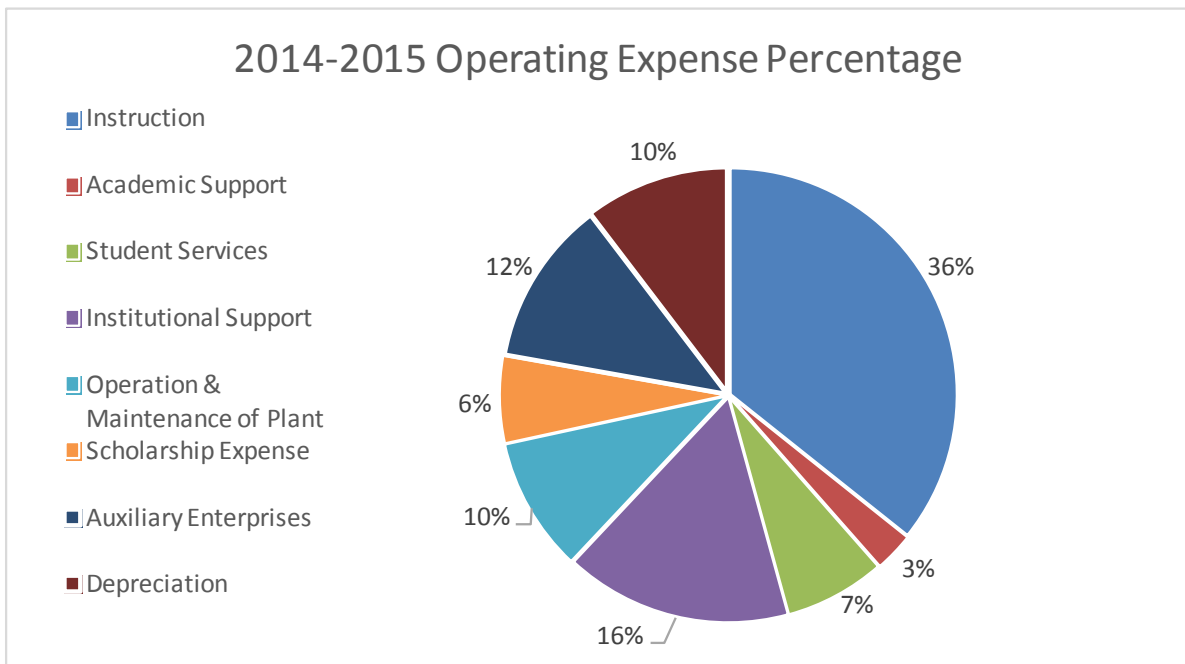
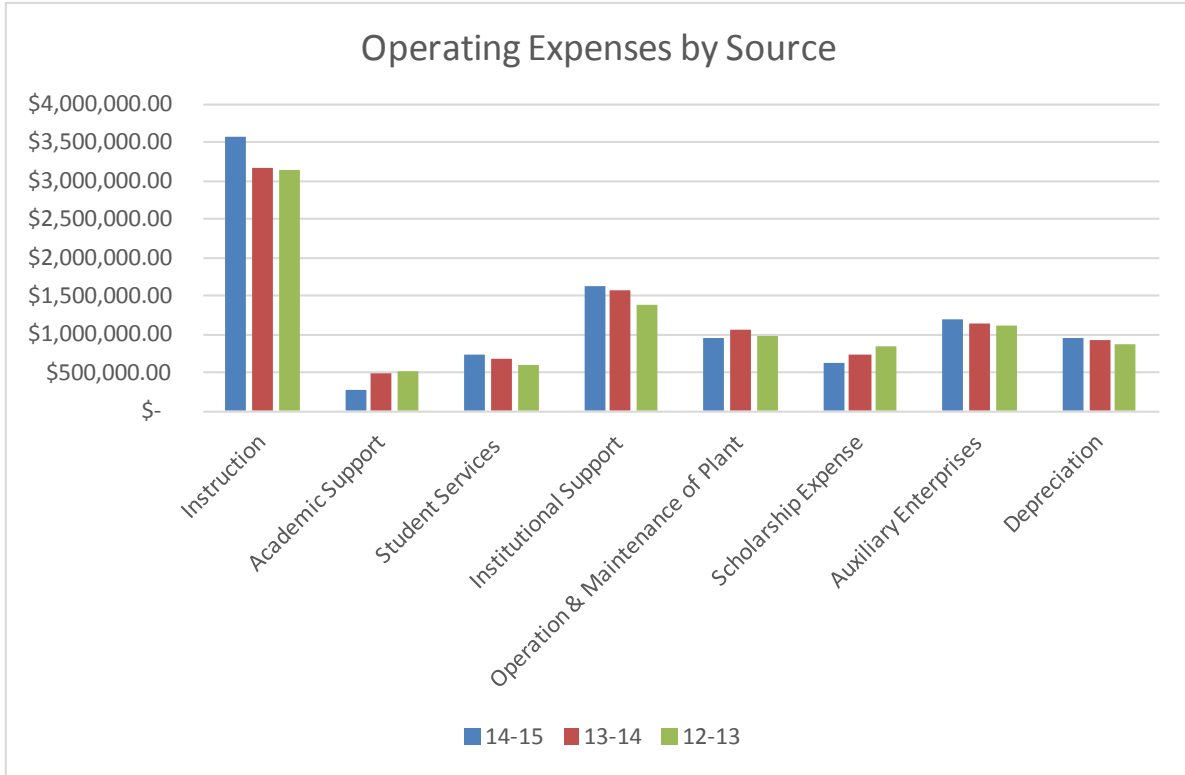
The following charts are an Analysis of Revenue and Expenses as of August 31, 2015, 2014, and 2013:



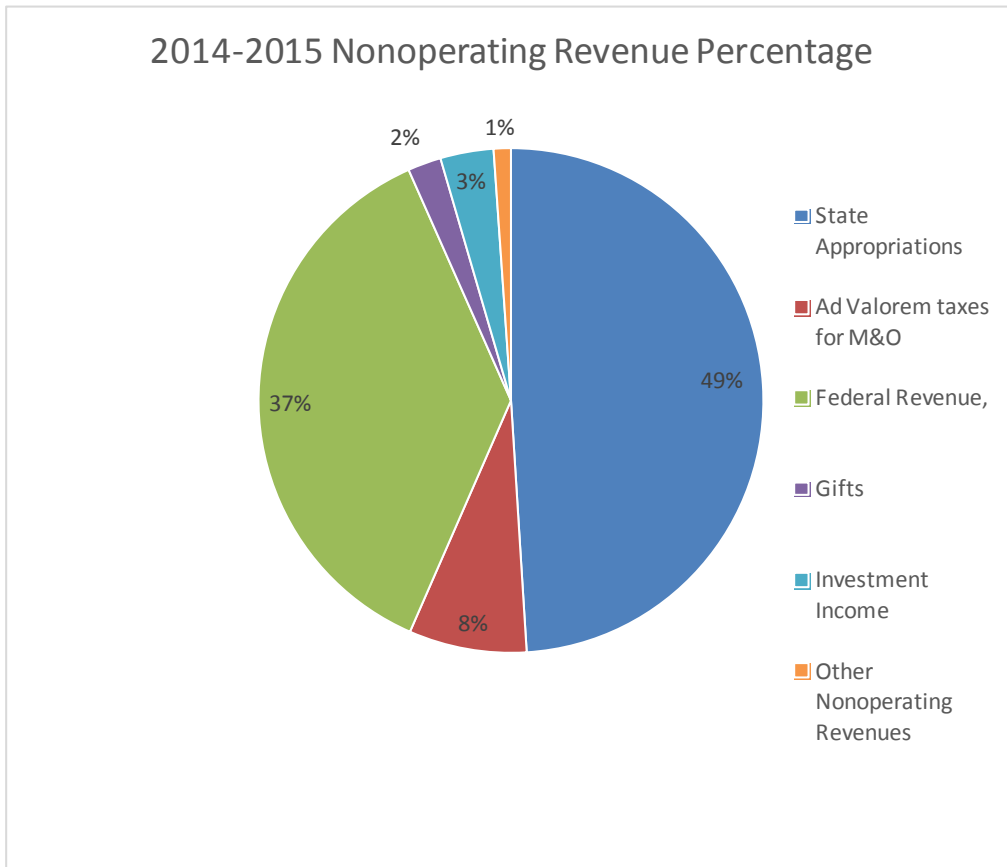
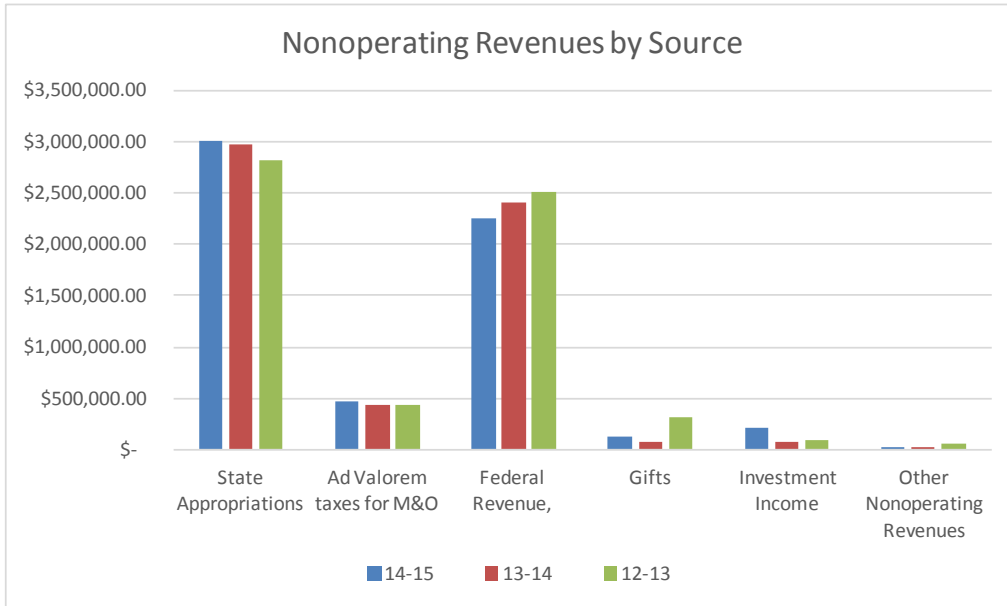
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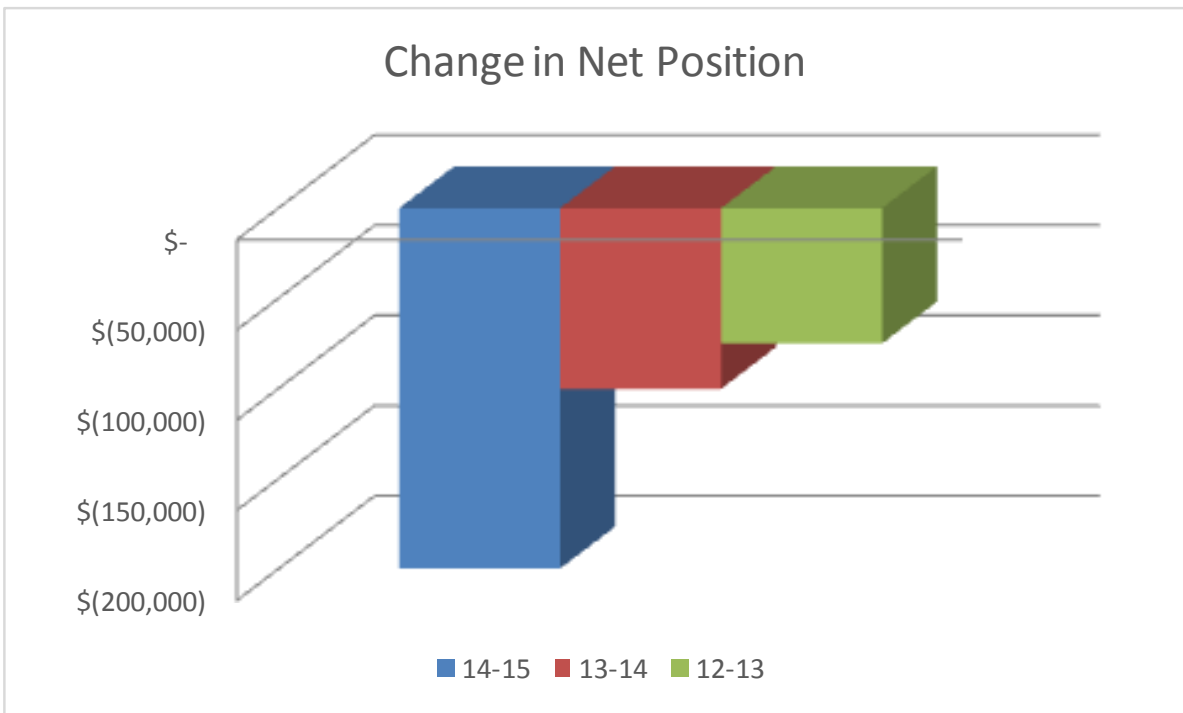
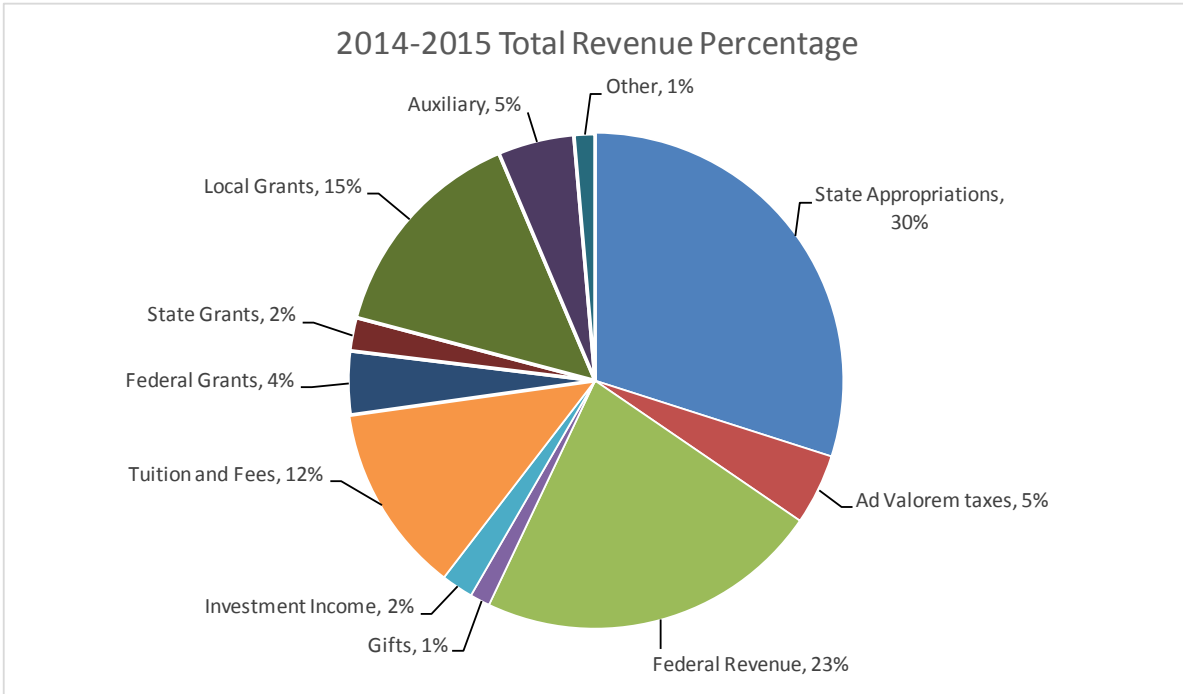
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**



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Fiscal Year Ending August 31, 2015**



**CLARENDON COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**



**CLARENDON COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2015**

**Statement of Cash Flows as of August 31, 2015, 2014, and 2013 (in thousands):**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Cash provided by (used in):			
Operating activities	\$ (4,465)	\$ (4,378)	\$ (4,985)
Noncapital financing activities	5,327	5,427	5,661
Capital and related financing activities	(1,447)	(2,051)	(503)
Investing activities	<u>64</u>	<u>(552)</u>	<u>328</u>
Net increase (decrease) in cash and cash equivalents	(521)	(1,554)	501
<b>Cash and cash equivalents, beginning of year</b>	<u>955</u>	<u>2,509</u>	<u>2,008</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 434</u>	<u>\$ 955</u>	<u>\$ 2,509</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 increased by \$87,000, going from \$4,378,000 in 2013-2014 to \$4,465,000 in 2014-2015. The net cash provided by noncapital financing activities went from \$5,427,000 in 2013-2014 to \$5,327,000 in 2014-2015. The net cash that is provided by noncapital financing activities decreased \$100,000; 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 \$1,447,000. 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 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 \$521,000.

**Significant Capital Assets and Long-Term Debt Activity:**

During 2014-2015 the College invested \$753,000 in buildings, computers, equipment, and facility improvements and was funded through operations.

The lease and bond payable portions of noncurrent liabilities decreased by \$399,000 in 2014-2015 when compared to 2013-2014, \$4,155,000 compared to \$4,554,000, respectively. Principal payments during 2014-2015 totaled \$320,000, and an additional \$79,000 was moved to current liabilities for the 2014-2015 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**  
**STATEMENT OF NET POSITION**  
**August 31, 2015**  
**Exhibit 1**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 369,634
Short-term investments	961,374
Accounts receivable, net	1,419,832
Prepaid expenses	<u>149,338</u>
Total current assets	<u>2,900,178</u>

**NONCURRENT ASSETS**

Restricted cash and cash equivalents	64,461
Endowment investments	1,194,944
Other long-term investments	2,547,082
Real estate held as investments by endowments	502,750
Deposits	20,045
Capital assets, net	<u>16,294,422</u>
Total noncurrent assets	<u>20,623,704</u>

**TOTAL ASSETS**

\$ 23,523,882

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows on net pension liability	<u>\$ 259,637</u>
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**TOTAL DEFERRED OUTFLOWS**

\$ 259,637

**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accounts payable	\$ 236,161
Accrued liabilities	219,607
Funds held for others	235,754
Unearned revenues	1,537,145
Deposits	58,050
Leases payable - current portion	170,000
Bonds payable - current portion	<u>150,000</u>
Total current liabilities	<u>2,606,717</u>

**NONCURRENT LIABILITIES**

Leases payable - noncurrent portion	3,100,000
Bonds payable - noncurrent portion	1,055,000
Net pension liability	<u>1,395,723</u>
Total noncurrent liabilities	<u>5,550,723</u>

**TOTAL LIABILITIES**

\$ 8,157,440

**CLARENDON COLLEGE**  
**STATEMENT OF NET POSITION, CONTINUED**  
**August 31, 2015**  
**Exhibit 1**

**LIABILITIES AND NET POSITION, CONTINUED**

<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows on net pension liability	<u>\$ 426,956</u>
<b>TOTAL DEFERRED INFLOWS</b>	<u><u>\$ 426,956</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 11,819,422
Restricted for:	
Nonexpendable:	
Endowment - True	1,697,690
Expendable:	
Student aid	408,456
Debt service	238,000
Other	1,069,560
Unrestricted (deficit)	<u>(34,005)</u>
<b>TOTAL NET POSITION (Schedule D)</b>	<u><u>\$ 15,199,123</u></u>

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

**CLARENDON COLLEGE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Year ended August 31, 2015**  
**Exhibit 2**

**OPERATING REVENUES**

Tuition and fees, net of discounts of \$2,317,823	\$ 1,240,842
Federal grants and contracts	418,207
State grants and contracts	219,131
Local grants and contracts	1,457,969
Auxiliary enterprises, net of discounts of \$706,687	501,377
Other operating revenues	<u>38,451</u>
Total operating revenues (Schedule A)	<u>3,875,977</u>

**OPERATING EXPENSES**

Instruction	3,580,032
Academic support	280,948
Student services	723,226
Institutional support	1,630,005
Operation and maintenance of plant	961,148
Scholarship expense	622,750
Auxiliary enterprises	1,187,319
Depreciation	<u>938,416</u>
Total operating expenses (Schedule B)	<u>9,923,844</u>
Operating loss	<u>(6,047,867)</u>

**NONOPERATING REVENUES (EXPENSES)**

State appropriations	3,007,287
Ad valorem taxes for maintenance and operations	463,096
Federal revenue, nonoperating	2,258,161
Gifts	131,221
Investment income	209,033
Interest on capital-related debt	(227,602)
Gain on disposal of capital assets	4,171
Other nonoperating revenues (expenses)	<u>2,702</u>
Net nonoperating revenues (Schedule C)	<u>5,848,069</u>
Decrease in net position	<u>(199,798)</u>

<b>NET POSITION - BEGINNING OF YEAR</b>	16,980,281
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>(1,581,360)</u>
<b>NET POSITION - BEGINNING OF YEAR, RESTATED</b>	<u>15,398,921</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 15,199,123</u></u>

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

**CLARENDON COLLEGE**  
**STATEMENT OF CASH FLOWS**  
Year ended August 31, 2015  
**Exhibit 3**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from students and other customers	\$ 2,028,744
Receipts from grants and contracts	2,105,139
Payments to or on behalf of employees	(5,020,143)
Payments to suppliers for goods or services	(2,956,427)
Payments of scholarships	<u>(622,750)</u>
Net cash used by operating activities	<u>(4,465,437)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Receipts from state appropriations	2,485,092
Receipts from ad valorem tax revenues	449,899
Receipts from nonoperating federal revenue	2,258,161
Gifts and grants	131,221
Student organizations and other agency transactions	<u>2,702</u>
Net cash provided by noncapital financing activities	<u>5,327,075</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from disposal of capital assets	17,926
Purchases of capital assets	(752,781)
Principal payments on capital debt	(145,000)
Principal payments on capital leases	(336,111)
Interest payments on capital debt	<u>(231,031)</u>
Net cash used by capital and related financing activities	<u>(1,446,997)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment earnings	86,001
Maturities of investments	5,056,257
Purchase of investments	<u>(5,077,560)</u>
Net cash provided by investing activities	<u>64,698</u>

**DECREASE IN CASH AND CASH EQUIVALENTS** (520,661)

**CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR** 954,756

**CASH AND CASH EQUIVALENTS - END OF YEAR** \$ 434,095

**Cash and cash equivalents are reported in the Statement of Net Position as follows:**

Cash and cash equivalents	\$ 369,634
Restricted cash and cash equivalents	<u>64,461</u>
Total cash and cash equivalents	<u><u>\$ 434,095</u></u>

**CLARENDON COLLEGE**  
**STATEMENT OF CASH FLOWS, CONTINUED**  
Year ended August 31, 2015  
Exhibit 3

**Reconciliation of operating loss to net cash  
used by operating activities:**

Operating loss	\$ (6,047,867)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	938,416
State-funded benefits	522,195
Change in allowance for bad debt	100,393
Deferred outflows of resources	(127,164)
Deferred inflows of resources	426,956
Changes in operating assets and liabilities:	
Receivables	980,423
Prepaid expenses	(1,402)
Accounts payable	(143,911)
Accrued liabilities	29,474
Unearned revenue	(822,910)
Deposits	(1,930)
Net pension liability	(318,110)
Net cash used by operating activities	<u>\$ (4,465,437)</u>

**Non-cash investing and financing activity:**

During the year ended August 31, 2015, the College had net appreciation on the fair market value of investments of \$114,308.

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

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

**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.

*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.

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

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

**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.

**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. The College has deferred inflows related to the recording of the net pension liability.

**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. The College has deferred outflows related to the net pension liability.

**Cash and Cash Equivalents**

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

**Investments**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

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

**Investments** (Continued)

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 or are funds which have donor-imposed restrictions (endowments).

**Inventories**

There is no inventory at August 31, 2015; 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 \$1,537,145 have been reported as unearned revenue at August 31, 2015.

**Pensions**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, and



**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

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

**Pensions** (Continued)

information about assets, liabilities and additions to/deductions from TRS' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Estimates**

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

**Operating and Nonoperating Revenue and Expense Policy**

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major nonoperating revenues are state appropriations, federal Title IV revenue and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The College has contracted with Great Western Living for food service. Payments under this agreement were \$425,094 for the year ended August 31, 2015.

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. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, is effective for financial statements for periods beginning after June 15, 2014. This Statement improves financial reporting by enhancing the reporting of the net pension liability and a more comprehensive measure of pension expense. With GASB 68, the College must assume their proportionate share of the Net Pension Liability of the Teachers Retirement System of Texas. Adoption of GASB 68 required a prior period adjustment to report the effect of GASB 68 retroactively. There is added information available through new note disclosure and required supplementary information.

**Restatement of Beginning Net Position**

Due to the changes in accounting principles described above, beginning net position has been decreased by \$1,581,360 from \$16,980,281 to \$15,398,921. The difference represents the recording of the net pension liability as of the beginning of the year.

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

**NOTE 3 - AUTHORIZED INVESTMENTS**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Cash and cash equivalents included on Exhibit 1, Statement of Net Position, as of August 31, 2015, consist of the items reported below:

Petty cash on hand	\$ 1,019
Demand deposits	<u>433,076</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 434,095</u></b>

The following represents a reconciliation of cash and cash equivalents, as of August 31, 2015, as reported on Exhibit 1:

Cash and cash equivalents	\$ 369,634
Restricted cash and cash equivalents	<u>64,461</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 434,095</u></b>

The following represents a reconciliation of deposits and investments, as of August 31, 2015, as reported on Exhibit 1:

<u><b>Type of Security</b></u>	<u><b>Market Value</b></u>
Certificates of deposit	\$ 2,037,784
Other instruments	<u>2,665,616</u>
Total investments (Exhibit 1)	<b><u>\$ 4,703,400</u></b>
Cash and cash equivalents (Exhibit 1)	\$ 434,095
Investments (Exhibit 1)	<u>4,703,400</u>
<b>Total deposits and investments</b>	<b><u>\$ 5,137,495</u></b>

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

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

Investments, as of August 31, 2015, are classified as follows:

<u>Type of Security</u>	<u>Market Value</u>
Short-term investments	\$ 961,374
Endowment investments	1,194,944
Other long-term investments	<u>2,547,082</u>
<b>Total investments</b>	<b><u>\$ 4,703,400</u></b>

As of August 31, 2015, the College had the following investments and maturities:

<u>Investment Type</u>	<u>Market Value</u>	<u>Percent</u>	<u>Weighted Average Maturity (Years)</u>	<u>Security Rating</u>
Corporate bonds	\$ 1,421,087	30.21%	1.23	Baa1 – Aa3
Asset backed securities	135,563	2.88%	.79	Unrated
U.S. Government securities and other Government agencies	1,108,966	23.58%	.81	–
Certificates of deposit	<u>2,037,784</u>	<u>43.33%</u>	<u>.42</u>	–
<b>Total investments</b>	<b><u>\$ 4,703,400</u></b>	<b><u>100.00%</u></b>	<b><u>3.25</u></b>	

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

**Concentration of Credit Risk** - The College does not place a limit on the amount the College may invest with one issuer. All of the certificates of deposit are held at a local bank. The College has 7.43% with FHLMC and 7.93% in U.S. Treasuries NTS.

**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, 2015, the College did not have any investments in commercial paper or no-load money market mutual funds.

**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.

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

**NOTE 5 - CAPITAL ASSETS**

Capital assets activity for the year ended August 31, 2015, was as follows:

	Beginning Balance September 1, 2014	Additions	Deductions	Ending Balance August 31, 2015
Not depreciated:				
Land	\$ 1,313,633	\$ -	\$ -	\$ 1,313,633
Construction in progress	182,032	133,545	315,577	-
Total not depreciated	<u>1,495,665</u>	<u>133,545</u>	<u>315,577</u>	<u>1,313,633</u>
Other capital assets:				
Buildings	15,085,889	416,614	-	15,502,503
Facility and land improvements	2,915,336	-	-	2,915,336
Furniture, machinery, vehicles and other equipment	2,877,152	329,356	54,986	3,151,522
Telecommunications and peripheral equipment	1,958,222	183,848	-	2,142,070
Library books	546,396	4,995	-	551,391
Total other capital assets	<u>23,382,995</u>	<u>934,813</u>	<u>54,986</u>	<u>24,262,822</u>
Total cost of capital assets	<u>24,878,660</u>	<u>1,068,358</u>	<u>370,563</u>	<u>25,576,455</u>
Accumulated depreciation:				
Buildings	3,743,662	275,309	-	4,018,971
Facility and land improvements	1,014,940	134,040	-	1,148,980
Furniture, machinery, vehicles and other equipment	1,718,123	251,922	41,239	1,928,806
Telecommunications and peripheral equipment	1,415,311	270,283	-	1,685,594
Library books	492,820	6,862	-	499,682
Total accumulated depreciation	<u>8,384,856</u>	<u>938,416</u>	<u>41,239</u>	<u>9,282,033</u>
Capital assets, net	<u>\$ 16,493,804</u>	<u>\$ 129,942</u>	<u>\$ 329,324</u>	<u>\$ 16,294,422</u>

Capital assets include gross assets acquired under capital leases of \$3,749,999 at August 31, 2015. Related amortization included in accumulated amortization was \$287,441. Capital leases are included as a component of building, equipment and land. Amortization of assets under capital leases is included in depreciation expense.

**NOTE 6 - NONCURRENT LIABILITIES**

Noncurrent liability activity for the year ended August 31, 2015 was as follows:

	Balance September 1, 2014	Additions	Deductions	Balance August 31, 2015	Current Portion
Bonds payable	\$ 1,350,000	\$ -	\$ 145,000	\$ 1,205,000	\$ 150,000
Long-term capital lease	3,606,111	-	336,111	3,270,000	170,000
Noncurrent liabilities	<u>\$ 4,956,111</u>	<u>\$ -</u>	<u>\$ 481,111</u>	4,475,000	<u>\$ 320,000</u>
Net pension liability				1,395,723	
Current portion				<u>(320,000)</u>	
				<u>\$ 5,550,723</u>	

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

**NOTE 7 - DEBT OBLIGATIONS**

Debt service requirements for bonds payable at August 31, 2015, were as follows:

<b>For the Year</b> <b>Ended August 31,</b>	<b>Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	180,000	26,555	206,555
2021-2022	385,000	27,260	412,260
<b>Total</b>	<b>\$ 1,205,000</b>	<b>\$ 236,880</b>	<b>\$ 1,441,880</b>

Details of bonds and notes payable as of August 31, 2015, 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 \$150,000 to \$195,000 with an interest rate of 4.7% with the final installment due in 2022.

**Lease Payable to Gray County**

Lease payable to Gray County, Texas, issued on September 1, 2009, in the amount of \$4,175,000, interest varies from 2.5% to 5.125%, annual principal installments varying from \$170,000 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 \$332,581 lease expense, principal and interest, in the year ended August 31, 2015.

**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 the remaining principal of \$171,111 in the year ended August 31, 2015.

**CLARENDON COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2015**

**NOTE 7 - DEBT OBLIGATIONS (CONTINUED)**

Obligations under capital leases at August 31, 2015, were as follows:

<u>For the Year Ended August 31,</u>	<u>Total</u>
2016	\$ 330,981
2017	328,331
2018	330,456
2019	331,669
2020	327,406
2021-2025	1,650,838
2026-2029	<u>1,323,075</u>
Total minimum lease payments	4,622,756
Less: Amount representing interest costs	<u>1,352,756</u>
<b>Present value of minimum lease payments</b>	<b><u><u>\$ 3,270,000</u></u></b>

**NOTE 8 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

Accounts receivable at August 31, 2015, consisted of the following:

Taxes receivable	\$ 129,366
Student receivables	1,772,523
Grants receivable	32,262
Other receivables	<u>62,025</u>
Allowance for doubtful accounts	<u>(576,344)</u>
<b>Total accounts receivable, net</b>	<b><u><u>\$ 1,419,832</u></u></b>

Accounts payable at August 31, 2015, consisted of amounts payable to vendors.

Accrued liabilities at August 31, 2015, consisted of the following:

Accrued interest payable	\$ 37,013
Accrued liability to U.S. Department of Education	61,547
Other accrued liabilities	<u>121,047</u>
<b>Total accrued liabilities</b>	<b><u><u>\$ 219,607</u></u></b>

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

**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. Contract and grant awards funds already committed, e.g., multi-year awards or funds awarded during fiscal years 2015 for which monies have not been received nor funds expended, totaled \$1,617,010. All of these funds are on federal contract and grant awards. Additionally, the College has deferred state grant awards in the amount of \$203,283 to be expended in the next fiscal year.

**NOTE 10 - EMPLOYEES' RETIREMENT PLANS**

**Plan Description**

The College participates in the TRS, a cost-sharing, multiple-employer defined benefit pension plan (the Plan) that has a special funding situation. TRS administers retirement and disability annuities and death and survivor benefits to employees and beneficiaries of employees of the public, state-supported educational institutions in Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code (IRC). TRS also administers proportional retirement benefits and service credit transfers under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas Legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698, or by calling (512) 542-6592.

**Benefits Provided**

Benefits are established or amended primarily under the authority of the provisions of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The pension's Board of Trustees does not have the authority to establish or amend benefits. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with five years of credited service or when the sum of the member's age and years of credited service equals or exceeds 80

**CLARENDON COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2015**

**NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

years. Early retirement is at age 55 with five years of credited service and any age below 55 with 30 years of credited service. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. A member is fully vested after five years of creditable service and entitled to any benefit for which eligibility requirements have been met. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

**Contributions**

Contribution requirements are established or amended pursuant to the following state laws: (1) Article XVI, Section 67 of the Texas Constitution requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the system's actuary.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. Contribution amounts for fiscal year 2014 are as follows:

	<b><u>Contributions Required and Made</u></b>
Member (Employee)	\$ 221,529
Non-employer contributing agency (State)	103,973
College (Employer)	132,473

Contribution rates for Plan fiscal years (September to August) 2014 and 2015 follow:

	<b><u>Contribution Rates Plan Fiscal Year</u></b>	
	<b><u>2014</u></b>	<b><u>2015</u></b>
Member	6.4%	6.7%
Employer	6.8%	6.8%
Non-Employer Contributing Entity	6.8%	6.8%



**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

**NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

**Contributions** (Continued)

Contributors to the plan include members, employers, and the State of Texas as the only non-employer contributing entity. As the non-employer contributing entity, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.

**Actuarial Assumptions**

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the four-year period ending August 31, 2010, and adopted on April 8, 2011. With the exception of the postretirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the summer of 2014, the assumptions and methods are the same as listed in the prior valuation. When the mortality assumptions were adopted in 2011 they contained significant margin for possible future mortality improvements. As of the date of the valuation, there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the postretirement mortality rates for current and future retirees have decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards Practice No. 35.

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

**Actuarial Assumptions** (Continued)

The total pension liability as of August 31, 2014, was determined using the following actuarial assumptions:

Valuation date	August 31, 2014
Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of payroll, open
Asset valuation method	5-year market value
Remaining amortization period	30 years
Actuarial assumptions:	
Discount rate	8.00%
Long-term expected investment rate of return**	8.00%
Inflation	3.00%
Salary increases**	4.25% to 7.25% including inflation
Weighted-average at valuation date	5.55%
Payroll growth rate	3.50%

\*\* Includes inflation of 3%

**Discount Rate**

The discount rate used to measure the total pension liability was 8.0 %. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 8.0%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2014, as amended October 1, 2014, are summarized below:

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

**Discount Rate (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Geometric Basis</u>	<u>Long-Term Expected Portfolio Real Rate of Return *</u>
<b>Global Equity</b>			
U.S.	18%	7.0%	1.4%
Non-U.S. developed	13%	7.3%	1.1%
Emerging markets	9%	8.1%	0.9%
Directional hedge funds	4%	5.4%	0.2%
Private equity	13%	9.2%	1.4%
<b>Stable Value</b>			
U.S. treasuries	11%	2.9%	0.3%
Absolute return	0%	4.0%	0.0%
Stable value hedge funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
<b>Real Return</b>			
Global inflation linked bonds	3%	3.1%	0.0%
Real assets	16%	7.3%	1.5%
Energy and natural resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
<b>Risk Parity</b>			
Risk parity	5%	8.9%	0.4%
Alpha	<u>          </u>		<u>1.0%</u>
<b>Total</b>	<u>100%</u>		<u>8.7%</u>

\* The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

**Sensitivity of the College's Share of the Net Pension Liability**

The following presents the College's share of the net pension liability of the plan using the discount rate of 8%, as well as what the College's share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7%) or one percentage point higher (9%) than the current rate:

	<u>1% Decrease in Discount Rate 7%</u>	<u>Current Discount Rate 8%</u>	<u>1% Increase in Discount Rate 9%</u>
College's proportionate share of the net pension liability	\$ 2,494,072	\$ 1,395,723	\$ 574,362

**CLARENDON COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2015**

**NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At August 31, 2015, the College reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the College. The net pension liability was measured as of August 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the net pension liability	\$ 1,395,723
State's proportionate share of the net pension liability associated with the College	<u>1,097,788</u>
<b>Total</b>	<b><u>\$ 2,493,511</u></b>

The net pension liability was measured as of August 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the pension plan relative to the contributions of all participating entities to the Plan for the period September 1, 2013, through August 31, 2014. At August 31, 2014, the College's proportion of the collective net pension liability was 0.0052252%.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2015, the College recognized pension expense of \$101,488 and revenue of \$101,488 for support provided by the State.

At August 31, 2015, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,585	\$ —
Changes of assumptions	90,724	—
Net difference between projected and actual earnings on pension plan investments	—	426,590
Changes in proportion and differences between College contributions and proportionate share of contributions	—	366
College contributions subsequent to the measurement date	<u>147,328</u>	<u>—</u>
<b>Total</b>	<b><u>\$ 259,637</u></b>	<b><u>\$ 426,956</u></b>

**CLARENDON COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2015**

**NOTE 10 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The \$147,328 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended August 31,**

2016	\$ (87,763)
2017	(87,763)
2018	(87,763)
2019	(87,763)
2020	18,885
Thereafter	<u>17,520</u>
<b>Total</b>	<b><u>\$ (314,647)</u></b>

**Optional Retirement Plan – Defined Contribution Plan**

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

*Funding Policy.* Contribution requirements are not actuarially determined, but are established and amended by the Texas State Legislature. The percentage of participant salaries currently contributed by the state is 6.6% for fiscal years 2015 and 2014. The participant contribution rate is 6.65% for both years. Benefits fully vest after one year plus one day of employment.

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

The ORP expense to the state for the College was \$3,078, \$4,140, and \$7,252 for the fiscal years ended August 31, 2015, 2014, and 2013, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll of employees covered by the ORP was \$93,000, \$125,000, and \$121,000 for fiscal years 2015, 2014, and 2013, respectively.

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

**College-Sponsored Benefit Plans**

The College has a voluntary employee defined contribution 403(b) plan administered by the Plan's trustee. The Plan is funded by employee deferrals of compensation. Plan funds are held in trust and are administered by the College's Vice-President of Business Affairs with oversight by the Board of Regents. Full-time employees and certain part-time employees are eligible to participate and are fully vested at all times. At August 31, 2015, 2014, and 2013, there were 3, 3, and 4, respectively, Plan participants.

**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, 2015, the state's contribution per full-time employee and retiree was \$538 per month and totaled approximately \$417,000 for the year. The cost of providing those benefits for 37 retirees was approximately \$147,000 and for 87 active employees was approximately \$270,000.

**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.

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Funding Policy** (Continued)

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

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

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, 2015, 2014, and 2013 were \$528,729, \$449,995, and \$469,913, 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 - ENDOWMENTS**

The College has received several contributions of endowed funds over the years. These endowments include land, cash, and investments. Most of the endowed funds are to be used for scholarships while maintaining the corpus. The College currently holds land valued at \$502,750 and investments of \$1,194,944 as endowments.

**NOTE 15 - 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, 2015:**

Assessed valuation of the College	\$ 230,471,018
Less: Exemptions	18,410,562
Less: Abatements	<u>          —</u>
<b>Net assessed valuation of the College</b>	<b><u>\$ 212,060,456</u></b>

**CLARENDON COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2015**

**NOTE 15 - AD VALOREM TAX (CONTINUED)**

	<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	.220802	-	.220802
<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 449,393	\$ -	\$ 449,393
Delinquent taxes collected	11,727	-	11,727
Penalties and interest collected	<u>3,036</u>	<u>-</u>	<u>3,036</u>
<b>Total collections</b>	<u>\$ 464,156</u>	<u>\$ -</u>	<u>\$ 464,156</u>

Taxes levied for the year ended August 31, 2015, were approximately \$468,000 (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 year ended August 31, 2015, were 96% of the current tax levy for the year. Property tax revenues are recognized in the year for which they are levied. The use of tax proceeds is restricted for the maintenance and operations of the College.

**NOTE 16 - 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 year 2015 (including penalties and interest) from Gray County totaled approximately \$914,000 and from Childress County totaled approximately \$192,000.

**NOTE 17 - 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 year ended August 31, 2015.



**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

**NOTE 18 - 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 year ended August 31, 2015, the College received funds consisting of donations and scholarships for students from CCF totaling \$14,115.

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 19 - PAMPA CENTER FOUNDATION LEASE**

During the year ended August 31, 2000, the College entered into a 30-year lease agreement with the PCF. The leased premises, located in Pampa, Texas, are used by the College to provide secondary, vocational and other community college courses. The College paid an advance rental of \$700,000 as payment in full for the 30-year lease term. During 2009, PCF donated the building and 13 acres of land occupied by the building to the College. The donation was recorded in 2009 at a fair market value for the building of \$2,497,050 and a fair market value of the land of \$118,400. The unamortized prepaid was used to offset these amounts resulting in a gain of approximately \$2,118,000.

**NOTE 20 - 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. Additionally, the College's students participate in the Federal Direct Loan Program for which the proceeds are used for tuition and education-related costs. Regulations require that default rates pertaining to loans to persons attending the College not exceed certain levels at the College. In the event that specific levels were exceeded, the program could be discontinued at the College; however, the College does not anticipate this occurring. The total amount of Direct Loans made during 2015 was \$2,060,814.

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

**NOTE 20 - COMMITMENTS, CONTINGENCIES AND LAWSUITS (CONTINUED)**

On August 31, 2015, 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 21 - 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*

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. The implementation of this Statement had a significant impact on the financial reporting of the College. See Notes 2 and 10.

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 implementation of this Statement did not have a significant impact on the College's financial statements.

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. The implementation of this Statement had a significant impact on the financial reporting of the College. See Notes 2 and 10.

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 21 - NEW GASB PRONOUNCEMENTS (CONTINUED)**

*Recently Issued Accounting Pronouncements*

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value and describes how fair value should be measured, what assets and liabilities should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Under Statement No. 72, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. Before the issuance of Statement No. 72, state and local governments have been required to disclose how they arrived at their measures of fair value if not based on quoted market prices. Under the new guidance, those disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68*, complete the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2015.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Among

**CLARENDON COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2015**

**NOTE 21 - NEW GASB PRONOUNCEMENTS (CONTINUED)**

*Recently Issued Accounting Pronouncements (Continued)*

other things, Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2017. GASB Statement No. 77, *Tax Abatement Disclosures*, requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015.

**NOTE 22 - SUBSEQUENT EVENTS**

On September 17, 2015, the College approved the issuance of the Revenue Refunding Bonds, Series 2015 in the amount of \$1,103,000. The bonds were refunded as of November 1, 2015. Proceeds from the sale of the bonds will be used to refund the College's outstanding Revenue Refunding Bonds, Series 2005.

The College has evaluated for inclusion as a subsequent event disclosure only those events that occurred prior to December 17, 2015, the date the financial statements were available to be issued.

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CLARENDON COLLEGE  
REQUIRED SUPPLEMENTARY INFORMATION -  
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
TEACHERS RETIREMENT SYSTEM OF TEXAS  
For the Year Ended August 31\***

	<b><u>2014</u></b>
College's proportionate share (percentage) of the net pension liability	0.0052252%
College's proportionate share (amount) of the net pension liability	\$ 1,395,723
State's proportionate share (amount) of the net pension liability associated with the College	<u>1,097,788</u>
<b>Total</b>	<b><u>\$ 2,493,511</u></b>
College's covered-employee payroll (for measurement year)	\$ 3,461,395
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	40.32%
Plan's fiduciary net pension as a percentage of the total pension liability	83.25%
Plan's net pension liability as a percentage of covered-employee payroll	72.89%

\* Amounts are based on measurement date of TRS Plan.

Information to present a ten-year history is not readily available.

**CLARENDON COLLEGE  
 REQUIRED SUPPLEMENTARY INFORMATION -  
 SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS  
 TEACHERS RETIREMENT SYSTEM OF TEXAS  
 For the Year Ended August 31**

	<b><u>2015</u></b>
Contractually required contributions	\$ 147,328
Contributions in relation to the contractually required contributions	147,328
Contribution deficiency (excess)	\$ -
College's covered-employee payroll	<b>\$ 3,707,746</b>
Contributions as a percentage of covered-employee payroll	3.97%

Information to present a ten-year history is not readily available.



**CLARENDON COLLEGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended August 31, 2015**

**NOTE 1 - CHANGES OF BENEFIT TERMS**

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

**NOTE 2 - CHANGES OF ASSUMPTIONS**

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

## **OTHER SUPPLEMENTAL INFORMATION**

**CLARENDON COLLEGE  
SCHEDULE A  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2015  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2015</u>	<u>2014</u>
<b>TUITION</b>						
State-funded courses						
In-district resident tuition	\$ 120,653	\$ -	\$ 120,653	\$ -	\$ 120,653	\$ 92,802
Out-of-district resident tuition	854,285	-	854,285	-	854,285	888,519
Non-resident tuition	201,697	-	201,697	-	201,697	191,449
TPEG - Credit (set aside)*	66,731	-	66,731	-	66,731	77,286
Non-state funded continuing education	3,010	-	3,010	-	3,010	5,215
Total tuition	<u>1,246,376</u>	<u>-</u>	<u>1,246,376</u>	<u>-</u>	<u>1,246,376</u>	<u>1,255,271</u>
<b>FEES</b>						
Building use fee	561,262	-	561,262	-	561,262	527,010
Out-of-district fee	482,180	-	482,180	-	482,180	494,266
General fee	658,314	-	658,314	-	658,314	688,921
Laboratory fee	390,127	-	390,127	-	390,127	328,025
Other fees	220,406	-	220,406	-	220,406	302,304
Total fees	<u>2,312,289</u>	<u>-</u>	<u>2,312,289</u>	<u>-</u>	<u>2,312,289</u>	<u>2,340,526</u>
<b>SCHOLARSHIP ALLOWANCES AND DISCOUNTS</b>						
Scholarship allowances	(337,130)	-	(337,130)	-	(337,130)	(340,792)
Remissions and exemptions	(166,121)	-	(166,121)	-	(166,121)	(102,256)
TPEG allowances	(56,509)	-	(56,509)	-	(56,509)	(41,479)
Federal grants to students	(1,529,281)	-	(1,529,281)	-	(1,529,281)	(1,573,568)
Other federal grants	(228,782)	-	(228,782)	-	(228,782)	(178,990)
Total scholarship allowances and discounts	<u>(2,317,823)</u>	<u>-</u>	<u>(2,317,823)</u>	<u>-</u>	<u>(2,317,823)</u>	<u>(2,237,085)</u>
Total net tuition and fees	<u>1,240,842</u>	<u>-</u>	<u>1,240,842</u>	<u>-</u>	<u>1,240,842</u>	<u>1,358,712</u>

**CLARENDON COLLEGE  
SCHEDULE A, CONTINUED  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2015  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2015</u>	<u>2014</u>
<b>ADDITIONAL OPERATING REVENUES</b>						
Federal grants and contracts	-	418,207	418,207	-	418,207	373,651
State grants and contracts	-	219,131	219,131	-	219,131	230,571
Local grants and contracts	1,119,936	338,033	1,457,969	-	1,457,969	1,327,780
Other operating revenues	<u>13,568</u>	<u>-</u>	<u>13,568</u>	<u>24,883</u>	<u>38,451</u>	<u>167,881</u>
Total additional operating revenues	<u>1,133,504</u>	<u>975,371</u>	<u>2,108,875</u>	<u>24,883</u>	<u>2,133,758</u>	<u>2,099,883</u>
<b>AUXILIARY ENTERPRISES</b>						
Bookstore	-	-	-	125,925	125,925	105,925
Less: Discounts	-	-	-	(164,898)	(164,898)	(164,019)
Residential	-	-	-	1,082,139	1,082,139	1,064,346
Less: Discounts	-	-	-	(541,789)	(541,789)	(544,417)
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,377</u>	<u>501,377</u>	<u>461,835</u>
<b>TOTAL OPERATING REVENUES</b>	<u>\$ 2,374,346</u>	<u>\$ 975,371</u>	<u>\$ 3,349,717</u>	<u>\$ 526,260</u>	<u>\$ 3,875,977</u>	<u>\$ 3,920,430</u>

(Exhibit 2)

\*In accordance with Education Code 56.033, \$66,731 and \$77,286 for years August 31, 2015 and 2014, 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, 2015  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)**

	<b>Operating Expenses</b>				<b>2015</b>	<b>2014</b>
	<b>Salaries and Wages</b>	<b>Benefits</b>		<b>Other Expenses</b>		
		<b>State</b>	<b>Local</b>			
<b>UNRESTRICTED EDUCATIONAL ACTIVITIES</b>						
Instruction	\$ 2,383,717	\$ -	\$ 496,720	\$ 343,807	\$ 3,224,244	\$ 2,847,105
Academic support	199,118	-	16,637	38,373	254,128	433,144
Student services	511,327	-	64,718	78,309	654,354	616,431
Institutional support	535,626	-	75,206	600,241	1,211,073	1,165,493
Operation and maintenance of plant	288,727	-	71,187	601,234	961,148	1,054,905
Total unrestricted educational activities	<u>3,918,515</u>	<u>-</u>	<u>724,468</u>	<u>1,661,964</u>	<u>6,304,947</u>	<u>6,117,078</u>
<b>RESTRICTED EDUCATIONAL ACTIVITIES</b>						
Instruction	-	321,070	-	34,718	355,788	325,947
Academic support	-	26,820	-	-	26,820	47,016
Student services	-	68,872	-	-	68,872	65,945
Institutional support	247,138	105,433	670	65,691	418,932	409,048
Scholarship expense	-	-	-	622,750	622,750	743,003
Total restricted educational activities	<u>247,138</u>	<u>522,195</u>	<u>670</u>	<u>723,159</u>	<u>1,493,162</u>	<u>1,590,959</u>
Total educational activities	<u>4,165,653</u>	<u>522,195</u>	<u>725,138</u>	<u>2,385,123</u>	<u>7,798,109</u>	<u>7,708,037</u>
<b>AUXILIARY ENTERPRISES</b>	<u>128,097</u>	<u>-</u>	<u>28,240</u>	<u>1,030,982</u>	<u>1,187,319</u>	<u>1,148,304</u>
<b>DEPRECIATION EXPENSE</b>						
Buildings and other real estate improvements	-	-	-	409,350	409,350	395,559
Equipment and furniture	-	-	-	529,066	529,066	513,764
Total depreciation expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>938,416</u>	<u>938,416</u>	<u>909,323</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 4,293,750</u>	<u>\$ 522,195</u>	<u>\$ 753,378</u>	<u>\$ 4,354,521</u>	<u>\$ 9,923,844</u>	<u>\$ 9,765,664</u>

(Exhibit 2)

**CLARENDON COLLEGE  
SCHEDULE C  
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES  
YEAR ENDED AUGUST 31, 2015  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2015</u>	<u>2014</u>
<b>NONOPERATING REVENUES:</b>					
State appropriations:					
Education and general state support	\$ 2,485,092	\$ -	\$ -	\$ 2,485,092	\$ 2,485,093
State group insurance	-	417,184	-	417,184	388,692
State retirement matching	-	105,011	-	105,011	106,395
Total state appropriations	<u>2,485,092</u>	<u>522,195</u>	<u>-</u>	<u>3,007,287</u>	<u>2,980,180</u>
Ad valorem taxes for maintenance and operations	463,096	-	-	463,096	431,903
Federal revenue, nonoperating	2,258,161	-	-	2,258,161	2,416,887
Gifts	131,221	-	-	131,221	74,742
Investment income	47,400	161,633	-	209,033	74,042
Other nonoperating revenues	<u>2,702</u>	<u>-</u>	<u>-</u>	<u>2,702</u>	<u>6,917</u>
Total nonoperating revenues	<u>5,387,672</u>	<u>683,828</u>	<u>-</u>	<u>6,071,500</u>	<u>5,984,671</u>
<b>NONOPERATING EXPENSES:</b>					
Interest on capital-related debt	227,602	-	-	227,602	240,455
(Gain) loss on disposal of assets	<u>(4,171)</u>	<u>-</u>	<u>-</u>	<u>(4,171)</u>	<u>(846)</u>
Total nonoperating expenses	<u>223,431</u>	<u>-</u>	<u>-</u>	<u>223,431</u>	<u>239,609</u>
<b>NET NONOPERATING REVENUES</b>	<u>\$ 5,164,241</u>	<u>\$ 683,828</u>	<u>\$ -</u>	<u>\$ 5,848,069</u>	<u>\$ 5,745,062</u>

(Exhibit 2)

**CLARENDON COLLEGE  
SCHEDULE D  
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
YEAR ENDED AUGUST 31, 2015  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
<b>CURRENT</b>							
Unrestricted	\$ 1,797,290	\$ -	\$ -	\$ -	\$ 1,797,290	\$ 1,797,290	\$ -
Restricted	-	1,478,016	-	-	1,478,016	1,478,016	-
Auxiliary enterprises	(1,831,295)	-	-	-	(1,831,295)	(1,831,295)	-
<b>LOAN</b>	-	-	-	-	-	-	-
<b>ENDOWMENT</b>							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	1,697,690	-	1,697,690	-	1,697,690
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
<b>PLANT</b>							
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt service	-	238,000	-	-	238,000	-	238,000
Investment in plant	-	-	-	11,819,422	11,819,422	-	11,819,422
Total net position, August 31, 2015	<u>(34,005)</u>	<u>1,716,016</u>	<u>1,697,690</u>	<u>11,819,422</u>	<u>15,199,123</u>	<u>1,444,011</u>	<u>13,755,112</u>
					(Exhibit 1)		
Total net position, August 31, 2014, restated	<u>549,288</u>	<u>1,776,166</u>	<u>1,535,774</u>	<u>11,537,693</u>	<u>15,398,921</u>	<u>2,087,454</u>	<u>13,311,467</u>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<u>\$ (583,293)</u>	<u>\$ (60,150)</u>	<u>\$ 161,916</u>	<u>\$ 281,729</u>	<u>\$ (199,798)</u>	<u>\$ (643,443)</u>	<u>\$ 443,645</u>
					(Exhibit 2)		

**CLARENDON COLLEGE  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2015**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass-Through Disbursements</u>
<b>U.S. Department of Education</b>			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007	-	\$ 35,078
Federal Work Study Program	84.033	-	40,256
Federal Pell Grant Program	84.063	-	2,182,827
Federal Direct Student Loans	84.268	-	2,060,814
Title III - Strengthening Institutions	84.031 A	-	<u>359,435</u>
Total Direct Programs			<u>4,678,410</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	104210	<u>58,772</u>
Total Pass-Through from Texas Higher Education Coordinating Board			<u>58,772</u>
<b>Total U.S. Department of Education</b>			<u>4,737,182</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<u>\$ 4,737,182</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.



**CLARENDON COLLEGE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**August 31, 2015**

**NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION**

Federal grants and contracts revenue - per Schedule A	\$ 418,207
Nonoperating federal revenue - per Schedule C	2,258,161
Federal Direct Student Loans	<u>2,060,814</u>
<b>Total federal revenues per Schedule of Expenditures of Federal Awards</b>	<b><u>\$ 4,737,182</u></b>

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

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

**CLARENDON COLLEGE  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS  
YEAR ENDED AUGUST 31, 2015**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
<b>Texas Workforce Commission</b>		
Workforce Investment Act Program	-	\$ 15,504
<b>Total Texas Workforce Commission</b>		<u>15,504</u>
<b>Texas Department of Assistive and Rehabilitative Services</b>		
Tuition Waiver	-	3,894
<b>Total Texas Department of Assistive and Rehabilitative Services</b>		<u>3,894</u>
<b>Texas Higher Education Coordinating Board</b>		
Texas Grant Program	-	18,150
Texas Educational Opportunity Grant	-	122,792
Texas College Work-Study Program	-	6,782
Developmental Education Scaling and Sustaining Success (S3)	-	52,009
<b>Total Texas Higher Education Coordinating Board</b>		<u>199,733</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<u>\$ 219,131</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, 2015**

**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>\$ 219,131</u>
<b>Total state revenues per Schedule of Expenditures of State Awards</b>	<u><b>\$ 219,131</b></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, 2015, 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 17, 2015.

***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 College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Connor, McMillen, Mitchell ; Shennun, PLLC*

Amarillo, Texas  
December 17, 2015



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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, 2015. 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, 2015.

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## ***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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Connor, McMellon, Mitchell & Shennum, PLLC*

Amarillo, Texas  
December 17, 2015

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**CLARENDON COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended August 31, 2015**

**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      no
- Significant deficiency(ies) identified?             yes      none reported
- Noncompliance material to financial statements noted?    yes      no

***Federal and State Awards***

Internal control over major programs:

- Material weakness(es) identified?                     yes      no
- Significant deficiency(ies) identified?             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?                     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
84.031A	Title III – Strengthening Institutions

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      no

**CLARENDON COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended August 31, 2015**

**SECTION II - Financial Statement Findings**

None reported.

**SECTION III - Federal and State Award Findings and Questioned Costs**

None reported.

**CLARENDON COLLEGE  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended August 31, 2015**

None reported.



**CLARENDON COLLEGE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended August 31, 2015**

**Significant Deficiencies**

**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.

*Current Status:* The College is using the original award amount for all future calculations. The original award letter has become part of the student's permanent electronic file.

**Finding 2014-002**

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

*Current Status:* The College is utilizing updated reporting to monitor students receiving all "F's." Returns are being 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.

*Current Status:* 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.

*Current Status:* The electronic signature ability is in place and the FY15 FISAP was filed prior to the October 1, 2015 deadline. Two signed copies will be retained, one by the Vice President of Administrative Services and one by the Director of Financial Aid.

**CLARENDON COLLEGE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended August 31, 2015**

**Finding 2014-005**

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

*Current Status:* The financial aid department has access to all applicable general ledger accounts. The FISAP is 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 (federal and state), eight did not balance without proposed entries to the client.

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

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**STATISTICAL SUPPLEMENT**  
**(Unaudited)**

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**Clarendon College**  
**Statistical Supplement 1**  
**Net Position by Component**  
**Fiscal Years 2006 to 2015**  
 (unaudited)  
 (amounts expressed in thousands)

	For the Fiscal Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net investment in capital assets	\$ 11,819	\$ 11,537	\$ 11,302	\$ 11,423	\$ 11,278	\$ 11,641	\$ 10,358	\$ 6,782	\$ 6,930	\$ 6,965
Restricted - nonexpendable	1,698	1,536	1,535	1,534	1,450	1,548	1,545	1,184	1,129	573
Restricted - expendable	1,716	1,776	1,905	1,619	1,636	714	630	650	542	961
Unrestricted (deficit)	(34)	2,131	2,339	2,767	2,204	955	940	1,618	1,593	1,499
<b>Total net position</b>	<b>\$ 15,199</b>	<b>\$ 16,980</b>	<b>\$ 17,081</b>	<b>\$ 17,343</b>	<b>\$ 16,568</b>	<b>\$ 14,858</b>	<b>\$ 13,473</b>	<b>\$ 10,234</b>	<b>\$ 10,194</b>	<b>\$ 9,998</b>

**Clarendon College  
Statistical Supplement 2  
Revenues by Source  
Fiscal Years 2006 to 2015  
(unaudited)**

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and fees (net of discounts)	\$ 1,241	\$ 1,359	\$ 1,239	\$ 1,170	\$ 1,177	\$ 1,541	\$ 1,349	\$ 1,133	\$ 898	\$ 1,133
Governmental grants and contracts										
Federal grants and contracts	418	373	118	110	383	138	100	111	1,161	1,226
State grants and contracts	219	230	203	208	516	78	94	86	56	52
Local grants and contracts	1,458	1,328	1,211	1,143	1,169	911	917	-	-	-
Nongovernmental grants and contracts	-	-	-	-	-	-	-	-	-	-
Auxiliary enterprises	501	462	446	757	775	929	880	941	855	604
Other operating revenues	39	168	171	292	91	81	77	68	220	216
Total operating revenues	3,876	3,920	3,388	3,680	4,111	3,678	3,417	2,339	3,190	3,231
State appropriations	3,007	2,980	2,813	2,972	3,094	3,133	2,693	2,712	2,652	2,653
Ad valorem taxes	463	432	431	411	442	409	425	352	342	343
Federal revenue, nonoperating	2,258	2,417	2,508	2,957	3,363	2,586	1,484	1,192	-	-
Gifts	131	75	308	207	210	474	281	210	244	482
Investment income	209	75	83	169	96	124	256	206	222	164
Gain on disposal of assets	4	-	-	-	-	-	-	-	-	-
Other nonoperating revenues	3	7	70	14	7	7	-	4	2	-
Total nonoperating revenues	6,075	5,986	6,213	6,730	7,212	6,733	5,139	4,676	3,462	3,642
<b>TOTAL REVENUES</b>	<b>\$ 9,951</b>	<b>\$ 9,906</b>	<b>\$ 9,601</b>	<b>\$ 10,410</b>	<b>\$ 11,323</b>	<b>\$ 10,411</b>	<b>\$ 8,556</b>	<b>\$ 7,015</b>	<b>\$ 6,652</b>	<b>\$ 6,873</b>

For the Year Ended August 31,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and fees (net of discounts)	12.47%	13.72%	12.90%	11.24%	10.40%	14.80%	15.77%	16.15%	13.50%	16.48%
Governmental grants and contracts										
Federal grants and contracts	4.20%	3.77%	1.23%	1.06%	3.38%	1.33%	1.17%	1.58%	17.45%	17.84%
State grants and contracts	2.20%	2.32%	2.11%	2.00%	4.56%	0.75%	1.10%	1.23%	0.84%	0.76%
Local grants and contracts	14.65%	13.41%	12.61%	10.98%	10.32%	8.75%	10.72%	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%	0.00%
Auxiliary enterprises	5.03%	4.66%	4.65%	7.27%	6.85%	8.92%	10.29%	13.41%	12.85%	8.79%
Other operating revenues	0.39%	1.69%	1.79%	2.80%	0.80%	0.78%	0.90%	0.97%	3.31%	3.14%
Total operating revenues	38.94%	39.57%	35.29%	35.35%	36.31%	35.33%	39.95%	33.34%	47.95%	47.01%
State appropriations	30.23%	30.08%	29.30%	28.55%	27.33%	30.09%	31.47%	38.66%	39.86%	38.60%
Ad valorem taxes	4.65%	4.36%	4.49%	3.95%	3.90%	3.93%	4.97%	5.02%	5.14%	4.99%
Federal revenue, nonoperating	22.69%	24.40%	26.12%	28.41%	29.70%	24.84%	17.34%	16.99%	0.00%	0.00%
Gifts	1.32%	0.76%	3.21%	1.99%	1.85%	4.55%	3.28%	2.99%	3.67%	7.01%
Investment income	2.10%	0.76%	0.86%	1.62%	0.85%	1.19%	2.99%	2.94%	3.35%	2.39%
Gain on disposal of assets	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other nonoperating revenues	0.03%	0.07%	0.73%	0.13%	0.06%	0.07%	0.00%	0.06%	0.03%	0.00%
Total nonoperating revenues	61.06%	60.43%	64.71%	64.65%	63.69%	64.67%	60.05%	66.66%	52.05%	52.99%
<b>TOTAL REVENUES</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Clarendon College**  
**Statistical Supplement 3**  
**Program Expenses by Function**  
**Fiscal Years 2006 to 2015**  
(unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	\$ 3,580	\$ 3,173	\$ 3,135	\$ 3,053	\$ 3,051	\$ 2,977	\$ 2,317	\$ 2,280	\$ 2,272	\$ 2,136
Public service	-	-	-	-	-	-	-	-	-	1
Academic support	281	480	523	444	518	529	505	432	389	333
Student services	723	682	591	499	507	465	489	392	381	386
Institutional support	1,630	1,575	1,376	1,140	1,155	1,082	1,072	952	954	848
Operation and maintenance of plant	961	1,055	965	970	999	972	1,012	1,147	803	1,071
Scholarships and fellowships	623	743	835	832	1,142	872	-	-	-	-
Auxiliary enterprises	1,187	1,148	1,118	1,567	1,201	1,415	1,378	1,127	1,002	1,015
Depreciation	939	909	875	850	720	587	529	506	485	457
Total operating expenses	9,924	9,765	9,418	9,355	9,293	8,899	7,302	6,836	6,286	6,247
Interest on capital related debt	228	241	252	277	287	300	124	132	129	116
Other nonoperating expense	-	-	6	3	33	-	8	8	41	-
Total nonoperating expenses	228	241	258	280	320	300	132	140	170	116
Prior period adjustment	-	-	188	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 10,152</b>	<b>\$ 10,006</b>	<b>\$ 9,864</b>	<b>\$ 9,635</b>	<b>\$ 9,613</b>	<b>\$ 9,199</b>	<b>\$ 7,434</b>	<b>\$ 6,976</b>	<b>\$ 6,456</b>	<b>\$ 6,363</b>

For the Year Ended August 31,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	35.26%	31.71%	31.79%	31.69%	31.74%	32.36%	31.17%	32.68%	35.19%	33.57%
Public service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
Academic support	2.77%	4.80%	5.30%	4.61%	5.39%	5.76%	6.79%	6.19%	6.03%	5.23%
Student services	7.12%	6.82%	5.99%	5.18%	5.28%	5.05%	6.58%	5.62%	5.90%	6.07%
Institutional support	16.06%	15.74%	13.95%	11.83%	12.01%	11.76%	14.42%	13.65%	14.78%	13.33%
Operation and maintenance of plant	9.47%	10.54%	9.78%	10.07%	10.39%	10.57%	13.61%	16.44%	12.44%	16.83%
Scholarships and fellowships	6.14%	7.43%	8.47%	8.64%	11.88%	9.48%	0.00%	0.00%	0.00%	0.00%
Auxiliary enterprises	11.68%	11.47%	11.33%	16.26%	12.49%	15.38%	18.53%	16.16%	15.52%	15.95%
Depreciation	9.25%	9.08%	8.87%	8.82%	7.49%	6.38%	7.12%	7.25%	7.51%	7.18%
Total operating expenses	97.75%	97.59%	95.48%	97.10%	96.67%	96.74%	98.22%	97.99%	97.37%	98.18%
Interest on capital related debt	2.25%	2.41%	2.55%	2.87%	2.99%	3.26%	1.67%	1.89%	2.00%	1.82%
Other nonoperating expense	0.00%	0.00%	0.06%	0.03%	0.34%	0.00%	0.11%	0.12%	0.63%	0.00%
Total nonoperating expenses	2.25%	2.41%	2.61%	2.90%	3.33%	3.26%	1.78%	2.01%	2.63%	1.82%
Prior period adjustment	-	-	1.91%	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



**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
<b>Resident Fees per Semester Credit Hour (SCH)</b>													
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
2015	\$ 24	14 - 23	\$ 47	\$ 47	\$ 30	\$ -	\$ -	\$ -	\$ 1,380	\$ 1,212	\$ 1,498	10.99%	9.50%
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%
<b>Nonresident Fees per Semester Credit Hour (SCH)</b>													
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
2015	\$ 24	23	\$ 78	\$ 78	\$ 30	\$ -	\$ -	\$ -	\$ 1,860	\$ 1,860	\$ -	6.90%	6.90%
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%

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)
2014-15	\$ 230,471,018	\$ 18,410,562	\$ 212,060,456	92.01%	\$ 0.22082	\$ -	\$ 0.22082
2013-14	198,205,860	831,557	197,374,303	99.58%	0.22273	-	0.22273
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

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
2014-15	\$ 2,485,092	930	2,672	390,496	258,336	648,832	3.83
2013-14	2,485,093	867	2,866	409,648	252,864	662,512	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

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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
BNSF Railway Company	Railroad	\$ 23,353,420	\$ 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	15,570,270	17,038,770	-	-	-	-	-	-	-	-
Southwestern Electric Power Co	Utility	7,220,230	8,146,480	7,342,214	7,588,370	4,639,390	4,926,830	4,352,630	-	-	-
Nustar Logistics LP	Utility	2,708,890	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	3,377,720	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	2,423,553	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	1,712,362	1,654,980	1,683,245	-	-	-	-	-	-	-
Ritchie Birkbeck GC Trust	Ranch	1,619,479	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	1,455,726	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	921,340	1,355,860	1,307,190	-	1,674,180	-	-	1,291,760	1,391,660	-
Crofoot Cattle Co	Cattle/Feedlot	1,234,302	1,232,438	-	539,558	-	-	-	-	-	1,085,526
Crop Production Services	Ag Sales	1,261,061	1,114,114	-	-	-	-	-	-	-	-
Greenbelt Electric Co-Op Inc.	Utility	1,195,900	1,034,630	-	-	919,810	913,910	-	-	-	-
Level 3 Communications LLC	Utility	1,057,700	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	1,044,216	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	826,297	838,527	-	-	-	-	-	-	-	-
Roach, TL	Ranch	-	815,014	-	909,666	898,626	960,098	976,474	-	-	-
Lowes Pay-n-Save Inc	Grocer	787,700	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	876,667	-	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		\$ 68,646,833	\$ 72,256,758	\$ 49,070,800	\$ 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		\$ 212,060,456	\$ 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

**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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
BNSF Railway Company	Railroad	11.01%	11.88%	11.82%	11.52%	10.15%	8.49%	8.15%	8.21%	7.58%	6.80%
Texas Express Pipeline	Utility	7.34%	8.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwestern Electric Power Co	Utility	3.40%	4.13%	3.71%	4.05%	2.47%	2.61%	2.43%	0.00%	0.00%	0.00%
Nustar Logistics LP	Utility	1.28%	1.41%	1.42%	0.00%	1.67%	1.53%	1.67%	1.63%	1.52%	0.00%
Clarendon Hotel Corporation	Hotel	1.59%	1.20%	1.08%	0.00%	0.65%	0.61%	0.72%	1.31%	1.32%	1.35%
Cattlemens Feedlot LTD	Cattle/Feedlot	1.14%	1.11%	1.35%	1.49%	1.39%	1.43%	1.50%	1.63%	0.00%	0.00%
J Lee Milligan Inc	Construction	0.00%	0.89%	0.72%	0.00%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%
KLM Griffin Ranch LP	Ranch	0.81%	0.84%	0.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ritchie Birkbeck GC Trust	Ranch	0.76%	0.80%	0.80%	0.90%	0.90%	0.97%	1.02%	1.07%	1.08%	1.09%
McLean Feed Yard LTD	Cattle/Feedlot	0.69%	0.70%	0.69%	0.00%	0.78%	0.81%	0.95%	1.03%	1.18%	1.19%
Sunoco Pipeline LP	Utility	0.43%	0.69%	0.66%	0.00%	0.89%	0.00%	0.00%	0.76%	0.83%	0.00%
Crofoot Cattle Co	Cattle/Feedlot	0.58%	0.62%	0.00%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%
Crop Production Services	Ag Sales	0.59%	0.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Greenbelt Electric Co-Op Inc.	Utility	0.56%	0.52%	0.00%	0.00%	0.49%	0.48%	0.00%	0.00%	0.00%	0.00%
Level 3 Communications LLC	Utility	0.50%	0.52%	0.55%	0.00%	0.50%	0.49%	0.59%	0.68%	0.84%	0.68%
Jjob. LTD	Ranch	0.49%	0.51%	0.51%	0.56%	0.56%	0.59%	0.61%	0.64%	0.00%	0.00%
Salt Fork Family Ranch	Ranch	0.39%	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Roach, TL	Ranch	0.00%	0.41%	0.00%	0.49%	0.48%	0.51%	0.55%	0.00%	0.00%	0.00%
Lowes Pay-n-Save Inc	Grocer	0.37%	0.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Schaefer, Curtis	Farm	0.00%	0.38%	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%	0.00%	0.94%	0.91%	0.65%	0.68%	0.72%	0.00%	0.72%
Oneok Westex Transmission	Utility	0.00%	0.00%	0.00%	0.00%	0.86%	0.65%	0.73%	0.00%	0.00%	0.65%
Rio Bravo Cattle Feeders	Cattle/Feedlot	0.41%	0.00%	0.62%	0.00%	0.73%	0.90%	0.62%	0.00%	0.00%	0.00%
Valor Telecommunications of TX, LP	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.78%	0.96%	0.95%	1.07%
Automotive Properties LP	Car Dealer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	0.00%	0.00%	0.00%
AEP West Texas Utilities	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	1.71%	1.43%	1.63%	1.63%	1.63%
Crow Hollow LLC	Cattle/Feedlot	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.81%	1.82%
Valero Logistise OP LP	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%
Bitter Creek LP	Ranch	0.00%	0.00%	0.00%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fletcher, Gary	Ranch	0.00%	0.00%	0.00%	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Young, Betty Family LTD	Ranch	0.00%	0.00%	0.00%	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Obrien John Jay	Ranch	0.00%	0.00%	0.00%	0.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
High Card Ranch LLC	Ranch	0.00%	0.00%	0.00%	0.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Royal Oil & Gas Corp	Ranch	0.00%	0.00%	0.00%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ritchie Birkbest Testamentary	Ranch	0.00%	0.00%	0.00%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Martinez Ranch LTD	Ranch	0.00%	0.00%	0.00%	0.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wild Card Ranch LLC	Ranch	0.00%	0.00%	0.00%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Obrien, John Jay ET AL	Ranch	0.00%	0.00%	0.00%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TR Land & Cattle Co.	Ranch	0.00%	0.00%	0.00%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		32.34%	36.61%	24.78%	20.24%	23.98%	21.23%	21.70%	20.35%	18.54%	17.66%

Source: Donley County Appraisal District

**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
2015	\$ 468,234	\$ (486)	\$ 467,748	\$ 449,393	96.1%	\$ -	\$ 11,727	\$ 461,120	98.58%
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	-	413,712	397,642	96.1%	-	14,278	396,479	95.83%
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%

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.

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Bonded Debt</b>										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Debt</b>										
Revenue bonds	\$ 1,205,000	\$ 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
Notes	-	-	-	-	-	-	330,597	385,093	460,834	29,159
Capital lease obligations	3,270,000	3,606,111	3,854,444	3,740,000	3,885,000	4,025,000	-	-	-	-
Total outstanding debt	\$ 4,475,000	\$ 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
<b>General Bonded Debt Ratios</b>										
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%
<b>Total Outstanding Debt Ratios</b>										
Per capita	*	*	\$ 1,516	\$ 1,487	\$ 1,549	\$ 1,593	\$ 598	\$ 614	\$ 655	\$ 594
Per FTSE	4,811	5,716	6,082	5,596	5,331	6,087	2,055	2,949	2,728	2,197
As a percentage of Taxable Assessed Value	2.09%	2.51%	2.70%	2.86%	3.00%	3.10%	1.29%	1.46%	1.57%	1.39%

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 2015 and 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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Taxable assessed value	\$ 212,060,456	\$ 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
<b>General obligation bonds:</b>										
Statutory tax levy limit for debt service	\$ 1,060,302	\$ 986,872	\$ 990,487	\$ 937,657	\$ 938,885	\$ 944,388	\$ 895,054	\$ 846,544	\$ 840,803	\$ 828,427
Less: funds restricted for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Total net general obligation debt	1,060,302	986,872	990,487	937,657	938,885	944,388	895,054	846,544	840,803	828,427
Current year debt service requirements	-	-	-	-	-	-	-	-	-	-
<b>Excess of statutory limit for debt service over current requirements</b>	<b>\$ 1,060,302</b>	<b>\$ 986,872</b>	<b>\$ 990,487</b>	<b>\$ 937,657</b>	<b>\$ 938,885</b>	<b>\$ 944,388</b>	<b>\$ 895,054</b>	<b>\$ 846,544</b>	<b>\$ 840,803</b>	<b>\$ 828,427</b>
<b>Net current requirements as a % of statutory limit</b>	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	
2015	\$ 330,665	\$ 224,280	\$ 133,688	\$ 688,633	\$ 145,000	\$ 63,450	\$ 208,450	3.30
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

**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
2014	3,543	*	*	4.9%
2013	3,522	153,399	43,555	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%

Source: \* U.S. Bureau of Economic Analysis - Not available for 2014.

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)

<b>Employer</b>	<b>Current Fiscal Year</b>	
	<b>Number of Employees</b>	<b>***Percentage of Total Employment***</b>
Clarendon Consolidated ISD	60-139	6.12%
Clarendon College	50-99	4.58%
Community Care Center	50-99	3.49%
Cattlemen's Feedlot	20-49	2.12%
Clarendon Outpost Company	20-49	1.62%
Hedley ISD	20-49	1.62%
Lowes	20-49	1.62%
Sonic Drive In	20-49	1.62%
Best Western - Red River Inn	10-19	0.89%
Clarendon City	10-19	0.68%
Clarendon Country Club	10-19	0.68%
Clarendon Family Medical Center	10-19	0.68%
Dollar General	10-19	0.68%
Donley County Hospital District	10-19	0.68%
Donley County Sherriff	10-19	0.68%
Donley County State Bank	10-19	0.68%
Great Western Dining	10-19	0.68%
Greenbelt Municipal & Ind	10-19	0.68%
Herring Bank	10-19	0.68%
Pizza Hut	10-19	0.68%
Texas Dept of Transportation	10-19	0.68%
Wallace Monument Co	10-19	0.68%
Total	400-848	32.52%
Total Workforce	1,625	

**Source:** The Texas Workforce Commission

\*\*\* 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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Faculty</b>										
Full-Time	38	34	35	35	37	33	31	32	31	30
Part-Time	40	41	43	41	52	46	48	41	47	34
<b>Total</b>	<b>78</b>	<b>75</b>	<b>78</b>	<b>76</b>	<b>89</b>	<b>79</b>	<b>79</b>	<b>73</b>	<b>78</b>	<b>64</b>
<b>Percent</b>										
Full-Time	48.7%	45.3%	44.9%	46.1%	41.6%	41.8%	39.2%	43.8%	39.7%	46.9%
Part-Time	51.3%	54.7%	55.1%	53.9%	58.4%	58.2%	60.8%	56.2%	60.3%	53.1%
<b>Staff and Administrators</b>										
Full-Time	35	39	42	43	47	46	43	36	37	34
Part-Time	4	4	3	4	2	3	7	7	3	4
<b>Total</b>	<b>39</b>	<b>43</b>	<b>45</b>	<b>47</b>	<b>49</b>	<b>49</b>	<b>50</b>	<b>43</b>	<b>40</b>	<b>38</b>
<b>Percent</b>										
Full-Time	89.7%	90.7%	93.3%	91.5%	95.9%	93.9%	86.0%	83.7%	92.5%	89.5%
Part-Time	10.3%	9.3%	6.7%	8.5%	4.1%	6.1%	14.0%	16.3%	7.5%	10.5%
FTSE per Full-Time Faculty	24.47	25.50	25.09	27.34	28.51	29.15	36.19	26.13	31.23	35.03
FTSE per Full-Time Staff Member	26.57	22.23	20.90	22.26	22.45	20.91	26.09	23.22	26.16	30.91
Average Annual Faculty Salary	\$ 37,522	\$ 40,709	\$ 39,757	\$ 38,757	\$ 41,537	\$ 39,337	\$ 40,828	\$ 40,619	\$ 38,669	\$ 35,361

Source: IPEDS Human Resources

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

<b>Student Classification</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
00-30 Hours	956	79.73%	978	80.63%	969	77.83%	1,045	77.93%	1,140	72.02%
31-60 Hours	180	15.01%	149	12.28%	209	16.79%	250	18.64%	394	24.89%
>60 Hours	58	4.84%	76	6.27%	59	4.74%	4	0.30%	8	0.51%
Unclassified	5	0.42%	10	0.82%	8	0.64%	42	3.13%	41	2.58%
<b>Total</b>	<b>1,199</b>	<b>100.00%</b>	<b>1,213</b>	<b>100.00%</b>	<b>1,245</b>	<b>100.00%</b>	<b>1,341</b>	<b>100.00%</b>	<b>1,583</b>	<b>100.00%</b>

<b>Semester Hour Load</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 3	1	0.08%	2	0.16%	12	0.96%	10	0.75%	23	1.45%
3-5 semester hours	220	18.36%	234	19.30%	240	19.29%	246	18.35%	364	22.99%
6-8 Semester hours	260	21.68%	237	19.54%	270	21.69%	287	21.40%	316	19.96%
9-11 semester hours	143	11.93%	182	15.00%	222	17.83%	189	14.09%	189	11.94%
12-14 semester hours	309	25.77%	289	23.83%	275	22.09%	324	24.16%	379	23.94%
15-17 semester hours	213	17.76%	221	18.22%	166	13.33%	223	16.63%	246	15.54%
18 & over	53	4.42%	48	3.95%	60	4.81%	62	4.62%	66	4.18%
<b>Total</b>	<b>1,199</b>	<b>100.00%</b>	<b>1,213</b>	<b>100.00%</b>	<b>1,245</b>	<b>100.00%</b>	<b>1,341</b>	<b>100.00%</b>	<b>1,583</b>	<b>100.00%</b>

Average course load	10.4	10.4	10.0	10.3	9.9
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<b>Tuition Status</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Texas Resident (in-District)	129	10.76%	91	7.50%	93	7.47%	172	12.83%	305	19.27%
Texas Resident (out-of-District)	986	82.23%	1,053	86.81%	1,112	89.32%	1,128	84.12%	1,221	77.13%
Non-Resident Tuition	84	7.01%	69	5.69%	40	3.21%	41	3.05%	57	3.60%
<b>Total</b>	<b>1,199</b>	<b>100.00%</b>	<b>1,213</b>	<b>100.00%</b>	<b>1,245</b>	<b>100.00%</b>	<b>1,341</b>	<b>100.00%</b>	<b>1,583</b>	<b>100.00%</b>

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

<b>Gender</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Female	719	59.97%	716	59.03%	740	59.44%	533	39.75%	786	49.65%
Male	480	40.03%	497	40.97%	505	40.56%	808	60.25%	797	50.35%
<b>Total</b>	<b>1,199</b>	<b>100.00%</b>	<b>1,213</b>	<b>100.00%</b>	<b>1,245</b>	<b>100.00%</b>	<b>1,341</b>	<b>100.00%</b>	<b>1,583</b>	<b>100.00%</b>

<b>Ethnic Origin</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
White	772	64.39%	789	65.05%	798	64.10%	867	64.65%	959	60.58%
Hispanic	153	12.76%	237	19.54%	83	6.67%	252	18.79%	302	19.08%
African American	72	6.01%	52	4.29%	69	5.54%	63	4.70%	97	6.13%
Asian	3	0.25%	4	0.33%	4	0.32%	8	0.60%	16	1.01%
Foreign	8	0.67%	14	1.15%	16	1.29%	11	0.82%	7	0.44%
Native American	17	1.42%	18	1.49%	20	1.61%	21	1.57%	10	0.63%
Other	174	14.50%	99	8.15%	255	20.47%	119	8.87%	192	12.13%
<b>Total</b>	<b>1,199</b>	<b>100.00%</b>	<b>1,213</b>	<b>100.00%</b>	<b>1,245</b>	<b>100.00%</b>	<b>1,341</b>	<b>100.00%</b>	<b>1,583</b>	<b>100.00%</b>

<b>Age</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 18	334	27.86%	361	29.76%	387	31.08%	409	30.50%	451	28.49%
18 -21	514	42.87%	549	45.26%	548	44.02%	549	40.94%	552	34.87%
22 - 24	73	6.09%	78	6.43%	73	5.86%	94	7.01%	117	7.39%
25 - 35	165	13.76%	140	11.54%	150	12.05%	175	13.05%	300	18.95%
36 - 50	103	8.59%	72	5.94%	70	5.62%	96	7.16%	126	7.96%
51 & over	10	0.83%	13	1.07%	17	1.37%	18	1.34%	37	2.34%
<b>Total</b>	<b>1,199</b>	<b>100.00%</b>	<b>1,213</b>	<b>100.00%</b>	<b>1,245</b>	<b>100.00%</b>	<b>1,341</b>	<b>100.00%</b>	<b>1,583</b>	<b>100.00%</b>

Average Age	23	22	22	23	24
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**Clarendon College**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**2014-15 Graduates, Completers, and Non-Returners as of Fall 2015**  
**(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	95	-	-	95	50.00%
2 Texas Tech University	39	-	-	39	20.52%
3 Tarleton State University	11	-	-	11	5.79%
4 Angelo State University	10	-	-	10	5.26%
5 University of North Texas	9	-	-	9	4.74%
6 Midwestern State University	7	-	-	7	3.68%
7 Texas A&M University - College Station	4	-	-	4	2.10%
8 University of Texas - Permian Basin	3	-	-	3	1.58%
9 Stephen F. Austin State University	2	-	-	2	1.05%
10 Texas State University - San Marcos	2	-	-	2	1.05%
11 University of Texas - El Paso	2	-	-	2	1.05%
12 Texas A&M University - Commerce	1	-	-	1	0.53%
13 Texas A&M University - Corpus Christi	1	-	-	1	0.53%
14 University of Texas - Arlington	1	-	-	1	0.53%
15 University of Texas - Austin	1	-	-	1	0.53%
16 University of Texas - Pan American	1	-	-	1	0.53%
17 University of Texas - Tyler	1	-	-	1	0.53%
<b>Totals</b>	<b>190</b>	<b>-</b>	<b>-</b>	<b>190</b>	<b>100.00%</b>

**Clarendon College**  
**Statistical Supplement 18**  
**Capital Asset Information**  
**Fiscal Years 2011 to 2015**  
(unaudited)

	Fiscal Year				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Academic buildings	10	10	9	9	9
Square footage (in thousands)	120,426	120,426	115,210	115,210	115,210
Libraries*	1	1	1	1	1
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	60,489
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	93,671
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	8	7	7	7	7
Light Trucks/Vans (includes Instructional)	8	8	8	8	8
Buses (Instructional)	8	8	8	8	8