

CISCO COLLEGE DISTRICT
CISCO, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED
AUGUST 31, 2015 AND 2014

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CISCO COLLEGE DISTRICT
 ANNUAL FINANCIAL REPORT
 FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014
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CISCO COLLEGE DISTRICT
ORGANIZATIONAL DATA
FOR THE FISCAL YEAR 2014-15

Board of Regents

Officers

Brad Kimbrough	President
Ronnie Ledbetter	Vice-President
Martha Davis	Secretary

Members

		Term Expires <u>May 31,</u>
Sarah Adams	Cisco, Texas	2018
Martha Davis	Cisco, Texas	2016
Jerry Conring	Cisco, Texas	2020
Charles Humphries	Cisco, Texas	2020
Joe Jarvis	Cisco, Texas	2018
Brad Kimbrough	Cisco, Texas	2016
Ronnie Ledbetter	Cisco, Texas	2018
Allen Masters	Cisco, Texas	2016
Ricky Whatley	Cisco, Texas	2020

Key Officers

Mr. Bobby Smith, President
Randal (Randy) Golson, Vice President of Instruction
Dr. Jerry Dodson - Vice President for Student Services
Dr. Carol Dupree - Provost, Abilene Educational Center
Audra Taylor, Dean of Business Services and Chief Financial Officer
Heather Hicks, SACS Liaison

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FINANCIAL SECTION

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Independent Auditor's Report

UNMODIFIED OPINION ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER INFORMATION

Board of Regents
Cisco College District
101 College Heights
Cisco, Texas 76437

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Cisco College District (the "District") as of and for the years ended August 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District'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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cisco College District as of August 31, 2015 and 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with account principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 20 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 68, Accounting and Reporting for Pensions. My opinion is not modified with respect to this matter

Other Matters

Required Supplementary Information

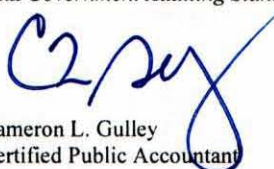
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of District's Proportionate Share of the Net Pension Liability (TRS) and Schedule of District Contributions to TRS as listed in the table of contents be presented to 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. I have applied certain limited procedure 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplemental schedules, the Texas Higher Education Coordinating Board's (the "THECB") required statistical schedules and the schedule of expenditures of federal awards, as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedules, the THECB required statistical schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental schedules, the THECB required statistical schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The supplemental schedules, the THECB required statistical schedules and the schedule of expenditures of federal awards have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 8, 2015, on my consideration of the District's internal control over financial reporting and on my 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 my 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 District's internal control over financial reporting and compliance.


Cameron L. Gulley
Certified Public Accountant

November 8, 2015

CISCO COLLEGE
101 COLLEGE HEIGHTS
CISCO, TEXAS 76437
TELEPHONE: (254) 442-5000
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MANAGEMENT’S DISCUSSION AND ANALYSIS (M,D&A)

The following discussion of Cisco College’s financial report presents our analysis and insight to the College’s financial performance for the fiscal year ended August 31, 2015 including some comparative information with the fiscal years ended August 31, 2014 and 2013. Please read it in conjunction with the transmittal letter preceding this report and the College’s financial statements, which follow this report.

The Basic Financial Statements

The annual financial report consists of a set of financial statements and reports as required by Government Accounting Standards Board (GASB) Statement No. 34 for a government engaged in Business Type Activities. These basic financial statements appear in Exhibits 1-3 and in the notes to the financial statements. The basic financial statements consist of the following four elements: a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; a Statement of Cash Flows; and the Notes to the Financial Statements. These statements are presented in a government-wide format, which means all of the funds of the College are combined into a single report. A brief explanation of the purpose of each of the components of the basic financial statements is set out below.

The Statement of Net Position shows the combined assets of the College, as well as the combined liabilities. The difference in the total assets and the total liabilities is the net position, which are broken out in its various components. The information shown in this statement is a snapshot of the College’s accounts on August 31 of the year indicated. This is important data in determining the viability of the school and in determining the College’s overall financial strength.

The Statement of Revenues, Expenses, and Changes in Net Position shows the results of the fiscal year’s operations. Revenues and expenses are arranged by their functional classifications so that a year-to-year comparison will show relevant trends. The information in this statement will assist in evaluating the College’s performance for the year concluded.

The Statement of Cash Flows shows the sources and uses of cash for the fiscal year. It is divided into several categories: operating activities, non-capital financing activities, capital financing activities, and investing activities. Upon review of the Cash Flow Statement, a person knowledgeable in using this statement can determine an institution’s ability to generate future cash flows, and its ability to meet financial obligations.

The Notes to the Financial Statements provide the required disclosures to comply with GASB pronouncements and other relevant information that a user might find helpful in understanding the College’s financial statements as a whole.

Condensed Comparative Financial Information

Table 1 - Net Position			
	Year Ended August 31, 2015	Year Ended August 31, 2014	Year Ended August 31, 2013
Current and Other Assets	\$ 8,370,591	\$ 8,363,420	\$ 9,145,257
Capital Assets	16,478,165	16,804,511	16,707,604
Deferred Resource Outflows	418,033	0	0
Total Assets and Deferred Resource Outflows	25,266,789	25,167,931	25,852,861
Current Liabilities	5,374,690	5,139,383	5,026,458
Long-term Liabilities	10,004,086	8,220,156	8,920,346
Deferred Resource Inflows	718,819	0	0
Total Liabilities and Deferred Resource Inflows	16,097,595	13,359,539	13,946,804
Net Position:			
Net Investment in Capital Assets	8,378,232	8,158,737	7,338,009
Restricted	761,370	804,392	844,018
Unrestricted and Expendable	29,592	2,845,263	3,724,030
Total Net Position	\$ 9,169,194	\$ 11,808,392	\$ 11,906,057

Table 2 - Changes in Net Position			
	Year Ended August 31, 2015	Year Ended August 31, 2014	Year Ended August 31, 2013
Operating Revenue:			
Tuition and Fees, Net of Discounts	\$ 1,957,737	\$ 1,797,793	\$ 1,674,009
Federal Grants and Contracts	226,997	267,794	420,223
Auxiliary Enterprises, Net of Discounts	2,564,236	2,621,734	1,989,529
Other Operating Revenues	1,296,766	1,164,163	785,453
Total Operating Revenues	6,045,736	5,851,484	4,869,214
Operating Expenses:			
Instruction	7,277,204	7,293,257	7,195,201
Public Service	350	500	3,236
Academic Support	982,757	979,820	897,847
Student Services	1,551,511	1,545,944	1,629,072
Institutional Support	3,569,284	3,691,182	3,714,748
Operating and Maintenance of Plant	1,832,391	1,702,247	1,824,988
Scholarships and fellowships	756,376	751,772	
Auxiliary Enterprises	3,070,850	3,152,373	3,301,628
Depreciation	786,508	768,460	744,622
Total Operating Expenses	19,827,231	19,885,555	19,311,342
Operating Income (Loss)	(13,781,495)	(14,034,071)	(14,442,128)

Table 2 - Changes in Net Position (continued)			
	Year Ended August 31, 2015	Year Ended August 31, 2014	Year Ended August 31, 2013
Non-operating Revenues (Expenses):			
State Appropriations	6,960,206	6,831,925	6,719,645
Maintenance Ad Valorem Taxes	710,957	661,898	597,963
Federal Revenue	6,259,386	6,421,048	6,859,307
Interest on Capital Related Debt	(262,077)	(274,567)	(365,158)
Other Non-operating Revenue (Expense)	136,189	296,102	213,407
Net Non-operating Revenues (Expenses)	13,804,661	13,936,406	14,025,164
Increase (Decrease) in Net Position	23,166	(97,665)	(416,964)
Net Position - Beginning of Year	11,808,392	11,906,057	12,711,854
Adjustments	(2,662,364)	0	(388,833)
Net Position - End of Year	\$ 9,169,194	\$ 11,808,392	\$ 11,906,057

Analysis of the College's Overall Financial Position and Results of Operations

Table 1 provides a summarization of significant financial data from the Statement of Net Position. Cisco College implemented GASB Statement No. 68 which has affected many items in this table. Total Deferred Resource Outflows and Total Deferred Resource Inflows have been added to this table and Total Liabilities have increased over \$2 million as a result of accruals relative to long-term pension benefit liabilities for the College's participation in the Teacher Retirement System of Texas (the "TRS").

Table 2 provides information concerning the College's results of operations for the past three years. Total Operating Revenues have increased almost \$190,000 compared to last year and Total Operating Expenses have decreased over \$62,000. State Appropriations also increased \$130,000; therefore, Cisco College had an Increase in Net Position of \$23,166. However, due to adjustments made by GASB Statement No. 68, the End of Year Net Position decreased over \$2.6 million.

Significant Capital Asset and Long-Term Debt Activity

Note 3 to the financial statements is a summary of the current fiscal year's capital asset activity. A review of this data shows additions to capital assets of over \$200,000. These were offset by depreciation expense of \$530,000. Changes to capital assets during the year include land improvements at the Rodeo Arena of \$193,000; buildings of \$86,000; library books of \$5,000; and sale of vehicles and other equipment of over \$300,000.

Note 4 to the financial statements is a composite of the College's long-term liabilities for the current and previous fiscal years. During the current year, there were increases and decreases which resulted in a total increase of \$57,000 for capital leases. The College currently has four lease agreements for computers and related equipment which run for a period of 48 months each. It is the College's plan to continue this rolling lease agreement process in order to achieve a high level of technology for our students and employees. This long-term lease commitment is another step in the College's plan to maintain information technology equipment at the highest level possible while remaining fiscally sound.

Discussion of Other Facts, Decisions, and Conditions

During the 2014-15 year, Cisco College implemented GASB Statement No. 68 which decreased the Net Position for the End of Year by over \$2.5 million.

Although Cisco College continues to see declines in enrollment, the College had a surplus of \$23,166 for FY 2015. The College continues to find ways to increase enrollment by adding new programs. Cisco College renovated the Rodeo Arena in order to add a men's and women's Rodeo program in the Fall of 2015. Cisco College continues to expense over \$1,000,000 in health insurance and over \$250,000 for retirement as the state continues the reductions paid on behalf of the College towards health and retirement benefits. Cisco College will continue to maintain a tight budget while continuing quality instruction at an affordable price.

CISCO COLLEGE DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2015 AND AUGUST 31, 2014
EXHIBIT 1

	Fiscal Year 2015	Fiscal Year 2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,389,747	\$ 3,242,756
Accounts receivable (net)	744,420	737,880
Deferred charges	1,340,794	1,641,382
Inventories	1,033,448	762,584
Prepaid expenses	31,560	154,603
Total Current Assets	<u>6,539,969</u>	<u>6,539,205</u>
Noncurrent Assets		
Restricted cash and cash equivalents	592,965	589,376
Endowment investments	854,804	854,201
Other long-term investments	198,000	198,000
Deferred charges	84,427	82,212
Investments in real estate	100,426	100,426
Capital assets (net)	16,478,165	16,804,511
Total Noncurrent Assets	<u>18,308,787</u>	<u>18,628,726</u>
TOTAL ASSETS	<u>24,848,756</u>	<u>25,167,931</u>
DEFERRED RESOURCE OUTFLOWS		
Deferred resource outflows related to Teacher Retirement System	418,033	-
TOTAL DEFERRED RESOURCE OUTFLOWS	<u>418,033</u>	<u>-</u>
LIABILITIES		
Current Liabilities		
Accounts payable	471,376	255,523
Accrued liabilities	262,702	272,068
Funds held for others	29,109	29,161
Unearned revenues	3,905,388	3,894,172
Notes and capital leases payable - current portion	91,115	88,459
Bonds payable - current portion	615,000	600,000
Total Current Liabilities	<u>5,374,690</u>	<u>5,139,383</u>
Noncurrent Liabilities		
Accrued compensated absences	275,266	280,471
Deposits	26,450	26,450
Net pension liability related to Teacher Retirement System	2,349,827	-
Notes and capital leases payable	127,543	73,235
Bonds payable	7,225,000	7,840,000
Total Noncurrent Liabilities	<u>10,004,086</u>	<u>8,220,156</u>
TOTAL LIABILITIES	<u>15,378,776</u>	<u>13,359,539</u>
DEFERRED RESOURCE INFLOWS		
Deferred resource inflows related to Teacher Retirement System	718,819	-
TOTAL DEFERRED RESOURCE INFLOWS	<u>718,819</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	8,378,232	8,158,737
Restricted for		
Expendable		
Student aid	211,370	254,392
Debt service	550,000	550,000
Unrestricted	29,592	2,845,263
TOTAL NET POSITION	<u>\$ 9,169,194</u>	<u>\$ 11,808,392</u>

The accompanying notes are an integral part of this statement.

CISCO COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2015 AND AUGUST 31, 2014
EXHIBIT 2

	Fiscal Year 2015	Fiscal Year 2014
OPERATING REVENUES AND EXPENSES		
Operating Revenues		
Tuition and fees (net of discounts of \$6,912,398 and \$6,991,380, respectively)	\$ 1,957,737	\$ 1,797,793
Federal grants and contracts	226,997	267,794
State grants and contracts	458,597	514,382
Nongovernmental grants and contracts	218,026	208,834
Sales and services of educational activities	69,047	80,555
Auxiliary enterprises	2,564,236	2,621,734
General operating revenues (net of discounts of \$0, both years)	551,096	360,392
Total Operating Revenues (Schedule A)	6,045,736	5,851,484
Operating Expenses		
Instruction	7,277,204	7,293,257
Public service	350	500
Academic support	982,757	979,820
Student services	1,551,511	1,545,944
Institutional support	3,569,284	3,691,182
Operation and maintenance of plant	1,832,391	1,702,247
Scholarships and fellowships	756,376	751,772
Auxiliary enterprises	3,070,850	3,152,373
Depreciation	786,508	768,460
Total Operating Expenses (Schedule B)	19,827,231	19,885,555
Operating Income (Loss)	(13,781,495)	(14,034,071)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	6,960,206	6,831,925
Maintenance ad valorem taxes	710,957	661,898
Federal revenue, non-operating	6,259,386	6,421,048
Gifts	106,738	63,262
Investment income	16,297	24,909
Interest on capital related debt	(262,077)	(274,567)
Gain (loss) on disposal of capital assets	13,154	207,931
Net Non-Operating Revenues (Schedule C)	13,804,661	13,936,406
Income Before Extraordinary Items	23,166	(97,665)
EXTRAORDINARY ITEMS:		
Extraordinary items	-	-
Increase (Decrease) in Net Position	23,166	(97,665)
NET POSITION		
Net position - beginning of year	11,808,392	11,906,057
Prior period adjustment	(2,662,364)	-
Net position - end of year	\$ 9,169,194	\$ 11,808,392

The accompanying notes are an integral part of this statement.

CISCO COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
YEARS ENDED AUGUST 31, 2015 AND AUGUST 31, 2014
EXHIBIT 3

	Fiscal Year 2015	Fiscal Year 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 11,496,041	\$ 11,716,915
Receipts of appropriations, grants, and contracts	986,336	952,916
Other receipts	530,841	360,392
Payments to or on behalf of employees	(10,035,993)	(10,252,599)
Payments to suppliers for goods or services	(7,274,733)	(7,298,287)
Payments of scholarships	(6,611,810)	(7,021,634)
Net cash provided (used) by operating activities	(10,909,318)	(11,542,297)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	5,272,509	5,297,476
Ad valorem tax revenues	714,945	664,258
Federal revenue, nonoperating	6,204,990	6,409,881
Gifts and grants (other than capital)	106,738	63,262
Student organization and other agency transactions	(52)	(9,612)
Net cash provided (used) by non-capital financing activities	12,299,130	12,425,265
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest expense paid	(264,882)	(271,028)
Purchases of capital assets	(531,700)	(865,368)
Proceeds from sales of capital assets	84,692	313,740
Proceeds from loans and capital leases	178,296	-
Payments on debt and capital leases	(721,332)	(721,890)
Net cash provided (used) by capital and related financing activities	(1,254,926)	(1,544,546)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	16,297	24,909
Purchases of investments	(603)	(40,532)
Net cash provided (used) by investing activities	15,694	(15,623)
Increase (decrease) in cash and cash equivalents	150,580	(677,201)
Cash and cash equivalents - September 1	3,832,132	4,509,333
Cash and cash equivalents - August 31	\$ 3,982,712	\$ 3,832,132
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (13,781,495)	\$ (14,034,071)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	786,508	768,460
On-behalf employee benefits paid	1,687,697	1,534,449
Changes in assets and liabilities:		
Receivables (net)	43,868	(3,474)
Deferred charges	300,588	(30,254)
Inventories	(270,864)	83,647
Other assets	120,828	(5,504)
Net deferred resource outflows	(11,751)	-
Accounts payable	215,853	67,909
Accrued liabilities	(6,561)	(14,374)
Deferred revenue	11,216	102,646
Compensated absences	(5,205)	(11,731)
Net cash provided (used) by operating activities	\$ (10,909,318)	\$ (11,542,297)

The accompanying notes are an integral part of this statement.

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CISCO COLLEGE DISTRICT
CISCO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

1. Reporting Entity

Cisco College District (the “District”) was established in 1940 in accordance with the laws of the State of Texas to serve the educational needs of Cisco and the surrounding communities. District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While District receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

The Board of Regents (the “Board”), a nine member group, is the level of government which has governance responsibilities over all activities related to the education of students who attend The District. The Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for the fiscal matter concerning the District. The District has two campuses, Cisco and Abilene, which offer a wide variety of general academic and vocational courses in a two year curriculum.

2. Summary of Significant Accounting Policies

Report Guidelines

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

Tuition Discounting

Texas Public Education Grants - Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

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

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

Basis of Accounting

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

Budgetary Data

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

Cash and Cash Equivalents

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

Investments

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

Inventories

Inventories consist of consumable office supplies, physical plant supplies, book store stock, and food service supplies. Inventories are valued at the lower of cost under the “first-in, first-out” method, or market and are charged to expense when consumed.

Capital Assets

Capital assets are stated at cost at the date of acquisition, or fair value at the date of donation. For equipment, the District’s capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention. The following useful lives are:

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

Unearned Revenues

Tuition and fees of \$3,264,715 and \$3,647,917 and federal, state, and local grants of \$640,673 and \$246,255 have been reported as unearned revenues at August 31, 2015 and 2014, respectively.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

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

Characterization of Federal Title IV Grant Revenue

Revenue received for federal Title IV grant programs (i.e. Pell grants) is characterized as non-operating revenue.

3. Capitalized Assets

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

	Balance 9/1/14	Increases	Decreases	Balance 8/31/15
Not Depreciated:				
Land	\$ 474,028	\$	\$	\$ 474,028
Construction in Progress	0			0
Subtotal	474,028			474,028
Other Capital Assets:				
Buildings	19,884,755	86,386		19,971,140
Land Improvements	1,911,229	193,477		2,104,706
Library Books	244,458	5,073		249,531
Furn., Machinery, Vehicles, and Other Equip.	4,009,059	246,764	321,171	3,934,652
Subtotal	26,049,501	531,700	321,171	26,260,030
Accumulated Depreciation:				
Buildings	(6,030,016)	(375,939)		(6,405,955)
Land Improvements	(992,510)	(92,417)		(1,084,927)
Library Books	(74,977)	(11,415)		(86,392)
Furn., Machinery, Vehicles, and Other Equip.	(2,621,515)	(306,737)	(249,633)	(2,678,619)
Subtotal	(9,719,018)	(786,508)	(249,633)	(10,255,893)
Net Other Capital Assets	16,330,483	(254,808)	71,538	16,004,137
Net Capital Assets	\$ 16,804,511	\$ (254,808)	\$ 71,538	\$ 16,478,165

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

	Balance 9/1/13	Increases	Decreases	Balance 8/31/14
Not Depreciated:				
Land	\$ 384,779	\$ 89,249		\$ 474,028
Construction in Progress	0			0
Subtotal	384,779	89,249		474,028
Other Capital Assets:				
Buildings	19,452,366	432,389		19,884,755
Land Improvements	1,911,229			1,911,229
Library Books	228,997	15,461		244,458
Furn., Machinery, Vehicles, and Other Equip.	3,680,791	328,268		4,009,059
Subtotal	25,273,383	776,118		26,049,501
Accumulated Depreciation:				
Buildings	(5,658,300)	(371,716)		(6,030,016)
Land Improvements	(903,194)	(89,316)		(992,510)
Library Books	(63,790)	(11,187)		(74,977)
Furn., Machinery, Vehicles, and Other Equip.	(2,325,274)	(296,241)		(2,621,515)
Subtotal	(8,950,558)	(768,460)		(9,719,018)
Net Other Capital Assets	16,322,825	7,658		16,330,483
Net Capital Assets	\$ 16,707,604	\$ 96,907		\$ 16,804,511

4. Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2015 was as follows:

	Balance 9/1/14	Additions	Reductions	Balance 8/31/15	Current Portion
Leases, Bonds and Notes					
Revenue Bonds and Notes	\$ 8,440,000	\$	\$ 600,000	\$ 7,840,000	\$ 615,000
Capital Leases	161,694	178,295	121,331	218,658	91,115
Total Leases, Bonds and Notes	8,601,694	178,295	721,331	8,058,658	706,115
Other Liabilities					
Compensated Absences	280,471		5,205	275,266	0
Net Pension Liability	0	\$ 2,349,827		2,349,827	0
Other - Deposits	26,450			26,450	0
Total Other Liabilities	306,921	2,349,827	5,205	2,651,543	0
Total Long-Term Liabilities	\$ 8,908,615	\$ 2,528,122	\$ 726,536	\$ 10,710,201	\$ 706,115

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

	Balance 9/1/13	Additions	Reductions	Balance 8/31/14	Current Portion
Leases, Bonds and Notes					
Revenue Bonds and Notes	\$ 9,025,000		\$ 585,000	\$ 8,440,000	\$ 600,000
Capital Leases	298,584		136,890	161,694	88,459
Total Leases, Bonds and Notes	9,323,584		721,890	8,601,694	688,459
Other Liabilities					
Compensated Absences	292,202		11,731	280,471	
Other - Deposits	26,450			26,450	
Total Other Liabilities	318,652		11,731	306,921	0
Total Long-Term Liabilities	\$ 9,642,236		\$ 733,621	\$ 8,908,615	\$ 688,459

On December 6, 2011, the District issued \$8,295,000 in consolidated fund revenue refunding bonds to provide the resources to place in an escrow account for the purpose of generating resources for future debt service payments of \$8,435,000 of consolidated fund revenue and refunding bonds issued in 2002. Interest rates on the debt range from 2.0% - 4.0% and mature on July 1, 2026. As a result, the refunded bonds are considered defeased and the liability has been removed from the financial statements. The reacquisition price exceeded the net carrying amount of the refunded debt by \$186,150 (net of issuance costs and premiums). This advance refunding was undertaken to reduce total debt service payments over the life of the new issue versus the refunded issue by \$1,558,922 and resulted in an economic gain of \$1,372,772.

On May 23, 2013, the District issued \$1,585,000 in consolidated fund revenue refunding bonds to provide the resources to place in an escrow account for the purpose of generating resources for future debt service payments of \$1,500,000 of consolidated fund revenue and refunding bonds issued in 2002. Interest rates on the debt are 1.89% and mature on July 1, 2026. As a result, the refunded bonds are considered defeased and the liability has been removed from the financial statements. The reacquisition price exceeded the net carrying amount of the refunded debt by \$130,729 (net of issuance costs and premiums). This advance refunding was undertaken to reduce total debt service payments over the life of the new issue versus the refunded issue by \$350,060 and resulted in an economic gain of \$219,331.

The District has pledged the following source revenues as security for the bonds: (a) pledged tuition fees totaling the mathematical product of \$15 multiplied by the number of students regularly enrolled at the District for each regular school semester thereof and the product of \$7.50 multiplied by the number of students regularly enrolled in the District for each of the two summer school terms thereof; (b) building use fees; (c) educational service fees meaning the gross collections of a special fee charged and collected from all students enrolled at the District's Abilene Educational Center for the use of facilities; (d) the out-of-district fees; (e) the operating fees for any charges for use of the District's facilities in addition to items (a) through (f); (f) the gross revenues from the Auxiliary Enterprise fund of the District; (g) earnings of the District on all investments lawfully available for this purpose; (h) all monies deposited to the District's revenue and interest and sinking funds for the purpose of the Bonds and all investment income derived from such deposits; (i) all monies deposited to the District's reserve fund for the purpose of the Bonds and all investment income derived from such deposits; (j) and any other income, receipts, or other resources permitted by law with the exception of any revenues appropriated by the State of Texas unless prior approval has been given by the Texas Higher Education Coordinating Board.

In August, 2012, the District entered into a capital lease agreement with Key Government Finance for a period of forty-eight (48) months for the acquisition of computer equipment. Terms of the lease were as follows: lease agreement dated August 15, 2012 payable in 48 monthly installments of \$1,502 at an annual imputed interest rate of 3.49%. Total capitalized cost of the lease totaled \$67,227.

In February, 2013, the District entered into a capital lease agreement with Key Government Finance for a period of forty-eight (48) months for the acquisition of computer equipment. Terms of the lease were as follows: lease agreement dated February 1, 2013 payable in 48 monthly installments of \$637 at an annual imputed interest rate of 4.159%. Total capitalized cost of the lease totaled \$28,125.

In July, 2013, the District entered into a capital lease agreement with Key Government Finance for a period of forty-eight (48) months for the acquisition of computer equipment. Terms of the lease were as follows: lease agreement dated July 15, 2013 payable in 48 monthly installments of \$1,995 at an annual imputed interest rate of 3.19%. Total capitalized cost of the lease totaled \$89,770.

In November, 2014, the District entered into a capital lease agreement with First Financial Bank for a period of forty-eight (48) months for the acquisition of computer equipment. Terms of the lease were as follows: lease agreement dated November 20, 2014 payable in 48 monthly installments of \$3,880 at an annual imputed interest rate of 2.15%. Total capitalized cost of the lease totaled \$178,295.

5. Debt and Lease Obligations

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

Year Ended August 31,	Bonds Payable		
	Principal	Interest	Total
2016	\$ 615,000	\$ 247,647	\$ 862,647
2017	635,000	230,363	865,363
2018	650,000	212,534	862,534
2019	670,000	194,255	864,255
2020	685,000	175,376	860,376
2021-2025	3,755,000	556,105	4,311,105
2026	830,000	30,562	860,562
	<u>\$ 7,840,000</u>	<u>\$ 1,646,842</u>	<u>\$ 9,486,842</u>

As of August 31, 2015 and 2014, the District was in compliance with all material aspects of the bond indentures.

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

Year ended August 31,	Total
2016	\$ 95,530
2017	72,320
2018	46,558
2019	11,639
Total minimum lease payments	226,047
Less: incremental borrowing rate of interest	(7,389)
Present value of minimum lease payments	<u>\$ 218,658</u>

6. Operating Lease Commitments and Rental Agreement

On April 18, 2006 the District entered into an operating lease with Cisco Independent School District (“CISD”) for use of CISD’s community gym and football stadium. Terms of the lease were for a period of ten (10) years beginning September 1, 2006 and continuing thereafter at an annual lease payment of \$25,000. Following is the remaining lease liability:

Year ended August 31,	Total
2016	<u>\$ 25,000</u>

7. Authorized Investments

The District is authorized to invest in obligations and instruments as defined in the Public Funds 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.

8. Deposits and Investments

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

	<u>August 31, 2015</u>	<u>August 31, 2014</u>
Bank Deposits		
Demand Deposits	\$ 3,179,423	\$ 3,029,447
Time Deposits	701,579	701,342
Total Bank Deposits	<u>3,881,002</u>	<u>3,730,789</u>
Cash and Cash Equivalents		
Petty Cash on Hand	8,075	8,025
Deposits in Transit	0	0
Money Market Investments - 1st Southwest Securities	43,032	43,021
Money Market Investments - Ameriprise Financial	3,741	3,741
Cash Equivalents - LOGIC Investment Pool	381,954	381,559
Cash Equivalents - Lone Star Investment Pool	681,195	680,702
Cash Equivalents - TexStar Investment Pool	36,517	36,496
Total Cash and Cash Equivalents	<u>1,154,514</u>	<u>1,153,544</u>
Total Cash and Deposits	<u>\$ 5,035,516</u>	<u>\$ 4,884,333</u>

Reconciliation of Deposits and Investments to Exhibit 1:

Type of Security	August 31, 2015	August 31, 2014
	Market Value	Market Value
U.S. Government Securities	\$ 0	\$ 0
Total Investments	0	0
Total Cash and Deposits	5,035,516	4,884,333
Total Deposits and Investments	<u>\$ 5,035,516</u>	<u>\$ 4,884,333</u>
Cash and Temp. Investments (Ex. 1)	\$ 3,389,747	\$ 3,242,756
Restricted Cash (Ex. 1)	592,965	589,376
Endowment Investments (Ex. 1)	854,804	854,201
Other Long-Term Investments (Ex. 1)	198,000	198,000
Total Deposits and Investments (Ex. 1)	<u>\$ 5,035,516</u>	<u>\$ 4,884,333</u>

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk - The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not investing in any foreign currency.

District Policies and Legal and Contractual Provisions Governing Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2015, the District had the following investments and maturities.

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1 Year	1-2 Years	2-3 Years	> 3 Years
Certificates of Deposit	\$ 701,579	\$ 275,079	\$ 325,000	\$ 101,500	
Money Market Deposits	46,773	46,773			
Investment Pools	1,099,666	1,099,666			
Total	\$1,848,018	\$1,421,518	\$ 325,000	\$ 101,500	\$ 0

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Credit Risk - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in certificates of deposit or publicly funded investment pools to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of August 31, 2015, the District's investments in U.S. government securities and investment pools were rated A1 by Standard and Poor's.

Custodial Credit Risk for Investments - To limit the risk that, in the even of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This included securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investment risk to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. Usually this limitation is 20%.

Interest Rate Risk - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires at least half of the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

Foreign Currency Risk for Investments - The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by limiting all investments denominated in a foreign currency to zero.

9. Derivatives

None.

10. Property Taxes

Property taxes are levied on October 1 of each year based on the assessed value listed as of the prior January 1 for all real and business personal property located in the District.

At August 31:

	FY 2015	FY 2014
Assessed Valuation of the District	\$ 620,256,762	\$ 587,609,958
Less: Exemptions	(1,223,170)	(1,131,000)
Less: Abatements		
Net Assessed Valuation of the District	<u>\$ 619,033,592</u>	<u>\$ 586,478,958</u>

	Year End August 31, 2015			Year End August 31, 2014		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation authorized	\$.5000	\$.50000	\$ 1.0000	\$.5000	\$.50000	\$ 1.0000
Tax Rate per \$100 valuation assessed	<u>\$.11357</u>	N/A	<u>\$.11357</u>	<u>\$.1104</u>	N/A	<u>\$.1104</u>

Taxes levied for the year ended August 31, 2015 and 2014 totaled \$703,036 and \$647,473, respectively. 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.

Taxes Collected	FY 2015 Current Operations	FY 2014 Current Operations
Current Taxes Collected	\$ 695,187	\$ 644,609
Delinquent Taxes Collected	7,846	9,505
Penalties and Interest Collected	8,449	8,456
Total Collections	<u>\$ 711,482</u>	<u>\$ 662,570</u>

Tax collections for the year ended August 31, 2015 and 2014 were 100.00% and 101.03% of the current tax levies, respectively. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

11. Employees’ Retirement Plan

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

Teacher Retirement System of Texas - Defined Benefit Plan

Plan Description. The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS’s defined benefit pension plan is established and administered in accordance with 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. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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.

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pds#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512)542-6592.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. 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 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. 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. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment 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 Article 16, Section 67 of the Texas Constitution which 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.

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 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the district contribution rates for fiscal years 2014 and 2015.

Contribution Rates		
	2014	2015
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

Employer # 067956 - 2014 District Contributions	\$ 223,031
Employer # 067956 - 2014 Member Contributions	\$ 329,003
Employer # 067956 - 2014 NECE On-behalf Contributions	\$ 127,853

Contributors to the plan include members, districts and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, 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 participating 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 Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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 rate of return on pension plan investments is 8%. 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 Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
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%
Stable Value			
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%
Real Return			
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%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha			1.0%
Total	100%		8.7%

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability	\$ 4,198,998	\$ 2,349,827	\$ 966,991

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2014, the District reported a liability of \$2,349,827 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District 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 District were as follows:

District's proportionate share of the collective net pension liability	\$ 2,349,827
State's proportionate share that is associated with the District	1,349,919
Total	<u>\$ 3,699,746</u>

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 District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 thru August 31, 2014.

At August 31, 2014 the District's proportion of the collective net pension liability was 0.0087971%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated that the change in proportion was immaterial and, therefore, disregarded this year.

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, 2014, the District recognized pension expense of \$124,798 and revenue of \$124,798 for support provided by the State.

At August 31, 2014, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experiences	\$ 36,341	
Changes in actuarial assumptions	152,741	
Differences between projected and actual investment earnings		\$ 718,203
Changes in proportion and differences between the District's contributions and the proportionate share of contributions		616
Total	\$ 189,082	\$ 718,819

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31,	Pension Expense Amount
2015	\$ (147,757)
2016	(147,757)
2017	(147,757)
2018	(147,757)
2019	31,794
Thereafter	29,497
Total	\$ (529,737)

At August 31, 2015, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resource
Total net amounts per August 31, 2014 measurement date	\$ 189,082	\$ 718,819
Contributions paid to TRS subsequent to the measurement date	228,951	
Total	\$ 418,033	\$ 718,819

Optional Retirement Plan - Defined Contribution Plan

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.6% and 6.65%, respectively. The District contributes 0.00% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the state for the District was \$209,006 and \$390,785 for fiscal years ended August 31, 2015 and 2014, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the District.

The total payroll for all District employees was \$8,552,206 and \$8,762,667 for fiscal years 2015 and 2014, respectively. The total payroll of employees covered by the Teacher Retirement System was \$5,177,829 and \$5,150,643, and the total payroll of employee covered by the Optional Retirement Program was \$2,576,063 and \$3,150,814 for fiscal years 2015 and 2014, respectively.

12. Deferred Compensation Program

The District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The plan is essentially an unfunded promise to pay by the employer to each of the plan participants.

13. Compensated Absences

Full-time employees earn annual leave from ten (10) days per year for 1-9 years of service to fifteen (15) days per year for 10+ years of service. The District's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with maximum number of days up to the number of days earned in two years. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The District recognized the accrued liability for the unpaid annual leave in the amount of \$275,266 and \$280,471 at August 31, 2015 and 2014. Sick leave, which can be accumulated without limit, is earned at the rate of one day per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The District's policy is to recognized the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicated the expenditure for sick leave to be minimal.

14. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2015 and 2014 for which monies have not been

received nor funds expended totaled \$0 and \$0. Of these amounts \$0 and \$0 were from Federal Contract and Grant Awards; \$0 and \$0 were from State Contract and Grant Awards; \$0 and \$0 from Local Contract and Grant Awards; and \$0 and \$0 were from Private Contract and Grant Awards for the fiscal years ended 2015 and 2014, respectively.

15. Post Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution totaled \$1,179,303 for the year ended August 31, 2015 and \$1,143,664 for the year ended August 31, 2014. The cost of providing those benefits was \$1,057,338 and \$1,055,260 for retirees and active employees for fiscal years 2015 and 2014, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

16. Group "Pooled Risk" Self-Insurance Pool

The District is a participant in the Community Colleges of Texas Insurance Association Self-Insurance Program (the "program"). The purpose of the program is to provide the statutory benefits for the members' employees through self-insurance workers' compensation prescribed by Texas Revised Civil Statutes Annotated Art. 8309h and Texas Government Code Ch. 791 (the "Interlocal Cooperation Act"). All fund members must be members of the Community Colleges of Texas Insurance Association.

The interlocal agreement between the District and the program is for a term beginning September 1, 2014, and ending August 31, 2015. Either party may terminate the agreement upon 60 days written notice.

The required contributions for each fund member is based on the prorated percentage of the members' gross payroll compared to the gross payroll of all fund members. The interlocal agreement states that members will have no joint and several liability beyond the loss fund maximum contribution payable.

The District's loss fund maximum for the period of the contract was \$82,577 and \$120,319 for the years ended August 31, 2015 and 2014, respectively, and stop loss protection up to a limit prescribed by law was purchased for losses above this amount. The board reserved the right in the interlocal agreement to adjust this stop loss provision in the event that the fiscal soundness of the fund would justify such an adjustment and/or result in savings to fund members. All claims are processed and paid by the District through the servicing contractor employed by the fund.

17. Potential Liabilities

The District had potential claims liabilities as a result of workers' compensation claims. Its claims administrator estimated that the total potential claims liability of the District amounted to \$82,577 and \$120,319 as of August 31, 2015 and 2014, respectively. Total claims paid to date as a result of the estimated claims liabilities were \$17,915 and \$20,529 for the same periods, respectively.

18. Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The District had no unrelated business income tax liability for the year ended August 31, 2015 and 2014.

19. Disaggregation of Receivables and Payables Balances

Receivables at August 31, 2015 and 2014 were as follows:

	August 31, 2015	August 31, 2014
Taxes Receivable	\$ 12,594	\$ 13,367
Accounts Receivable	639,571	638,574
Federal Receivable	92,255	85,939
Total	\$ 744,420	\$ 737,880

Payables and Accrued Liabilities at August 31, 2015 and 2014 were as follows:

Vendors Payable	\$ 471,376	\$ 255,523
Salaries and Benefits Payable	221,427	218,385
Payable to Other Governments	0	9,603
Accrued Interest	41,275	44,080
Total Accounts Payable and Accrued Liabilities	\$ 734,078	\$ 527,591

20. Beginning Balance Adjustment - Fiscal Year 2015

During fiscal year 2015, the District adopted GASB Statement No. 68 for Accounting and Reporting for Pensions. With GASB 68, the District assumed their proportionate share of the Net Pension Liability of the Teacher Retirement System of Texas. Adoption of GASB 68 required a prior period adjustment to report the effect of GASB 68 retroactively. The amount of the prior period adjustment is \$(2,662,364). The restated beginning net position is \$9,146,028.

21. Subsequent Events

Management has evaluated subsequent events through November 9, 2015; the date which the financial statements were available for distribution. There were none noted.

REQUIRED SUPPLEMENTARY INFORMATION

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CISCO COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2015
EXHIBIT 4

	2015
District's Proportion of the Net Pension Liability (Asset)	0.0087971%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 2,349,827
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	1,349,919
Total	\$ 3,699,746
District's Covered Employee Payroll	\$ 5,140,689
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	45.71%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.25%

Note: Only one year of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

CISCO COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM
FOR FISCAL YEAR 2015
EXHIBIT 5

	2015
Contractually Required Contribution	\$ 228,951
Contribution in Relation to the Contractually Required Contribution	(228,951)
Contribution Deficiency (Excess)	\$ -
District's Covered Employee Payroll	\$ 5,177,829
Contributions as a percentage of Covered Employee Payroll	4.42%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 - August 31, 2014.

Note: Only one year of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

CISCO COLLEGE DISTRICT
CISCO, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2015

Changes of benefit terms.

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

Changes of assumptions.

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

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SUPPLEMENTAL SCHEDULES

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

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Fiscal Year 2015	Total Fiscal Year 2014
Tuition						
State-funded courses						
In-district resident tuition	\$ 66,315		\$ 66,315		\$ 66,315	\$ 60,451
Out-of-district resident tuition	2,733,220		2,733,220		2,733,220	2,765,720
Non-resident tuition	181,859		181,859		181,859	188,919
TPEG - credit (set aside)*	185,111		185,111		185,111	184,878
Non-state funded educational programs	120,844		120,844		120,844	41,806
Total Tuition	<u>3,287,349</u>	<u>-</u>	<u>3,287,349</u>	<u>-</u>	<u>3,287,349</u>	<u>3,241,774</u>
Fees						
General fee	3,237,272		3,237,272	55,781	3,293,053	3,483,297
Student service fee	708,665		708,665		708,665	406,249
Out-of-district fees	1,465,333		1,465,333		1,465,333	1,549,187
Laboratory fee	112,096		112,096		112,096	120,546
Other fees (as needed)	59,420		59,420		59,420	65,172
Total Fees	<u>5,582,786</u>	<u>-</u>	<u>5,582,786</u>	<u>55,781</u>	<u>5,638,567</u>	<u>5,624,451</u>
Scholarship Allowances and Discounts						
Remissions and exemptions - local	(123,927)		(123,927)		(123,927)	(139,445)
Title IV federal grants	(6,252,247)		(6,252,247)		(6,252,247)	(6,413,462)
TPEG awards	(228,132)		(228,132)		(228,132)	(224,504)
Other state grants	(308,092)		(308,092)		(308,092)	(213,969)
Total Scholarship Allowances and Discounts	<u>(6,912,398)</u>	<u>-</u>	<u>(6,912,398)</u>	<u>-</u>	<u>(6,912,398)</u>	<u>(6,991,380)</u>
Total Net Tuition and Fees	<u>1,957,737</u>	<u>-</u>	<u>1,957,737</u>	<u>55,781</u>	<u>2,013,518</u>	<u>1,874,845</u>
Other Operating Revenues						
Federal grants and contracts		226,997	226,997		226,997	267,794
State grants and contracts		458,597	458,597		458,597	514,382
Local grants and contracts		218,026	218,026		218,026	208,834
Sales and services of educational activities	69,047		69,047		69,047	80,555
General operating revenues	551,096		551,096		551,096	360,392
Total Other Operating Revenues	<u>620,143</u>	<u>903,620</u>	<u>1,523,763</u>	<u>-</u>	<u>1,523,763</u>	<u>1,431,957</u>
Auxiliary Enterprises						
Bookstore			-	1,391,247	1,391,247	1,508,077
Food service			-	665,160	665,160	631,814
Residential life			-	452,048	452,048	404,791
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,508,455</u>	<u>2,508,455</u>	<u>2,544,682</u>
Total Operating Revenues	<u>\$ 2,577,880</u>	<u>\$ 903,620</u>	<u>\$ 3,481,500</u>	<u>\$ 2,564,236</u>	<u>\$ 6,045,736</u>	<u>\$ 5,851,484</u>
					(Exhibit 2)	(Exhibit 2)

* - In accordance with Education Code 56.033, \$185,111 of tuition was set aside for Texas Public Education Grants (TPEG).

CISCO COLLEGE DISTRICT
STATEMENT OF OPERATING EXPENSES BY OBJECT
YEAR ENDED AUGUST 31, 2015
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)
SCHEDULE B

	Salaries And Wages	Benefits		Other Expenses	Totals	
		State	Local		Fiscal Year 2015	Fiscal Year 2014
Unrestricted - Educational and General						
Instruction	\$ 5,098,834	\$	386,626	\$ 426,139	\$ 5,911,599	\$ 5,772,979
Research					-	-
Public Service				350	350	500
Academic Support	472,086		34,941	236,836	743,863	738,231
Student Services	1,017,121		76,990	246,806	1,340,917	1,343,869
Institutional Support	1,063,735		982,710	1,123,068	3,169,513	3,429,298
Operation and Maintenance of Plant	363,353		26,893	1,376,644	1,766,890	1,635,843
Scholarships and Fellowships					-	-
Total Unrestricted	<u>8,015,129</u>	<u>-</u>	<u>1,508,160</u>	<u>3,409,843</u>	<u>12,933,132</u>	<u>12,920,720</u>
Restricted - Educational and General						
Instruction	124,815	941,664		299,126	1,365,605	1,520,278
Research					-	-
Public Service					-	-
Academic Support	84,773	100,385		53,736	238,894	241,589
Student Services	23,078	187,516			210,594	202,075
Institutional Support		392,632		7,139	399,771	261,884
Operation and Maintenance of Plant		65,501			65,501	66,404
Scholarships and Fellowships				756,376	756,376	751,772
Total Restricted	<u>232,666</u>	<u>1,687,698</u>	<u>-</u>	<u>1,116,377</u>	<u>3,036,741</u>	<u>3,044,002</u>
Total Educational and General	<u>8,247,795</u>	<u>1,687,698</u>	<u>1,508,160</u>	<u>4,526,220</u>	<u>15,969,873</u>	<u>15,964,722</u>
Auxiliary Enterprises	256,521			2,814,329	3,070,850	3,152,373
Depreciation Expense - Bldgs and other real est.				468,356	468,356	461,033
Depreciation Expense - Equipment and furn.				318,152	318,152	307,427
Total Operating Expenses	<u>\$ 8,504,316</u>	<u>\$ 1,687,698</u>	<u>\$ 1,508,160</u>	<u>\$ 8,127,057</u>	<u>19,827,231</u> (Exhibit 2)	<u>19,885,555</u> (Exhibit 2)

CISCO COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2015
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)
SCHEDULE C

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				Fiscal Year 2015	Fiscal Year 2014
NON-OPERATING REVENUES:					
State Appropriations					
Education and general state support	\$ 5,272,509	\$	\$	\$ 5,272,509	\$ 5,297,476
State group insurance		1,179,303		1,179,303	1,143,664
State retirement matching		508,394		508,394	390,785
Total State Appropriations	<u>5,272,509</u>	<u>1,687,697</u>	<u>-</u>	<u>6,960,206</u>	<u>6,831,925</u>
Maintenance ad valorem taxes	710,957			710,957	661,898
Federal revenue, non-operating		6,259,386		6,259,386	6,421,048
Gifts	106,738			106,738	63,262
Investment income	16,297			16,297	24,909
Total non-operating revenues	<u>6,106,501</u>	<u>7,947,083</u>	<u>-</u>	<u>14,053,584</u>	<u>14,003,042</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	262,077			262,077	274,567
(Gain) / loss on disposal of capital assets	(13,154)			(13,154)	(207,931)
Total non-operating expenses	<u>248,923</u>	<u>-</u>	<u>-</u>	<u>248,923</u>	<u>66,636</u>
NET NON-OPERATING REVENUES	<u>\$ 5,857,578</u>	<u>\$ 7,947,083</u>	<u>\$ -</u>	<u>\$ 13,804,661</u>	<u>\$ 13,936,406</u>
				(Exhibit 2)	(Exhibit 2)

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

	Detail by Source				Total	Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt		Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ (1,588,350)			\$	\$ (1,588,350)	\$ (1,588,350)	
Restricted		211,370		\$	211,370	211,370	
Loan	99				99		99
Endowment:							
Unrestricted	8,991				8,991	8,991	
Endowment True	1,529,686				1,529,686		1,529,686
Plant:							
Unexpended	79,166				79,166		79,166
Debt Service		550,000			550,000		550,000
Investment in Plant				8,378,232	8,378,232		8,378,232
Total Net Position, August 31, 2015	\$ 29,592	\$ 761,370	\$ -	\$ 8,378,232	\$ 9,169,194	\$ (1,367,989)	\$ 10,537,183
Prior Period Adjustment	(2,662,364)				(2,662,364)	(2,662,364)	-
Total Net Position, August 31, 2014	<u>2,845,263</u>	<u>804,392</u>	<u>-</u>	<u>8,158,737</u>	<u>11,808,392</u>	<u>1,491,704</u>	<u>10,316,688</u>
Net Increase (Decrease) in Net Assets	<u>\$ (153,307)</u>	<u>\$ (43,022)</u>	<u>\$ -</u>	<u>\$ 219,495</u>	<u>\$ 23,166</u>	<u>\$ (197,329)</u>	<u>\$ 220,495</u>

CISCO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015
SCHEDULE E

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
SEOG	84.007		\$74,305
College Work Study	84.033		75,609
Pell Grant	84.063		6,109,472
Total Direct Programs			<u>6,259,386</u>
Passed Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Voc. Ed.	84.048	13426	226,997
Total Passed Through From Texas Higher Education Coordinating Board			<u>226,997</u>
Total U.S. Department of Education			<u>6,486,383</u>
Total Federal Financial Assistance			<u><u>\$6,486,383</u></u>

Note 1: Federal Assistance Reconciliation

Federal Revenues - per Schedule A:			
Federal Grants and Contracts			\$226,997
Indirect/Administrative Costs Recoveries			-
Total Federal Revenues Per Schedule A			<u>226,997</u>
Federal Revenues - per Schedule C:			
Federal Grants, Non-Operating			6,259,386
Total Federal Revenues Per Schedule C			<u>6,259,386</u>
Reconciling Items:			
ADD:			
Expenditures Not Subject to a Federal Single Audit			-
Total Pass-Through and Expenditures Per Federal Schedule			<u><u>\$6,486,383</u></u>

Note 2: Student Loans Processed and Administrative Costs Recovered - Not Included in Schedule

Federal Grantor CFDA Number/Program Name	New Loans Processed	Administrative Costs Recovered	Total Loans Proc. & Adm. Costs Recovered
Department of Education			
84.032 Federal Family Educational Loan Program	\$4,029,927		\$4,029,927
Total Department of Education	<u>\$4,029,927</u>		<u>\$4,029,927</u>

Note 3: Significant accounting policies used in preparing the schedule.

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District for the 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 general purpose financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

Note 4: Pass through amounts included in program expenditures:

None.

CISCO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015
SCHEDULE F

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board		
Texas Grant Program	13521	\$38,420
Texas Education Opportunities Grant	13520	269,672
Texas College Work Study	13674	23,078
Train the Trainer Grant	13428	23,230
Generation Texas Grant	14399	11,000
Professional Nursing Shortage Reduction Program - Under 70 Program	13830	93,197
Total Texas Higher Education Coordinating Board		<u>458,597</u>
Total State Financial Assistance		<u><u>\$458,597</u></u>

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A:		
State Financial Assistance per Schedule of Expenditures of State Awards		\$458,597
State Financial Assistance Continuing Education Tuition and Fees Included in Exhibit 2 Captioned "Tuition and Fees"		<u>-</u>
Total State Revenues per Schedule A		<u><u>\$458,597</u></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 District's significant accounting policies. These expenditures are reported on the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.

REQUIRED STATISTICAL SUPPLEMENT

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CISCO COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

	For the Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Invested in capital assets, net of related debt \$	8,378,232	8,158,737	7,338,009	7,491,296	6,244,800	5,066,643	4,587,625	4,374,471	4,137,150	3,907,643
Restricted-expendable	761,370	804,392	844,018	793,065	752,929	661,704	709,756	661,669	654,065	635,404
Restricted-nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	29,592	2,845,263	3,724,030	4,427,493	5,090,971	5,433,839	4,232,787	3,968,158	3,923,927	4,145,390
Total primary government net assets	<u>\$ 9,169,194</u>	<u>\$ 11,808,392</u>	<u>\$ 11,906,057</u>	<u>\$ 12,711,854</u>	<u>\$ 12,088,700</u>	<u>\$ 11,162,186</u>	<u>\$ 9,530,168</u>	<u>\$ 9,004,298</u>	<u>\$ 8,715,142</u>	<u>\$ 8,688,437</u>

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 2
 REVENUE BY SOURCE
 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
Tuition and fees (net of discounts) \$	1,958	\$ 1,798	\$ 1,674	733	212	523	1,637	\$ 2,163	\$ 2,458	2,088
Government grants and contracts										
Federal grants and contracts	227	268	420	400	372	522	305	4,009	3,925	4,018
State grants and contracts	459	514	198	336	812	583	387	316	201	249
Nongovernment grants and contract	218	209	315	154	53	55	64	113	147	-
Auxiliary enterprises	2,564	1,870	1,990	2,366	3,002	2,662	2,534	2,089	1,888	1,939
Other operating revenues	620	441	272	197	222	243	243	405	274	100
Total operating revenues	<u>6,046</u>	<u>5,100</u>	<u>4,869</u>	<u>4,186</u>	<u>4,673</u>	<u>4,588</u>	<u>5,170</u>	<u>9,095</u>	<u>8,893</u>	<u>8,394</u>
State appropriations	6,960	6,832	6,720	6,920	6,598	6,785	6,714	6,530	6,293	6,471
Ad valorem taxes	711	662	598	541	505	482	368	425	324	280
Federal revenue, non-operating *	6,259	6,421	6,859	8,462	9,021	7,572	4,832	-	-	-
Gifts	107	63	188	115	94	1,175	466	510	725	300
Investment income	16	25	26	37	28	35	66	235	257	210
Other non-operating revenues	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues	<u>14,053</u>	<u>14,003</u>	<u>14,391</u>	<u>16,075</u>	<u>16,246</u>	<u>16,049</u>	<u>12,446</u>	<u>7,700</u>	<u>7,599</u>	<u>7,261</u>
Total revenues \$	<u><u>20,099</u></u>	<u><u>19,103</u></u>	<u><u>19,260</u></u>	<u><u>20,261</u></u>	<u><u>20,919</u></u>	<u><u>20,637</u></u>	<u><u>17,616</u></u>	<u><u>16,795</u></u>	<u><u>16,492</u></u>	<u><u>15,655</u></u>

	For the Year Ended August 31, (expressed as percentages)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and fees (net of discounts)	9.74%	9.41%	8.69%	3.62%	1.01%	2.53%	9.29%	12.88%	14.90%	13.34%
Government grants and contracts										
Federal grants and contracts	1.13%	1.40%	2.18%	1.97%	1.78%	2.53%	1.73%	23.87%	23.80%	25.67%
State grants and contracts	2.28%	2.69%	1.03%	1.66%	3.88%	2.83%	2.20%	1.88%	1.22%	1.59%
Nongovernment grants and contract	1.08%	1.09%	1.64%	0.76%	0.25%	0.27%	0.36%	0.67%	0.89%	0.00%
Auxiliary enterprises	12.76%	9.79%	10.33%	11.68%	14.35%	12.90%	14.38%	12.44%	11.45%	12.39%
Other operating revenues	3.08%	2.31%	1.41%	0.97%	1.06%	1.18%	1.38%	2.41%	1.66%	0.64%
Total operating revenues	<u>30.07%</u>	<u>26.69%</u>	<u>25.28%</u>	<u>20.66%</u>	<u>22.33%</u>	<u>22.24%</u>	<u>29.34%</u>	<u>54.15%</u>	<u>53.92%</u>	<u>53.63%</u>
State appropriations	34.63%	35.76%	34.89%	34.15%	31.54%	32.88%	38.11%	38.88%	38.16%	41.34%
Ad valorem taxes	3.54%	3.47%	3.10%	2.67%	2.41%	2.34%	2.09%	2.53%	1.96%	1.79%
Federal revenue, non-operating *	31.14%	33.61%	35.61%	41.76%	43.12%	36.69%	27.43%	0.00%	0.00%	0.00%
Gifts	0.53%	0.33%	0.98%	0.57%	0.45%	5.69%	2.65%	3.04%	4.40%	1.92%
Investment income	0.08%	0.13%	0.13%	0.18%	0.13%	0.17%	0.37%	1.40%	1.56%	1.34%
Other non-operating revenues	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total non-operating revenues	<u>69.92%</u>	<u>73.30%</u>	<u>74.71%</u>	<u>79.33%</u>	<u>77.65%</u>	<u>77.77%</u>	<u>70.65%</u>	<u>45.85%</u>	<u>46.08%</u>	<u>46.39%</u>
Total revenues	<u><u>99.99%</u></u>	<u><u>99.99%</u></u>	<u><u>99.99%</u></u>	<u><u>99.99%</u></u>	<u><u>99.98%</u></u>	<u><u>100.01%</u></u>	<u><u>99.99%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.02%</u></u>

Note: Due to rounding, percentages may not add up to 100%.

* - The most recent GASB implementation guide directed the reporting of Pell grant receipts as non-operating revenue. Therefore, a significant change is evident on those lines of the above schedule.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 3
 PROGRAM EXPENSES BY FUNCTION
 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
Instruction	\$ 7,277	\$ 7,293	\$ 7,195	\$ 7,325	\$ 7,324	\$ 7,271	\$ 6,387	\$ 6,372	\$ 6,302	\$ 5,940
Research	-	-	-	-	-	-	-	-	-	-
Public service	-	1	3	1	-	3	2	2	2	-
Academic support	983	980	898	1,122	1,357	1,088	947	1,004	944	813
Student services	1,552	1,546	1,629	1,536	1,417	1,325	1,213	1,020	1,033	907
Institutional support	3,569	3,691	3,715	3,133	2,757	2,450	2,191	1,879	2,037	1,802
Operation and maintenance of plant	1,832	1,702	1,825	1,879	1,922	1,732	1,719	1,852	2,151	1,954
Scholarships and fellowships	756	-	-	-	-	-	-	-	-	-
Auxiliary enterprises	3,071	3,152	3,302	3,339	3,904	3,852	3,246	3,081	2,828	2,670
Depreciation	787	768	745	734	740	704	686	681	538	540
Total operating expenses	19,827	19,133	19,312	19,069	19,421	18,425	16,391	15,891	15,835	14,626
Interest on capital related debt	262	275	365	467	572	580	594	615	631	648
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	5
Total non-operating expenses	262	275	365	467	572	580	594	615	631	653
Total expenses	\$ 20,089	\$ 19,408	\$ 19,677	\$ 19,536	\$ 19,993	\$ 19,005	\$ 16,985	\$ 16,506	\$ 16,466	\$ 15,279

For the Year Ended August 31,
 (expressed as percentages)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	36.22%	37.58%	36.57%	37.49%	36.63%	38.26%	37.60%	38.60%	38.27%	38.88%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	0.00%	0.01%	0.02%	0.01%	0.00%	0.02%	0.01%	0.01%	0.01%	0.00%
Academic support	4.89%	5.05%	4.56%	5.74%	6.79%	5.72%	5.58%	6.08%	5.73%	5.32%
Student services	7.73%	7.97%	8.28%	7.86%	7.09%	6.97%	7.14%	6.18%	6.27%	5.94%
Institutional support	17.77%	19.02%	18.88%	16.04%	13.79%	12.89%	12.90%	11.38%	12.37%	11.79%
Operation and maintenance of plant	9.12%	8.77%	9.27%	9.62%	9.61%	9.11%	10.12%	11.22%	13.06%	12.79%
Scholarships and fellowships	3.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Auxiliary enterprises	15.29%	16.24%	16.78%	17.09%	19.53%	20.27%	19.11%	18.67%	17.17%	17.47%
Depreciation	3.92%	3.96%	3.79%	3.76%	3.70%	3.70%	4.04%	4.13%	3.27%	3.53%
Total operating expenses	98.70%	98.60%	98.15%	97.61%	97.14%	96.94%	96.50%	96.27%	96.15%	95.72%
Interest on capital related debt	1.30%	1.42%	1.85%	2.39%	2.86%	3.05%	3.50%	3.73%	3.83%	4.24%
Loss on disposal of capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
Total non-operating expenses	1.30%	1.42%	1.85%	2.39%	2.86%	3.05%	3.50%	3.73%	3.83%	4.27%
Total expenses	100.00%	100.02%	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%	99.98%	99.99%

Note: Due to rounding, percentages may not add up to 100%.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 4
 TUITION AND FEES
 LAST TEN ACADEMIC YEARS
 (UNAUDITED)

Resident Fees per Semester Credit Hour (SCH)									
Academic Year (Fall)	Standard Tuition	Out-of-District Fee	Other Fees (per student)	Building Use Fee	Education Service Fee	Cost for 12 SCH In District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2014	\$ 40	\$ 25	\$ 10	\$ 40	\$ 15	\$ 1,260	\$ 1,560	5.00%	4.00%
2013	40	25	5	40	15	1,200	1,500	1.01%	2.46%
2012	40	23	5	39	15	1,188	1,464	8.79%	7.02%
2011	32	23	5	39	15	1,092	1,368	0.00%	6.54%
2010	32	16	5	39	15	1,092	1,284	4.60%	3.88%
2009	32	16	36	39	13	1,044	1,236	12.38%	10.26%
2008	27	16	30	37	11	929	1,121	0.00%	5.66%
2007	27	11	30	37	11	929	1,061	4.38%	3.82%
2006	27	11	15	37	9	890	1,022	0.00%	3.65%
2005	27	8	15	37	9	890	986	5.70%	7.88%

Non-Resident Fees per Semester Credit Hour (SCH)							
Academic Year (Fall)	Standard Tuition	Out-of-District Fee	Other Fees (per student)	Building Use Fee	Education Service Fee	Cost for 12 SCH Out-of-District	Increase from Prior Year Out-of-State
2014	\$ 76	\$ 25	\$ 10	\$ 40	\$ 15	\$ 1,992	3.11%
2013	76	25	5	40	15	1,932	1.90%
2012	76	23	5	39	15	1,896	5.33%
2011	68	23	5	39	15	1,800	25.26%
2010	45	16	5	39	15	1,437	3.46%
2009	45	16	36	39	13	1,389	9.03%
2008	40	16	30	37	11	1,274	4.94%
2007	40	11	30	37	11	1,214	3.32%
2006	40	11	15	37	9	1,175	3.16%
2005	40	8	15	37	9	1,139	6.75%

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.
 Starting in 2010, "other fees" were charged per semester credit hour instead of per student.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 5
 ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2014-15	\$ 620,257	\$ 1,223	\$ 619,034	99.80%	0.11357	0.00000	0.11357
2013-14	587,610	1,131	586,479	99.81%	0.11040	0.00000	0.11040
2012-13	546,774	1,131	545,643	99.79%	0.10790	0.00000	0.10790
2011-12	470,861	922	469,939	99.80%	0.11500	0.00000	0.11500
2010-11	448,613	139	448,474	99.97%	0.11100	0.00000	0.11100
2009-10	431,522		431,522	100.00%	0.11100	0.00000	0.11100
2008-09	368,954	5,657	363,297	98.47%	0.09863	0.00000	0.09863
2007-08	326,763	3,478	323,285	98.94%	0.10207	0.00000	0.10207
2006-07	232,144	5,900	226,244	97.46%	0.13176	0.00000	0.13176
2005-06	182,704	3,110	179,594	98.30%	0.15017	0.00000	0.15017

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 6
 STATE APPROPRIATION PER FTSE AND CONTACT HOUR
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year	State Appropriation (\$000 omitted)	FTSE	State Appropriation per FTSE	Academic Contact Hours	Technical Contact Hours	Total Contact Hours	State Appropriation per Contact Hour
2014-15	\$ 5,273	6,794	\$ 776	1,100,490	391,954	1,492,444	3.53
2013-14	5,297	6,923	765	1,111,540	424,796	1,536,336	3.45
2012-13	5,233	7,308	716	1,189,260	419,648	1,608,908	3.25
2011-12	5,525	8,354	661	1,339,468	460,819	1,800,287	3.07
2010-11	5,133	8,917	576	1,436,140	539,968	1,976,108	2.60
2009-10	5,368	8,381	640	1,355,992	486,308	1,587,170	3.45
2008-09	5,483	6,809	805	1,169,976	417,194	1,587,170	3.45
2007-08	5,483	6,366	861	1,102,844	383,808	1,486,652	3.69
2006-07	4,993	6,406	779	1,152,664	429,479	1,582,143	3.16
2005-06	4,993	6,231	801	1,116,192	414,784	1,530,976	3.26

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 7
 PRINCIPAL TAXPAYERS
 LAST TEN TAX YEARS
 (UNAUDITED)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Barclays Capital Energy	Energy					11,227		11,276			
Banc of America Leasing	Energy				3,453	3,987	4,485				
Wilks Masonry Corp	Energy			3,829	2,946	3,655	6,331				
Falcon Trading & Mfg	Energy						4,345				
Iberdrola Renewabls Inc.	Energy		5,535	9,859	7,971	15,691	15,436				
Sempra Energy Trading	Energy					10,663					
FTS Int'l Pengo	Manufacturing	14,686	19,014	14,332	8,600	10,167					
CHL Distribution Center	Manufacturing		5,055		6,702	4,984					
Enterprise Product Oper	Energy	7,278	5,533	3,950	4,800	4,108					
Shell Energy N America	Energy				4,562	3,557					
PPM Energy	Energy						17,843	26,269			
TXU Portfolio Mgmt	Energy							20,847			
Luminant Energy Co.	Energy								8,253	5,323	
Coral Gas Marketing	Energy						10,937				
Frac Tech Services, LLC	Energy						6,216	15,398	16,347	15,260	
Hill Lake Gas Storage	Energy			218,068	211,585	145,963	140,774	88,559	9,971	10,000	
Falcon Gas Storage	Energy	33,632	35,210	37,857	36,593	46,236	46,350	50,002	9,189	5,453	
Cisco Hi Lift	Manufacturing	8,650						8,638		5,083	
Bear Energy LP	Energy						7,666	6,640		4,890	
Southwestern Bell Tele	Utility				2,751	3,198		5,781			
Basic Energy Services	Energy	8,590	5,470				4,052	4,390	4,640	4,512	
Conoco Phillips	Energy					11,770	11,834	11,156	3,686		
Cisco Pipeline LP	Energy									4,179	
Union Pacific	Railroad	6,499	5,821	5,251	4,912	4,252	3,893		3,863	3,616	
AEP Texas North	Energy	5,656	4,379	4,487	3,860	3,670		3,021	3,543	3,087	
Enbridge Gathering	Energy							3,325	3,135	3,091	
Key Energy - N Tex	Energy								2,346		
General Electric Capital	Financial									7,584	
Breckenridge Exploration	Energy	12,263								2,537	
Burgess-Manning	Manufacturing							4,212			
FTS International Svcs	Energy	225,433	231,666								
Frac Tech Services, INC	Energy		4,500								
Lone Star Transmission	Energy	19,371	8,079								
Atmos Energy/Mid Tex	Energy	7,628		3,284	2,789						
Tenaska Gas Storage	Energy	5,498			5,761						
EDF Trading	Energy	8,169	6,192	6,229	4,069						
FTS Int'l Mfg (DC)	Manufacturing	12,033	17,258	20,316							
Wilks Equip Leasing	Manufacturing		9,584	10,044							
Wilks, Farris C & Joann	Other	5,822	6,045	5,532							
Petex	Energy			3,519							
Electric Trans of Texas	Energy			3,219							
Totals		381,208	369,341	349,776	311,354	283,128	252,390	209,824	100,308	61,389	55,353
Total Taxable Assessed Value		619,034	586,479	545,643	469,939	448,474	431,522	363,297	323,285	231,906	179,594

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Barclays Capital Energy	Energy	-	-	-	-	2.50%	2.61%	-	-	-	-
Banc of America Leasing	Energy	-	-	-	0.73%	0.89%	1.04%	-	-	-	-
Wilks Masonry Corp	Energy	-	-	0.70%	0.63%	0.81%	1.47%	-	-	-	-
Falcon Trading & Mfg	Energy	-	-	-	-	-	1.01%	-	-	-	-
Iberdrola Renewabls Inc.	Energy	-	0.94%	1.81%	1.70%	3.50%	3.58%	-	-	-	-
Sempra Energy Trading	Energy	-	-	-	-	2.38%	-	-	-	-	-
FTS Int'l Pengo	Manufacturing	2.37%	3.24%	2.63%	1.83%	2.27%	-	-	-	-	-
CHL Distribution Center	Manufacturing	-	0.86%	-	1.43%	1.11%	-	-	-	-	-
Enterprise Product Oper	Energy	1.18%	0.94%	0.72%	1.02%	0.92%	-	-	-	-	-
Shell Energy N America	Energy	-	-	-	0.97%	0.79%	-	-	-	-	-
PPM Energy	Energy	-	-	-	-	-	4.91%	8.13%	-	-	-
TXU Portfolio Mgmt	Energy	-	-	-	-	-	-	6.45%	3.56%	2.96%	-
Luminant Energy Co.	Energy	-	-	-	-	-	-	3.01%	-	-	-
Coral Gas Marketing	Energy	-	-	-	-	-	-	1.71%	4.76%	7.05%	8.50%
Frac Tech Services, LLC	Energy	-	-	39.97%	45.02%	32.55%	32.62%	24.38%	3.08%	4.31%	3.04%
Hill Lake Gas Storage	Energy	5.43%	6.00%	6.94%	7.79%	10.31%	10.74%	13.76%	2.84%	-	-
Falcon Gas Storage	Energy	-	-	-	-	-	-	2.38%	-	2.19%	2.72%
Cisco Hi Lift	Manufacturing	1.40%	-	-	-	-	1.78%	1.83%	-	-	-
Bear Energy LP	Energy	-	-	-	-	-	-	1.59%	-	-	-
Southwestern Bell Tele	Utility	-	-	-	0.59%	0.71%	-	1.12%	1.36%	2.00%	2.51%
Basic Energy Services	Energy	1.39%	0.93%	-	-	2.62%	2.74%	3.07%	1.14%	-	-
Conoco Phillips	Energy	-	-	-	-	-	-	-	-	1.80%	-
Cisco Pipeline LP	Energy	-	-	-	-	-	-	-	-	1.67%	2.01%
Union Pacific	Railroad	1.05%	0.99%	0.96%	1.05%	0.95%	0.90%	-	0.93%	1.53%	1.72%
AEP Texas North	Energy	0.91%	0.75%	0.82%	0.82%	0.82%	-	-	1.03%	1.35%	1.72%
Enbridge Gathering	Energy	-	-	-	-	-	-	-	-	1.01%	-
Key Energy - N Tex	Energy	-	-	-	-	-	-	-	-	-	4.22%
General Electric Capital	Financial	-	-	-	-	-	-	-	-	-	1.41%
Breckenridge Exploration	Energy	1.98%	-	-	-	-	-	-	-	-	-
Burgess-Manning	Manufacturing	-	-	-	-	-	-	-	1.30%	-	-
FTS International Svcs	Energy	36.42%	39.50%	-	-	-	-	-	-	-	-
Frac Tech Services, INC	Energy	-	0.77%	-	-	-	-	-	-	-	-
Lone Star Transmission	Energy	3.13%	1.38%	-	-	-	-	-	-	-	-
Atmos Energy/Mid Tex	Energy	1.23%	-	0.60%	0.59%	-	-	-	-	-	-
Tenaska Gas Storage	Energy	0.89%	-	-	1.23%	-	-	-	-	-	-
EDF Trading	Energy	1.32%	1.06%	1.14%	0.87%	-	-	-	-	-	-
FTS Int'l Mfg (DC)	Manufacturing	1.94%	2.94%	3.72%	-	-	-	-	-	-	-
Wilks Equip Leasing	Manufacturing	-	1.63%	1.84%	-	-	-	-	-	-	-
Wilks, Farris C & Joann	Other	0.94%	1.03%	1.01%	-	-	-	-	-	-	-
Petex	Energy	-	-	0.64%	-	-	-	-	-	-	-
Electric Trans of Texas	Energy	-	-	0.59%	-	-	-	-	-	-	-
Totals		61.58%	62.96%	64.09%	66.27%	63.13%	58.49%	57.76%	31.02%	26.47%	30.81%

Source: Local County Appraisal District

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 8
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN TAX YEARS
 (UNAUDITED)
 (AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year Ended August 31,	Total Tax Levy (a)	Collections - Current Levy (b)	Percentage	Current Collections of Prior Levies (b)	Total Collections (c)	Percentage of Current Levy
2015	\$ 703	\$ 695	98.86%	8	\$ 711	101.14%
2014	647	645	99.69%	10	663	102.47%
2013	589	582	98.81%	8	590	100.17%
2012	540	532	98.52%	5	542	100.37%
2011	498	491	98.59%	10	508	102.01%
2010	479	469	97.91%	7	481	100.42%
2009	364	356	97.80%	8	369	101.37%
2008	330	405	122.73%	7	412	124.85%
2007	298	308	103.36%	9	317	106.38%
2006	276	264	95.65%	8	272	98.55%

Source: Local Tax Assessor/Collector and District records.

(a) As of August 31st

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

(c) Includes penalty and interest. Does not tie to Exhibit 2.

CISCO COLLEGE DISTRICT
 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
Outstanding Debt										
Revenue bonds	\$ 7,840	\$ 8,440	\$ 9,025	\$ 9,520	\$ 10,425	\$ 10,895	\$ 11,345	\$ 11,775	\$ 12,195	\$ 12,595
Notes payable and capital leases obligations	219	162	299	298	1,062	297	287	238	362	222
Total Outstanding Debt	<u>\$ 8,059</u>	<u>\$ 8,602</u>	<u>\$ 9,324</u>	<u>\$ 9,818</u>	<u>\$ 11,487</u>	<u>\$ 11,192</u>	<u>\$ 11,632</u>	<u>\$ 12,013</u>	<u>\$ 12,557</u>	<u>\$ 12,817</u>
Total Outstanding Debt Ratios										
Per Capita	\$ 443	\$ 471	\$ 506	\$ 527	\$ 618	\$ 602	\$ 640	\$ 655	\$ 686	\$ 697
Per Student	\$ 1,186	\$ 1,243	\$ 1,276	\$ 1,175	\$ 1,288	\$ 1,335	\$ 1,708	\$ 1,887	\$ 1,960	\$ 2,057
Annual Debt Service Coverage By Total Pledged Reven	10.26x	10.01x	10.03x	11.20x	10.11x	9.31x	7.88x	7.95x	7.06x	7.16x

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

CISCO COLLEGE DISTRICT
 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	\$ 619,034	\$ 586,479	\$ 545,643	\$ 469,939	\$ 448,474	\$ 431,522	\$ 363,297	\$ 323,284	\$ 226,245	\$ 179,594
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 3,095	\$ 2,932	\$ 2,728	\$ 2,350	\$ 2,242	\$ 2,158	\$ 1,816	\$ 1,616	\$ 1,131	\$ 898
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 3,095	\$ 2,932	\$ 2,728	\$ 2,350	\$ 2,242	\$ 2,158	\$ 1,816	\$ 1,616	\$ 1,131	\$ 898
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 11
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)					Debt Service Requirements (\$000 omitted)			
	Pledged Tuition Revenue (a)	Total Combined Fees	Gross Auxiliary Revenues	Total Other Revenue	Total Pledged Revenues	Principal	Interest	Total	Coverage Ratio
2015	\$ 114	\$ 5,839	\$ 2,521	\$ 377	\$ 8,851	\$ 615	\$ 248	863	10.26
2014	118	5,722	2,552	258	8,650	600	264	864	10.01
2013	126	5,656	2,590	267	8,639	585	276	861	10.03
2012	141	6,592	2,944	212	9,889	550	333	883	11.20
2011	155	6,595	3,478	249	10,477	490	546	1,036	10.11
2010	144	5,797	3,217	278	9,436	470	543	1,013	9.31
2009	123	4,828	2,588	446	7,985	450	563	1,013	7.88
2008	110	4,562	2,604	684	7,960	420	581	1,001	7.95
2007	121	4,326	2,433	274	7,154	400	613	1,013	7.06
2006	116	4,393	2,494	277	7,280	385	631	1,016	7.17

(a) By statute, tuition pledge is calculated at \$15 per student for the regular terms and \$7.50 per student for the summer terms.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 12
 DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2014	18,176	\$ 1,245,295	\$ 68,513	4.80%
2013	18,253	\$ 1,176,215	\$ 64,440	5.70%
2012	18,397	\$ 1,250,286	\$ 67,873	6.10%
2011	18,574	\$ 1,141,797	\$ 61,473	7.10%
2010	18,583	\$ 788,022	\$ 42,364	7.90%
2009	18,167	\$ 679,102	\$ 37,381	7.60%
2008	18,186	\$ 630,934	\$ 34,644	4.60%
2007	18,337	\$ 604,989	\$ 33,014	4.90%
2006	18,293	\$ 571,109	\$ 31,247	4.90%
2005	18,393	\$ 522,920	\$ 28,544	5.00%

Sources:

Population from U.S. Bureau of the Census.

Personal income from U.S. bureau of Economic Analysis.

Unemployment rates from Texas Workforce Commission

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 13
 PRINCIPAL EMPLOYERS - TAXING DISTRICT
 CURRENT FISCAL YEAR
 (UNAUDITED)

Employer	Number of Employees	Percentage of Total Employment	Median
Ebaa Iron	100-499	4.00%	300
Eastland Memorial Hospital	100-499	4.10%	300
Basic Energy Service	100-499	4.00%	300
Wal-Mart	100-499	4.00%	300
United Energex	50-99	1.00%	75
Morgan Bldgs Pool & Spas	50-99	1.00%	75
Enbridge	50-99	1.00%	75
Gorman Milling	50-99	1.00%	75
Research & Advanced Methods (RAM)	50-99	1.00%	75
Bird Electric	50-99	1.00%	75
Eastlander Designs	50-99	1.00%	75
FTSI	50-99	1.00%	75
Cisco ISD	50-99	1.00%	75
Cisco College	50-99	1.00%	75
Brookshires	20-49	0.50%	35
Link Field Svc X Ray Div	20-49	0.50%	35
Republic Services	20-49	0.50%	35
Total	960-3133	27.60%	2,055
Total All Industries for Eastland County	7,486		

Source:

Texas Workforce Commission

<http://www.tracer2.com/cgi/dataanalysis/labForceReport.asp?menuchoice=LABFORCE>

<http://www.texasindustryprofiles.com/allis/eci/EmployerContacts2.asp>

Note:

Percentages are calculated using the midpoints of the ranges.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 14
 FACULTY, STAFF AND ADMINISTRATORS STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Faculty										
Full-Time	89	87	85	102	98	97	90	87	83	84
Part-Time	106	112	122	133	145	139	98	96	94	88
Total	195	199	207	235	243	236	188	183	177	172
Percent										
Full-Time	45.6%	43.7%	41.1%	43.4%	40.3%	41.1%	47.9%	47.5%	46.9%	48.8%
Part-Time	54.4%	56.3%	58.9%	56.6%	59.7%	58.9%	52.1%	52.5%	53.1%	51.2%
Staff and Administrators										
Full-Time	79	86	111	120	116	116	95	92	96	95
Part-Time	5	1	9	9	8	6	4	0	0	0
Total	84	87	120	129	124	122	99	92	96	95
Percent										
Full-Time	94.0%	98.9%	92.5%	93.0%	93.5%	95.1%	96.0%	100.0%	100.0%	100.0%
Part-Time	6.0%	1.1%	7.5%	7.0%	6.5%	4.9%	4.0%	0.0%	0.0%	0.0%
FTSE per Full-time Faculty	76.3	79.6	86.0	81.9	91.0	86.4	75.7	73.2	77.0	74.2
FTSE per Full-Time Staff Member	86.0	80.5	65.8	69.6	76.9	72.3	71.7	69.2	66.7	65.6
Average Annual Faculty Salary	\$ 42,742	\$ 42,470	\$ 42,996	\$ 42,222	\$ 41,547	\$ 41,717	\$ 43,223	\$ 42,733	\$ 40,181	\$ 39,533

Notes:

- (a) Faculty & staff information taken from payroll records.
- (b) Some discrepancies in full-time staff numbers are due to counting methods
- (c) FTSE calculated using IPEDS 12-month enrollment data

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 15
 ENROLLMENT DETAILS
 LAST FIVE FISCAL YEARS
 (UNAUDITED)

Student Classification	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	2,059	57.07%	2,090	57.78%	2,317	59.92%	2,724	62.61%	4,329	89.93%
31-60 hours	930	25.78%	899	24.85%	999	25.83%	1,032	23.72%	360	7.48%
> 60 hours	619	17.16%	623	17.22%	551	14.25%	595	13.68%	125	2.60%
Unclassified	0	0.00%	5	0.14%	0	0.00%	0	0.00%	0	0.00%
Total	3,608	100.01%	3,617	99.99%	3,867	100.00%	4,351	100.01%	4,814	100.01%

Semester Hour Load	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	175	4.85%	198	5.47%	196	5.07%	219	4.62%	157	3.26%
3-5 semester hours	677	18.76%	699	19.33%	765	19.78%	1,841	38.81%	1,103	22.91%
6-8 Semester hours	789	21.87%	781	21.59%	847	21.90%	362	7.63%	1,002	20.81%
9-11 semester hours	608	16.85%	576	15.92%	677	17.51%	741	15.62%	675	14.02%
12-14 semester hours	1,003	27.80%	1,017	28.12%	1,020	26.38%	1,140	24.03%	1,411	29.31%
15-17 semester hours	307	8.51%	298	8.24%	332	8.59%	370	7.80%	420	8.72%
18 & over	49	1.36%	48	1.33%	30	0.78%	71	1.50%	46	0.96%
Total	3,608	100.00%	3,617	100.00%	3,867	100.01%	4,744	100.01%	4,814	99.99%

Average course load	8.7		8.7		8.6		8.7		8.1	
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Tuition Status	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	144	3.99%	127	3.51%	127	3.26%	157	3.54%	188	3.85%
Texas Resident (out-of-District)	3,324	92.13%	3,259	90.10%	3,590	92.10%	4,077	91.95%	4,463	91.49%
Non-Resident Tuition	85	2.36%	170	4.70%	117	3.00%	150	3.38%	154	3.16%
Tuition Exemption/Waiver	55	1.52%	61	1.69%	64	1.64%	50	1.13%	73	1.50%
Total	3,608	100.00%	3,617	100.00%	3,898	100.00%	4,434	100.00%	4,878	100.00%

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 16
 STUDENT PROFILE
 LAST FIVE FISCAL YEARS
 (UNAUDITED)

Gender	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	2,218	61.47%	2,194	60.66%	2,319	59.97%	2,712	61.51%	2,846	59.12%
Male	1,390	38.53%	1,423	39.34%	1,548	40.03%	1,697	38.49%	1,968	40.88%
Total	3,608	100.00%	3,617	100.00%	3,867	100.00%	4,409	100.00%	4,814	100.00%

Ethnic Origin	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,256	62.53%	2,439	67.43%	2,599	67.21%	2,979	67.57%	3,232	67.14%
Hispanic	834	23.12%	713	19.71%	763	19.73%	877	19.89%	975	20.25%
African American	288	7.98%	291	8.05%	317	8.20%	353	8.01%	376	7.81%
Asian	74	2.05%	85	2.35%	81	2.09%	67	1.52%	84	1.74%
Foreign	60	1.66%	30	0.83%	30	0.78%	24	0.54%	37	0.77%
Native American	24	0.67%	23	0.64%	32	0.83%	41	0.93%	35	0.73%
Two or more races	61	1.69%								
Not Reported	11	0.30%	36	1.00%	45	1.16%	68	1.54%	75	1.56%
Total	3,608	100.00%	3,617	100.01%	3,867	100.00%	4,409	100.00%	4,814	100.00%

Age	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	854	23.67%	716	19.80%	590	15.26%	806	18.41%	845	17.55%
18-21	1,449	40.16%	1,432	39.59%	1,696	43.86%	1,512	34.53%	1,757	36.50%
22-24	421	11.67%	396	10.95%	382	9.88%	564	12.88%	634	13.17%
25-35	551	15.27%	683	18.88%	729	18.85%	939	21.44%	978	20.32%
36-50	261	7.23%	312	8.63%	378	9.78%	447	10.21%	478	9.93%
51 & over	72	2.00%	78	2.16%	92	2.38%	111	2.53%	122	2.53%
Total	3,608	100.00%	3,617	100.01%	3,867	100.01%	4,379	100.00%	4,814	100.00%

Average Age	24		24		24		25		25	
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CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 17
 TRANSFERS TO SENIOR INSTITUTIONS
 2013 FALL STUDENTS AS OF FALL 2014
 (INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)

	Transfer Student Count Academic Degree	Transfer Student Count Technical Degree	Transfer Student Count Core Curriculum Completer	Transfer Student Count Non-Degree	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Angelo State University	6	-	9	7	22	11.22%
2 Tarleton State University	14	5	19	12	50	25.51%
3 Texas A&M University - Commerce	-	-	1	3	4	2.04%
4 Texas State University - San Marcos	1	-	2	3	6	3.06%
5 Texas Tech Health Science Center	3	-	4	28	35	17.86%
6 Texas Tech University	4	-	4	8	16	8.16%
7 University of Texas at Arlington	-	1	-	3	4	2.04%
8 University of Texas - Permian Basin	2	1	3	3	9	4.59%
9 University of North Texas	-	1	-	8	9	4.59%
10 Other Public 4-Yr Institutions	10	1	12	18	41	20.92%
Totals	40	9	54	93	196	99.99%

Source: Texas Higher Ed Data/Texas Higher Education Coordinating Board
http://www.txhighereddata.org/reports/performance/ctcttransfer/inst.cfm?inst=003553&report_type=2&report_yr=2013

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 18
 CAPITAL ASSET INFORMATION
 LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Academic Buildings	10	10	8	8	8	8	8	8	8	8
Square footage	138,072	138,072	135,000	135,000	135,000	126,000	126,000	126,000	126,000	126,000
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Number of volumes	190,930	122,341	111,100	35,000	34,000	52,000	84,000	83,500	81,300	78,000
Administrative and Support Building	7	7	7	7	7	7	7	7	7	7
Square footage	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500
Dormitories	6	6	6	6	6	6	6	6	6	6
Square footage	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300
Number of beds	357	357	357	357	354	358	358	358	358	358
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Athletic Facilities	6	6	6	6	6	6	6	6	6	6
Square footage	30,300	30,300	30,300	30,300	30,300	30,300	30,300	30,300	30,300	30,300
Athletic Training	1	1	1	1	1	1	1	1	1	1
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Baseball/Softball Fields	1	1	1	1	1	1	1	1	1	1
Rodeo Arena	1	1	1	1	1	1	1	1	1	1
Fitness Centers	1	1	1	1	1	1	1	1	1	1
Field House	1	1	1	1	1	1	1	1	1	1
Plant Facilities	2	2	2	2	2	2	2	2	2	2
Square footage	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Transportation										
Cars	3	8	7	6	5	5	4	4	4	4
Light trucks/Vans	12	20	20	20	19	19	17	16	16	16
Buses	1	2	2	2	2	2	1	1	1	0

OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION

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Independent Auditor's Report

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENTAL AUDITING STANDARDS

Board of Regents
Cisco College District
101 College Heights
Cisco, Texas 76437

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cisco College District (the "District") as of and for the years ended August 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated November 8, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

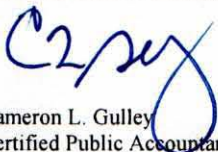
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I 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 Cisco College District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements (including the *Public Funds Investment Act* Chapter 2256, Texas Government Code), 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cameron L. Gulley
Certified Public Accountant

November 8, 2015

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CISCO COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2015

Finding	Statement of Condition	Material Weakness?	Questioned Costs
	None reported.		

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CISCO COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2015

A. Summary of Auditor's Results

An unmodified opinion was issued on the general purpose financial statements.

Internal control over financial reporting:

Material weaknesses identified – no.

Significant deficiencies identified that are not considered to be material weaknesses – none reported.

The audit disclosed no noncompliance which is material to the general purpose financial statements.

Internal control over major programs:

Material weaknesses identified – no.

Significant deficiencies identified that are not considered to be material weaknesses – none reported.

An unmodified opinion was issued on compliance for major programs.

The audit disclosed no audit findings which are required to be reported in this schedule under OMB Circular A-133.

Major programs are as follows:

84.063 - Federal Pell Grant Program	\$ 6,109,472
84.033 - Federal Work-Study Program	75,609
84.007 - Federal Supplemental Educational Opportunity Grant	74,305
84.032 - Federal Family Education Loans	<u>4,029,927</u>
Total Student Financial Aid Clustered Programs	<u>\$10,289,313</u>

The threshold used to distinguish between Type A and Type B federal programs was \$300,000.

The District was classified as a low-risk auditee in the context of OMB Circular A-133.

B. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None reported.

C. Findings and Questioned Costs for Federal Awards

None reported.

CISCO COLLEGE DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2015

None required.

FEDERAL AWARDS SECTION

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Independent Auditor's Report

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

Board of Regents
Cisco College District
101 College Heights
Cisco, Texas 76437

Report on Compliance for Each Major Federal Program

I have audited Cisco College District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Cisco College District's major federal programs for the year ended August 31, 2015. Cisco College District'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

My responsibility is to express an opinion on compliance for each of Cisco College District's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Cisco College District's compliance with those requirements and performing such other procedures as I consider necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Cisco College District's compliance.

Opinion on Each Major Federal Program

In my opinion, Cisco College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2015.

Report on Internal Control Over Compliance

Management of Cisco College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Cisco College District'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, I do not express an opinion on the effectiveness of Cisco College District's internal control over compliance.

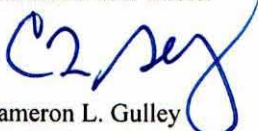
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

I have audited the financial statements of Cisco College District as of and for the year ended August 31, 2015, and have issued my report thereon dated November 8, 2015, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.


Cameron L. Gulley
Certified Public Accountant

November 8, 2015

SUPPLEMENTAL INFORMATION FOR SFA AUDIT

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STUDENT FINANCIAL AID DATA

Cisco College District
101 College Heights
Cisco, Texas 76437

Lead Auditor: Cameron L. Gulley, CPA
P. O. Box 163
Eastland, Texas 76448

Telephone No.: 325-669-9795

The audit was performed on November 5-6, 2015, at Cisco College's facilities as follows:

Location	Description of Facility	Dates Visited
Cisco, Texas	SFA Offices/Main Campus	November 5-6, 2015
Cisco, Texas	Admin Offices/Main Campus	November 5-6, 2015

Institution's accrediting organization: Southern Association of Colleges and Schools

- Cisco College does not utilize an SFA consultant/service.
- Records for the accounting and administration of the SFA programs are located at the SFA Office and Business Office of Cisco College located at College Heights, Cisco, Texas.

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CISCO COLLEGE DISTRICT
STATEMENT OF CHANGES IN SFA PROGRAM FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	GRANTS AND COLLEGE WORK STUDY			STUDENT LOANS	TOTAL
	SEOG	Pell	Work Study	NDSL	
Fund Balance - July 1, 2014	\$0	\$0	\$0	\$99	\$99
Additions:					
Federal Awards	74,305	6,109,472	75,609		6,259,386
Institution Matching Contribution					-
Interest Income					-
Total Additions	74,305	6,109,472	75,609	-	6,259,386
Deductions:					
Grants	70,767	6,109,472			6,180,239
Wages			72,008		72,008
Administrative Expense	3,538		3,601		7,139
Total Deductions	74,305	6,109,472	75,609	-	6,259,386
Net Increase (Decrease) in Fund Balance	-	-	-	-	-
Fund Balance - June 30, 2015	\$0	\$0	\$0	\$99	\$99

CISCO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES
FOR EACH STUDENT FINANCIAL ASSISTANCE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2015

College Work Study Program

Student Wages	\$72,008
Administrative Cost Allowance	<u>3,601</u>
	<u>\$75,609</u>

Supplemental Educational Opportunity Grant

Student Grants	\$70,767
Administrative Cost Allowance	<u>3,538</u>
	<u>\$74,305</u>

Pell Grant Program

Student Grants	<u>\$6,109,472</u>
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