

CISCO COLLEGE DISTRICT
CISCO, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED
AUGUST 31, 2016 AND 2015

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CISCO COLLEGE DISTRICT
 ANNUAL FINANCIAL REPORT
 FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015
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CISCO COLLEGE DISTRICT
ORGANIZATIONAL DATA
FOR THE FISCAL YEAR 2015-16

Board of Regents

Officers

Brad Kimbrough	President
Ronnie Ledbetter	Vice-President
Ricky Whatley	Secretary

Members

		Term Expires <u>May 31,</u>
Sarah Adams	Cisco, Texas	2018
Jerry Conring	Cisco, Texas	2020
Charles Humphries	Cisco, Texas	2020
Joe Jarvis	Cisco, Texas	2018
Brad Kimbrough	Cisco, Texas	2022
Ronnie Ledbetter	Cisco, Texas	2018
Sharon Wilcoxon	Cisco, Texas	2022
Ricky Whatley	Cisco, Texas	2020
Staci Wilks	Cisco, Texas	2022

Key Officers

Dr. Thad Anglin - President
Dr. Jerry Dodson - Vice President for Student Services
Joe Carter - Vice President of Research, External Relations and Marketing
Dr. Carol Dupree - Provost, Abilene Educational Center and Chief Academic Officer
Audra Taylor - Dean of Business Services and Chief Financial Officer

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FINANCIAL SECTION

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Cameron L. Gulley

CERTIFIED PUBLIC ACCOUNTANT

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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, 2016 and 2015, 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, 2016 and 2015, 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.

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 states 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 10, 2016, 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

Cameron L. Gulley
Certified Public Accountant

November 10, 2016

CISCO COLLEGE
101 COLLEGE HEIGHTS
CISCO, TEXAS 76437
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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, 2016 including some comparative information with the fiscal years ended August 31, 2015 and 2014. 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, 2016	Year Ended August 31, 2015	Year Ended August 31, 2014
Current and Other Assets	\$ 6,935,899	\$ 8,370,591	\$ 8,363,420
Capital Assets	16,121,806	16,478,165	16,804,511
Deferred Resource Outflows	529,166	418,033	0
Total Assets and Deferred Resource Outflows	23,586,871	25,266,789	25,167,931
Current Liabilities	4,567,353	5,374,690	5,139,383
Long-term Liabilities	9,657,260	10,004,086	8,220,156
Deferred Resource Inflows	447,207	718,819	0
Total Liabilities and Deferred Resource Inflows	14,671,820	16,097,595	13,359,539
Net Position:			
Net Investment in Capital Assets	8,730,870	8,378,232	8,158,737
Restricted	714,756	761,370	804,392
Unrestricted and Expendable	(530,575)	29,592	2,845,263
Total Net Position	\$ 8,915,051	\$ 9,169,194	\$ 11,808,392

Table 2 - Changes in Net Position			
	Year Ended August 31, 2016	Year Ended August 31, 2015	Year Ended August 31, 2014
Operating Revenue:			
Tuition and Fees, Net of Discounts	\$ 2,728,138	\$ 1,957,737	\$ 1,797,793
Federal Grants and Contracts	213,509	226,997	267,794
Auxiliary Enterprises, Net of Discounts	2,150,135	2,564,236	2,621,734
Other Operating Revenues	1,291,953	1,296,766	1,164,163
Total Operating Revenues	6,383,735	6,045,736	5,851,484
Operating Expenses:			
Instruction	7,280,835	7,277,204	7,293,257
Public Service	1,330	350	500
Academic Support	804,170	982,757	979,820
Student Services	1,469,404	1,551,511	1,545,944
Institutional Support	3,856,248	3,569,284	3,691,182
Operating and Maintenance of Plant	1,739,096	1,832,391	1,702,247
Scholarships and fellowships	686,848	756,376	751,772
Auxiliary Enterprises	2,898,625	3,070,850	3,152,373
Depreciation	747,174	786,508	768,460
Total Operating Expenses	19,483,730	19,827,231	19,885,555
Operating Income (Loss)	(13,099,995)	(13,781,495)	(14,034,071)

Table 2 - Changes in Net Position (continued)			
	Year Ended August 31, 2016	Year Ended August 31, 2015	Year Ended August 31, 2014
Non-operating Revenues (Expenses):			
State Appropriations	6,997,686	6,960,206	6,831,925
Maintenance Ad Valorem Taxes	777,352	710,957	661,898
Federal Revenue	5,208,705	6,259,386	6,421,048
Interest on Capital Related Debt	(245,167)	(262,077)	(274,567)
Other Non-operating Revenue (Expense)	107,276	136,189	296,102
Net Non-operating Revenues (Expenses)	12,845,852	13,804,661	13,936,406
Increase (Decrease) in Net Position	(254,143)	23,166	(97,665)
Net Position - Beginning of Year	9,169,194	11,808,392	11,906,057
Adjustments	0	(2,662,364)	0
Net Position - End of Year	\$ 8,915,051	\$ 9,169,194	\$ 11,808,392

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 last year which has affected the Total Deferred Resource Outflows and Total Deferred Resource Inflows when comparing to Year Ended August 31, 2014. Enrollment declines of approximately 8% have affected Cisco College in several areas. This is reflected in the decrease of the Current and Other Assets and the Current Liabilities.

Table 2 provides information concerning the College's results of operations for the past three years. Total Operating Revenues have increased almost \$335,000 compared to last year and Total Operating Expenses have decreased over \$340,000; however, Federal Revenue decreased over \$1 million. This caused Cisco College to have a decrease of Net Position by \$254,143.

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 \$395,000. These were offset by depreciation expense of \$747,000. Changes to capital assets during the year include land improvements of \$64,000; buildings of \$39,000; library books of \$6,000.; furniture, machinery, vehicles and other equipment over \$287,000; and a decrease to Land of \$5,100 for the deed given to the City of Cisco for rebuilding their water treatment plant.

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 was a decrease of \$91,000 for capital leases. The College currently has three 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. There was a reduction to the Revenue Bonds and Notes for payments made during the year. There were also increases and decreases to the Net Pension Liabilities due to GASB Statement No. 68.

Discussion of Other Facts, Decisions, and Conditions

Cisco College has experienced declines in enrollment beginning in 2010 when enrollment peaked at 4,824 students. The 83rd Legislature passed SB 1812, which established a 50/50 cost sharing plan between the state and community colleges for employee benefits-both employee group health insurance and the employer portion of employee retirement benefits. As a result, Cisco College costs for these programs continues to increase to \$1,250,000 for health insurance (a 385% increase since SB 1812) and \$260,000 for retirement (\$0 cost to the college before SB 1812) in FY 2017. As a result of this enrollment decline and the significant increases in employee health insurance and retirement benefits, the College has struggled to maintain its net position.

The Abilene economy has a direct correlation on enrollment and the decline in unemployment rate coupled with the decline in Financial Aid (Pell-eligible students) contributes to the financial impact. In addition, the college is located in a smaller taxing district than most of the community colleges across the state. As we become more informed about the underlying causes contributing to the enrollment declines, the college is responding in ways that will positively impact the financial position for many years.

The college is taking steps to increase enrollment and improve student retention rates that are beginning to positively impact the downward trends in enrollment. In addition, Cisco College is in the process of developing a new *Strategic Plan* and has appointed a *Strategic Enrollment Task Force* to better plan for the future. The college is in the process of assessing the opportunities for growth in Abilene. In collaboration with our Abilene Advisory Council, we will be conducting an Impact Study that will help us inform the citizens of Abilene and Taylor County about the positive impact the college has on the economy.

Abilene offers a diversified economic base (military, health care, IT, agriculture, oil and gas) and the college will be in better position to educate and train the workforce of the future, which includes placing more priority on individual workforce development programs and establishing degree program pathways for students transferring to four-year universities. Cisco College will continue to be good stewards of the taxpayers' money through strategic financial management that prioritizes high quality instructional programs.

CISCO COLLEGE DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2016 AND AUGUST 31, 2015
EXHIBIT 1

	Fiscal Year 2016	Fiscal Year 2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,525,933	\$ 3,389,747
Accounts receivable (net)	601,735	744,420
Deferred charges	1,078,746	1,340,794
Inventories	873,661	1,033,448
Prepaid expenses	27,776	31,560
Total Current Assets	5,107,851	6,539,969
Noncurrent Assets		
Restricted cash and cash equivalents	591,126	592,965
Endowment investments	854,691	854,804
Other long-term investments	198,000	198,000
Deferred charges	83,805	84,427
Investments in real estate	100,426	100,426
Capital assets (net) (see note)	16,121,806	16,478,165
Total Noncurrent Assets	17,949,854	18,308,787
TOTAL ASSETS	23,057,705	24,848,756
DEFERRED RESOURCE OUTFLOWS		
Deferred resource outflows related to Teacher Retirement System	529,166	418,033
TOTAL DEFERRED RESOURCE OUTFLOWS	529,166	418,033
LIABILITIES		
Current Liabilities		
Accounts payable	334,744	471,376
Accrued liabilities	250,830	262,702
Funds held for others	34,103	29,109
Unearned revenues	3,242,505	3,905,388
Notes and capital leases payable - current portion	70,171	91,115
Bonds payable - current portion	635,000	615,000
Total Current Liabilities	4,567,353	5,374,690
Noncurrent Liabilities		
Accrued compensated absences	251,445	275,266
Deposits	26,450	26,450
Net pension liability related to Teacher Retirement System	2,731,993	2,349,827
Notes and capital leases payable	57,372	127,543
Bonds payable	6,590,000	7,225,000
Total Noncurrent Liabilities	9,657,260	10,004,086
TOTAL LIABILITIES	14,224,613	15,378,776
DEFERRED RESOURCE INFLOWS		
Deferred resource inflows related to Teacher Retirement System	447,207	718,819
TOTAL DEFERRED RESOURCE INFLOWS	447,207	718,819
NET POSITION		
Net investment in capital assets	8,730,870	8,378,232
Restricted for		
Expendable		
Student aid	164,756	211,370
Capital projects		
Debt service	550,000	550,000
Other		
Unrestricted	(530,575)	29,592
TOTAL NET POSITION	\$ 8,915,051	\$ 9,169,194

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, 2016 AND AUGUST 31, 2015
EXHIBIT 2

	Fiscal Year 2016	Fiscal Year 2015
OPERATING REVENUES AND EXPENSES		
Operating Revenues		
Tuition and fees (net of discounts of \$5,762,784 and \$6,912,398, respectively)	\$ 2,728,138	\$ 1,957,737
Federal grants and contracts	213,509	226,997
State grants and contracts	553,518	458,597
Nongovernmental grants and contracts	127,872	218,026
Sales and services of educational activities	69,047	69,047
Auxiliary enterprises	2,150,135	2,564,236
General operating revenues (net of discounts of \$0, both years)	541,516	551,096
Total Operating Revenues (Schedule A)	6,383,735	6,045,736
Operating Expenses		
Instruction	7,280,835	7,277,203
Public service	1,330	350
Academic support	804,170	982,757
Student services	1,469,404	1,551,512
Institutional support	3,856,248	3,569,283
Operation and maintenance of plant	1,739,096	1,832,392
Scholarships and fellowships	686,848	756,376
Auxiliary enterprises	2,898,625	3,070,851
Depreciation	747,174	786,508
Total Operating Expenses (Schedule B)	19,483,730	19,827,232
Operating Income (Loss)	(13,099,995)	(13,781,496)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	6,997,686	6,960,207
Maintenance ad valorem taxes	777,352	710,957
Federal revenue, non-operating	5,208,705	6,259,386
Gifts	86,757	106,738
Investment income	20,519	16,297
Interest on capital related debt	(245,167)	(262,077)
Gain (loss) on disposal of capital assets	0	13,154
Net Non-Operating Revenues (Schedule C)	12,845,852	13,804,662
Income Before Extraordinary Items	(254,143)	23,166
EXTRAORDINARY ITEMS:		
Extraordinary items	0	0
Increase (Decrease) in Net Position	(254,143)	23,166
NET POSITION		
Net position - beginning of year	9,169,194	11,808,392
Prior period adjustment	0	(2,662,364)
Net position - end of year	\$ 8,915,051	\$ 9,169,194

The accompanying notes are an integral part of this statement.

CISCO COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
YEARS ENDED AUGUST 31, 2016 AND AUGUST 31, 2015
EXHIBIT 3

	Fiscal Year 2016	Fiscal Year 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 10,365,839	\$ 11,496,041
Receipts of appropriations, grants, and contracts	671,590	986,336
Other receipts	541,516	530,841
Payments to or on behalf of employees	(10,084,394)	(10,038,799)
Payments to suppliers for goods or services	(6,858,505)	(7,274,732)
Payments of scholarships	(5,500,735)	(6,611,810)
Net cash provided (used) by operating activities	(10,864,689)	(10,912,123)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	5,192,082	5,272,509
Ad valorem tax revenues	775,758	714,945
Federal revenue, nonoperating	5,263,169	6,204,990
Gifts and grants (other than capital)	91,857	106,738
Student organization and other agency transactions	4,994	(52)
Net cash provided (used) by non-capital financing activities	11,327,860	12,299,130
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest expense paid	(248,048)	(262,077)
Purchases of capital assets	(395,915)	(531,700)
Proceeds from sales of capital assets	0	84,692
Proceeds from loans and capital leases	0	178,295
Payments on debt and capital leases	(706,114)	(721,332)
Net cash provided (used) by capital and related financing activities	(1,350,077)	(1,252,122)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	20,519	16,297
Purchases of investments	735	(603)
Net cash provided (used) by investing activities	21,254	15,694
Increase (decrease) in cash and cash equivalents	(865,652)	150,579
Cash and cash equivalents - September 1	3,982,711	3,832,132
Cash and cash equivalents - August 31	\$ 3,117,059	\$ 3,982,711
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (13,099,995)	\$ (13,781,495)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	747,174	786,508
On-behalf employee benefits paid	1,805,604	1,687,698
Changes in assets and liabilities:		
Receivables (net)	95,310	43,868
Deferred charges	262,048	300,588
Inventories	159,787	(270,864)
Other assets	3,784	120,828
Net deferred resource outflows	(579)	(11,751)
Accounts payable	(136,632)	215,853
Accrued liabilities	(14,486)	(9,366)
Deferred revenue	(662,883)	11,216
Compensated absences	(23,821)	(5,205)
Net cash provided (used) by operating activities	\$ (10,864,689)	\$ (10,912,122)

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, 2016 AND 2015

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. The governing board has designated public funds investment ppls composed of \$1,106,939 and \$1,099,666 at August 31, 2016 and 2015, respectively, to be short-term investments. 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

Pensions

The District participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Unearned Revenues

Tuition and fees of \$2,820,693 and \$3,264,715 and federal, state, and local grants of \$421,812 and \$640,673 have been reported as unearned revenues at August 31, 2016 and 2015, respectively.

Deferred Inflows

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

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.

Prior Year Restatement

The District makes a prior year restatement, as necessary, in accordance with APB 20.

During the prior fiscal year ending August 31, 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.

3. Capitalized Assets

Capital asset activity for the year ended August 31, 2016 was as follows:

	Balance 9/1/15	Increases	Decreases	Balance 8/31/16
Not Depreciated:				
Land	\$ 474,028	\$	\$ 5,100	\$ 468,928
Construction in Progress	0			0
Subtotal	474,028		5,100	468,928
Other Capital Assets:				
Buildings	19,971,140	38,857		20,009,997
Land Improvements	2,104,706	63,659		2,168,365
Library Books	249,531	6,136		255,667
Furn., Machinery, Vehicles, and Other Equip.	3,934,652	287,264		4,221,916
Subtotal	26,260,029	395,916		26,655,945
Accumulated Depreciation:				
Buildings	(6,405,955)	(376,129)		(6,782,084)
Land Improvements	(1,084,927)	(94,642)		(1,179,569)
Library Books	(86,392)	(11,691)		(98,083)
Furn., Machinery, Vehicles, and Other Equip.	(2,678,619)	(264,712)		(2,943,331)
Subtotal	(10,255,893)	(747,174)		(11,003,067)
Net Other Capital Assets	16,004,136	(351,558)		15,652,578
Net Capital Assets	\$ 16,478,164	\$ (351,558)	\$ 5,100	\$ 16,121,806

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	19,884,754	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	26,049,500	531,700	321,171	26,260,029
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	16,330,482	(254,808)	71,538	16,004,136
Net Capital Assets	\$ 16,804,510	\$ (254,808)	\$ 71,538	\$ 16,478,164

4. Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2016 was as follows:

	Balance 9/1/15	Additions	Reductions	Balance 8/31/16	Current Portion
Leases, Bonds and Notes					
Revenue Bonds and Notes	\$ 7,840,000	\$	\$ 615,000	\$ 7,225,000	\$ 635,000
Capital Leases	218,658		91,115	127,543	70,171
Total Leases, Bonds and Notes	8,058,658		706,115	7,352,543	705,171
Other Liabilities					
Compensated Absences	275,266		23,821	251,445	0
Net Pension Liability	2,349,827	611,017	228,851	2,731,993	0
Other - Deposits	26,450			26,450	0
Total Other Liabilities	2,651,543	611,017	252,672	3,009,888	0
Total Long-Term Liabilities	\$ 10,710,201	\$ 611,017	\$ 958,787	\$ 10,362,431	\$ 705,171

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

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 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, 2016 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, 2016 and 2015, the District was in compliance with all material aspects of the bond indentures.

Obligations under capital leases at August 31, 2016 were as follows:

Year ended August 31,	Total
2017	\$ 72,320
2018	46,558
2019	11,639
Total minimum lease payments	130,517
Less: incremental borrowing rate of interest	(2,974)
Present value of minimum lease payments	\$ 127,543

6. Operating Lease Commitments and Rental Agreement

On July 20, 2016 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 eleven (11) years beginning October 1, 2016 and continuing thereafter at an annual lease payment of \$30,000 in 2017 and \$35,000 thereafter. Following is the remaining lease liability:

Year ended August 31,	Total
2017	\$ 30,000
2018	35,000
2019	35,000
2020	35,000
2021	35,000
2022-2026	175,000
Thereafter	35,000
Total	\$ 380,000

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:

	August 31, 2016	August 31, 2015
Bank Deposits		
Demand Deposits	\$ 2,308,008	\$ 3,179,423
Time Deposits	700,000	701,579
Total Bank Deposits	<u>3,008,008</u>	<u>3,881,002</u>
Cash and Cash Equivalents		
Petty Cash on Hand	8,025	8,075
Deposits in Transit	0	0
Money Market Investments - Hilltop Securities	43,037	43,032
Money Market Investments - Ameriprise Financial	3,741	3,741
Cash Equivalents - LOGIC Investment Pool	383,536	381,954
Cash Equivalents - Lone Star Investment Pool	686,784	681,195
Cash Equivalents - TexStar Investment Pool	36,619	36,517
Total Cash and Cash Equivalents	<u>1,161,742</u>	<u>1,154,514</u>
Total Cash and Deposits	<u>\$ 4,169,750</u>	<u>\$ 5,035,516</u>

Reconciliation of Deposits and Investments to Exhibit 1:

Type of Security	August 31, 2016	August 31, 2015
	Market Value	Market Value
U.S. Government Securities	\$ 0	\$ 0
Total Investments		<u>0</u>
Total Cash and Deposits	<u>4,169,750</u>	<u>5,035,516</u>
Total Deposits and Investments	<u>\$ 4,169,750</u>	<u>\$ 5,035,516</u>
Cash and Temp. Investments (Ex. 1)	\$ 2,525,933	\$ 3,389,747
Restricted Cash (Ex. 1)	591,126	592,965
Endowment Investments (Ex. 1)	854,691	854,804
Other Long-Term Investments (Ex. 1)	198,000	198,000
Total Deposits and Investments (Ex. 1)	<u>\$ 4,169,750</u>	<u>\$ 5,035,516</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 compliance with the requirements of the Act and with local policies.

As of August 31, 2016, 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	\$ 700,000	\$ 500,000	\$ 150,000	\$ 50,000	
Money Market Deposits	46,778	46,778			
Investment Pools	1,106,939	1,106,939			
Total	<u>\$ 1,853,717</u>	<u>\$ 1,653,717</u>	<u>\$ 150,000</u>	<u>\$ 50,000</u>	

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, 2016, 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. Fair Value of Financial Instruments

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to their fair value measurement of the instrument.

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy of investments at August 31, 2016 follows:

	FY 2016				FY 2015
	Level 1	Level 2	Level 3	Total	Total
Investment pools	\$ 1,106,939			\$ 1,106,939	\$ 1,099,666
Certificates of deposit	700,000			700,000	701,579
Total	<u>\$ 1,806,939</u>			<u>\$ 1,806,939</u>	<u>\$ 1,801,245</u>

10. Derivatives

None.

11. 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 2016	FY 2015
Assessed Valuation of the District	\$ 711,752,970	\$ 620,256,762
Less: Exemptions	(1,313,280)	(1,223,170)
Less: Abatements		
Net Assessed Valuation of the District	<u>\$ 710,439,690</u>	<u>\$ 619,033,592</u>

	Year End August 31, 2016			Year End August 31, 2015		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation authorized	\$.5000	\$.5000	\$ 1.000	\$.5000	\$.50000	\$ 1.0000
Tax Rate per \$100 valuation assessed	<u>\$.10844</u>	N/A	<u>\$.10844</u>	<u>\$.11357</u>	N/A	<u>\$.11357</u>

Taxes levied for the year ended August 31, 2016 and 2015 totaled \$770,401 and \$703,036, 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 2016 Current Operations	FY 2015 Current Operations
Current Taxes Collected	\$ 761,136	\$ 695,187
Delinquent Taxes Collected	7,788	7,846
Penalties and Interest Collected	6,323	8,449
Total Collections	<u>\$ 775,247</u>	<u>\$ 711,482</u>

Tax collections for the year ended August 31, 2016 and 2015 were 99.81% and 100.00% 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.

12. Employees' Retirement Plan

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

Teacher Retirement System

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). It is a defined benefit pension plan 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.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2015 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2015.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 163,887,375,172
Less: Plan Fiduciary Net Position	(128,538,706,212)
Net Pension Liability	<u>\$ 35,348,668,960</u>
Net Position as a percentage of Total Pension Liability	78.43%

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 grand fathered, 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 in (A) 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 employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

Contribution Rates		
	2015	2016
Member	6.7%	7.2%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

2016 District Contributions	\$ 237,735
2016 Member Contributions	\$ 387,067
2015 NECE On-behalf Contributions	\$ 124,001

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. 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, 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 including public 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.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- 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.
- When a school district does not contribute to the Federal Old-Age Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees, and 100% of the state contribution rate for all other employees.

Actuarial Assumptions. The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.5%
Salary Increases Including Inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes During the Year	None
Ad hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions are based primarily on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

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, 2015 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.0%	0.1%
Absolute Return	0%	1.8%	0.0%
Hedge Funds (Stable Value)	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectations			2.2%
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 2015 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	\$ 4,280,517	\$ 2,731,993	\$ 1,442,168

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2015, the District reported a liability of \$2,731,993 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	\$ 2,731,993
State's proportionate share that is associated with the District	1,479,871
Total	\$ 4,211,864

The net pension liability was measured as of August 31, 2015 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, 2014 thru August 31, 2015.

At August 31, 2015 the District's proportion of the collective net pension liability was 0.0077287% which was a decrease of 0.0010684% from its proportion measured as of August 31, 2014.

Changes Since the Prior Actuarial Valuation. The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

Economic Assumptions

1. The inflation assumption was decreased from 3.00% to 2.50%.
2. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%
3. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
4. The payroll growth assumption was lowered from 3.50% to 2.50%.

Mortality Assumptions

5. The post-employment mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
6. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
7. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

Other Demographic Assumptions

8. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
9. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
10. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
11. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
12. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

Actuarial Methods and Policies

13. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.

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

For the measurement period August 31, 2015, the District recognized pension expense of \$210,858 and revenue of \$210,858 for support provided by the Sate in the Government-Wide Statement of Activities.

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 Resources
Difference between expected and actual economic experiences	\$ 30,224	\$ 104,993
Changes in actuarial assumptions	127,030	97,466
Differences between projected and actual investment earnings	134,177	
Changes in proportion and differences between the District’s contributions and the proportionate share of contributions		244,748
Total as of August 31, 2015 measurement date	\$ 291,431	\$ 447,207
Contributions paid to TRS subsequent to the measurement date	237,735	
Total as of August 31, 2016 fiscal year end	\$ 529,166	\$ 447,207

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
2017	\$ (55,294)
2018	\$ (55,294)
2019	\$ (55,293)
2020	\$ 124,258
2021	\$ (45,828)
Thereafter	\$ (68,325)

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 6.6%, 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 \$147,911 and \$209,006 for fiscal years ended August 31, 2016 and 2015, respectively. This amount includes the portion of expended appropriations made by the state legislature on behalf of the District (totaling \$70,258 and \$99,278 for each fiscal year, respectively).

The total payroll for all District employees was \$8,473,577 and \$8,552,206 for fiscal years 2016 and 2015, respectively. The total payroll of employees covered by the Teacher Retirement System was \$5,374,211 and \$5,177,829, and the total payroll of employee covered by the Optional Retirement Program was \$2,241,075 and \$2,576,063 for fiscal years 2016 and 2015, respectively.

13. 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.

14. 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 \$251,445 and \$275,266 at August 31, 2016 and 2015. 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.

15. 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 2016 and 2015 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 2016 and 2015, respectively.

16. Health Care and Life Insurance Benefits

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's total contributions for the years ended August 31, 2016 and 2015 were \$1,232,662 and \$1,179,303, respectively. The cost of providing those benefits was \$1,164,589 and \$1,057,338 for retirees and active employees for fiscal years 2016 and 2015, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

17. Postemployment Benefits Other Than Pensions

Plan Description. In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the state. The District contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit post-employment healthcare plan administered by the ERS. SRHP provides medical benefits to retired employees of participating universities, community colleges, and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Texas Legislature.

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

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

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

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years.

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

The District's contributions to SRHP for the years ended August 31, 2016 and 2015 were \$294,635 and \$269,276, respectively, which equaled the required contributions each year.

18. 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, 2015, and ending August 31, 2016. 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 \$49,748 and \$82,577 for the years ended August 31, 2016 and 2015, 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.

19. 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 \$49,748 and \$82,577 as of August 31, 2016 and 2015, respectively. Total claims paid to date as a result of the estimated claims liabilities were \$11,405 and \$17,915 for the same periods, respectively.

20. Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The District had no unrelated business income tax liability for the year ended August 31, 2016 and 2015.

21. Disaggregation of Receivables and Payables Balances

Receivables at August 31, 2016 and 2015 were as follows:

	August 31, 2016	August 31, 2015
Taxes Receivable	\$ 14,700	\$ 12,594
Accounts Receivable	543,749	639,571
Federal Receivable	43,286	92,255
Total	<u>\$ 601,735</u>	<u>\$ 744,420</u>

Payables and Accrued Liabilities at August 31, 2016 and 2015 were as follows:

Vendors Payable	\$ 334,744	\$ 471,376
Salaries and Benefits Payable	212,436	221,427
Accrued Interest	38,394	41,275
Total Accounts Payable and Accrued Liabilities	<u>\$ 585,574</u>	<u>\$ 734,078</u>

22. Subsequent Events

Management has evaluated subsequent events through November 9, 2016; 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, 2016

	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.0077287%	0.0087971%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 2,731,993	\$ 2,349,827
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	<u>1,479,871</u>	<u>1,349,919</u>
Total	<u>\$ 4,211,864</u>	<u>\$ 3,699,746</u>
District's Covered Employee Payroll	\$ 5,177,829	\$ 5,140,689
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	52.76%	45.71%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.43%	83.25%

Note: Only two years 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 2016

	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 237,735	\$ 228,951
Contribution in Relation to the Contractually Required Contribution	<u>(237,735)</u>	<u>(228,951)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered Employee Payroll	\$ 5,374,211	\$ 5,177,829
Contributions as a percentage of Covered Employee Payroll	4.42%	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, 2014 - August 31, 2015.

Note: Only two years 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, 2016

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, 2016
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)
SCHEDULE A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Fiscal Year 2016	Total Fiscal Year 2015
Tuition						
State-funded courses						
In-district resident tuition	\$ 62,132	\$	\$ 62,132	\$	\$ 62,132	\$ 66,315
Out-of-district resident tuition	2,506,090		2,506,090		2,506,090	2,733,220
Non-resident tuition	175,051		175,051		175,051	181,859
TPEG - credit (set aside)*	176,283		176,283		176,283	185,111
Non-state funded educational programs	118,146		118,146		118,146	120,844
Total Tuition	<u>3,037,702</u>	<u>0</u>	<u>3,037,702</u>	<u>0</u>	<u>3,037,702</u>	<u>3,287,349</u>
Fees						
General fee	2,973,220		2,973,220	57,327	3,030,547	3,293,053
Student service fee	975,221		975,221		975,221	708,665
Out-of-district fees	1,343,964		1,343,964		1,343,964	1,465,334
Laboratory fee	109,344		109,344		109,344	112,096
Other fees (as needed)	51,471		51,471		51,471	59,420
Total Fees	<u>5,453,220</u>	<u>0</u>	<u>5,453,220</u>	<u>57,327</u>	<u>5,510,547</u>	<u>5,638,568</u>
Scholarship Allowances and Discounts						
Bad debt allowances			0		0	0
Remissions and exemptions - state			0		0	0
Remissions and exemptions - local	(128,443)		(128,443)		(128,443)	(123,927)
Title IV federal grants	(5,201,201)		(5,201,201)		(5,201,201)	(6,252,247)
TPEG awards	(222,897)		(222,897)		(222,897)	(228,132)
Other state grants	(210,243)		(210,243)		(210,243)	(308,092)
Total Scholarship Allowances and Discounts	<u>(5,762,784)</u>	<u>0</u>	<u>(5,762,784)</u>	<u>0</u>	<u>(5,762,784)</u>	<u>(6,912,398)</u>
Total Net Tuition and Fees	<u>2,728,138</u>	<u>0</u>	<u>2,728,138</u>	<u>57,327</u>	<u>2,785,465</u>	<u>2,013,519</u>
Other Operating Revenues						
Federal grants and contracts		213,509	213,509		213,509	226,997
State grants and contracts		553,518	553,518		553,518	458,597
Local grants and contracts		127,872	127,872		127,872	218,026
Sales and services of educational activities	69,047		69,047		69,047	69,047
Investment income (program restricted)			0		0	0
General operating revenues	541,516		541,516		541,516	551,096
Total Other Operating Revenues	<u>610,563</u>	<u>894,899</u>	<u>1,505,462</u>	<u>0</u>	<u>1,505,462</u>	<u>1,523,763</u>
Auxiliary Enterprises						
Bookstore			0	970,111	970,111	1,391,247
Food service			0	678,098	678,098	665,160
Residential life			0	444,599	444,599	452,048
Total Net Auxiliary Enterprises	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,092,808</u>	<u>2,092,808</u>	<u>2,508,455</u>
Total Operating Revenues	<u>\$ 3,338,701</u>	<u>\$ 894,899</u>	<u>\$ 4,233,600</u>	<u>\$ 2,150,135</u>	<u>\$ 6,383,735</u>	<u>\$ 6,045,737</u>
				(Exhibit 2)	(Exhibit 2)	

* - In accordance with Education Code 56.033, \$176,283 of tuition was set aside for Texas Public Education Grants (TPEG).

CISCO COLLEGE DISTRICT
STATEMENT OF OPERATING EXPENSES BY OBJECT
YEAR ENDED AUGUST 31, 2016
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)
SCHEDULE B

	Salaries And Wages	Benefits		Other Expenses	Totals	
		State	Local		Fiscal Year 2016	Fiscal Year 2015
Unrestricted - Educational and General						
Instruction	\$ 5,008,684	\$ 0	\$ 390,136	\$ 450,922	\$ 5,849,742	\$ 5,911,598
Research	0	0	0	0	0	0
Public Service	0	0	0	1,330	1,330	350
Academic Support	480,553	0	35,952	200,101	716,606	743,863
Student Services	984,721	0	74,982	209,539	1,269,242	1,340,918
Institutional Support	1,100,132	0	1,089,975	1,139,397	3,329,504	3,169,513
Operation and Maintenance of Plant	361,996	0	27,082	1,284,057	1,673,135	1,766,891
Scholarships and Fellowships	0	0	0	0	0	0
Total Unrestricted	<u>7,936,086</u>	<u>0</u>	<u>1,618,127</u>	<u>3,285,346</u>	<u>12,839,559</u>	<u>12,933,133</u>
Restricted - Educational and General						
Instruction	206,103	950,213	0	274,777	1,431,093	1,365,605
Research	0	0	0	0	0	0
Public Service	0	0	0	0	0	0
Academic Support	0	87,564	0	0	87,564	238,894
Student Services	17,536	182,626	0	0	200,162	210,594
Institutional Support	0	519,240	0	7,504	526,744	399,770
Operation and Maintenance of Plant	0	65,961	0	0	65,961	65,501
Scholarships and Fellowships	0	0	0	686,848	686,848	756,376
Total Restricted	<u>223,639</u>	<u>1,805,604</u>	<u>0</u>	<u>969,129</u>	<u>2,998,372</u>	<u>3,036,740</u>
Total Educational and General	<u>8,159,725</u>	<u>1,805,604</u>	<u>1,618,127</u>	<u>4,254,475</u>	<u>15,837,931</u>	<u>15,969,873</u>
Auxiliary Enterprises	267,656	0	0	2,630,969	2,898,625	3,070,851
Depreciation Expense - Bldgs and other real est.				470,771	470,771	468,356
Depreciation Expense - Equipment and furn.				276,403	276,403	318,152
Total Operating Expenses	<u>\$ 8,427,381</u>	<u>\$ 1,805,604</u>	<u>\$ 1,618,127</u>	<u>\$ 7,632,618</u>	<u>\$ 19,483,730</u>	<u>\$ 19,827,232</u>
					(Exhibit 2)	(Exhibit 2)

CISCO COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2016
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)
SCHEDULE C

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				Fiscal Year 2016	Fiscal Year 2015
NON-OPERATING REVENUES:					
State Appropriations					
Education and general state support	\$ 5,192,082	\$	\$	\$ 5,192,082	\$ 5,272,509
State group insurance		1,232,662		1,232,662	1,179,303
State retirement matching		572,942		572,942	508,394
Total State Appropriations	<u>5,192,082</u>	<u>1,805,604</u>	<u>0</u>	<u>6,997,686</u>	<u>6,960,206</u>
Maintenance ad valorem taxes	777,352			777,352	710,957
Federal revenue, non-operating		5,208,705		5,208,705	6,259,386
Gifts	86,757			86,757	106,738
Investment income	20,519			20,519	16,297
Total non-operating revenues	<u>6,076,710</u>	<u>7,014,309</u>	<u>0</u>	<u>13,091,019</u>	<u>14,053,584</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	245,167			245,167	262,077
(Gain) / loss on disposal of capital assets	0			0	(13,154)
Total non-operating expenses	<u>245,167</u>	<u>0</u>	<u>0</u>	<u>245,167</u>	<u>248,923</u>
NET NON-OPERATING REVENUES	<u>\$ 5,831,543</u>	<u>\$ 7,014,309</u>	<u>\$ 0</u>	<u>\$ 12,845,852</u>	<u>\$ 13,804,661</u>
				(Exhibit 2)	(Exhibit 2)

CISCO COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
YEAR ENDED AUGUST 31, 2016
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)
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	\$ (2,156,702)			\$	\$ (2,156,702)	\$ (2,156,702)	
Board Designated					0		
Restricted		164,756			164,756	164,756	
Auxiliary enterprises					0		
Loan					0		
Endowment:					0		
Quasi:							
Unrestricted	15,951				15,951	15,951	
Restricted					0		
Endowment							
True	1,531,093				1,531,093		1,531,093
Term (per instructions at maturity)					0		
Life Income Contracts					0		
Annuities					0		
Plant:							
Unexpended	79,085				79,085		79,085
Renewals					0		
Debt Service		550,000			550,000		550,000
Investment in Plant				8,730,870	8,730,870		8,730,870
Total Net Position, August 31, 2016	\$ (530,575)	\$ 714,756	\$ 0	\$ 8,730,870	\$ 8,915,051	\$ (1,975,996)	\$ 10,891,047
Prior Period Adjustment					0	0	0
Total Net Position, August 31, 2015	29,592	761,370		8,378,232	9,169,194	(1,367,989)	10,537,183
Net Increase (Decrease) in Net Assets	\$ (560,167)	\$ (46,614)	\$ 0	\$ 352,638	\$ (254,143)	\$ (608,007)	\$ 353,864

CISCO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2016
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		\$70,699
College Work Study	84.033		86,899
Pell Grant	84.063		5,051,107
Total Direct Programs			<u>5,208,705</u>
Passed Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Voc. Ed.	84.048	13426	213,509
Total Passed Through From Texas Higher Education Coordinating Board			<u>213,509</u>
Total U.S. Department of Education			<u>5,422,214</u>
Total Federal Financial Assistance			<u><u>5,422,214</u></u>

Note 1: Federal Assistance Reconciliation

Federal Revenues - per Schedule A:			
Federal Grants and Contracts			213,509
Indirect/Administrative Costs Recoveries			0
Total Federal Revenues Per Schedule A			<u>213,509</u>
Federal Revenues - per Schedule C:			
Federal Grants, Non-Operating			5,208,705
Total Federal Revenues Per Schedule C			<u>5,208,705</u>
Reconciling Items:			
ADD:			
Expenditures Not Subject to a Federal Single Audit			
Total Pass-Through and Expenditures Per Federal Schedule			<u><u>\$5,422,214</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	\$3,239,042		\$3,239,042
Total Department of Education	<u>\$3,239,042</u>	\$0	<u>\$3,239,042</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, 2016
 SCHEDULE F

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board		
Texas Education Opportunities Grant	13520	\$210,243
Texas College Work Study	13674	17,536
Skills Development	Unkn	89,837
Professional Nursing Shortage Reduction Program - Under 70 Program	15888	235,902
Total Texas Higher Education Coordinating Board		<u>553,518</u>
 Total State Financial Assistance		 <u><u>\$553,518</u></u>

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A:	
State Financial Assistance per Schedule of Expenditures of State Awards	\$553,518
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>\$553,518</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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Invested in capital assets, net of related debt \$	8,730,870	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
Restricted-expendable	714,756	761,370	804,392	844,018	793,065	752,929	661,704	709,756	661,669	654,065
Restricted-nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	(530,575)	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
Total primary government net assets	<u>\$ 8,915,051</u>	<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>

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 2
 REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Tuition and fees (net of discounts) \$	2,728	1,958	1,798	1,674	733	212	523	1,637	2,163	2,458
Government grants and contracts										
Federal grants and contracts	214	227	268	420	400	372	522	305	4,009	3,925
State grants and contracts	554	459	514	198	336	812	583	387	316	201
Nongovernment grants and contract	128	218	209	315	154	53	55	64	113	147
Auxiliary enterprises	2,150	2,564	1,870	1,990	2,366	3,002	2,662	2,534	2,089	1,888
Other operating revenues	611	620	441	272	197	222	243	243	405	274
Total operating revenues	6,385	6,046	5,100	4,869	4,186	4,673	4,588	5,170	9,095	8,893
State appropriations	6,998	6,960	6,832	6,720	6,920	6,598	6,785	6,714	6,530	6,293
Ad valorem taxes	777	711	662	598	541	505	482	368	425	324
Federal revenue, non-operating *	5,209	6,259	6,421	6,859	8,462	9,021	7,572	4,832	-	-
Gifts	87	107	63	188	115	94	1,175	466	510	725
Investment income	21	16	25	26	37	28	35	66	235	257
Other non-operating revenues	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues	13,092	14,053	14,003	14,391	16,075	16,246	16,049	12,446	7,700	7,599
Total revenues \$	19,477	20,099	19,103	19,260	20,261	20,919	20,637	17,616	16,795	16,492

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Tuition and fees (net of discounts)	14.01%	9.74%	9.41%	8.69%	3.62%	1.01%	2.53%	9.29%	12.88%	14.90%
Government grants and contracts										
Federal grants and contracts	1.10%	1.13%	1.40%	2.18%	1.97%	1.78%	2.53%	1.73%	23.87%	23.80%
State grants and contracts	2.84%	2.28%	2.69%	1.03%	1.66%	3.88%	2.83%	2.20%	1.88%	1.22%
Nongovernment grants and contract	0.66%	1.08%	1.09%	1.64%	0.76%	0.25%	0.27%	0.36%	0.67%	0.89%
Auxiliary enterprises	11.04%	12.76%	9.79%	10.33%	11.68%	14.35%	12.90%	14.38%	12.44%	11.45%
Other operating revenues	3.14%	3.08%	2.31%	1.41%	0.97%	1.06%	1.18%	1.38%	2.41%	1.66%
Total operating revenues	32.79%	30.07%	26.69%	25.28%	20.66%	22.33%	22.24%	29.34%	54.15%	53.92%
State appropriations	35.93%	34.63%	35.76%	34.89%	34.15%	31.54%	32.88%	38.11%	38.88%	38.16%
Ad valorem taxes	3.99%	3.54%	3.47%	3.10%	2.67%	2.41%	2.34%	2.09%	2.53%	1.96%
Federal revenue, non-operating *	26.74%	31.14%	33.61%	35.61%	41.76%	43.12%	36.69%	27.43%	0.00%	0.00%
Gifts	0.45%	0.53%	0.33%	0.98%	0.57%	0.45%	5.69%	2.65%	3.04%	4.40%
Investment income	0.11%	0.08%	0.13%	0.13%	0.18%	0.13%	0.17%	0.37%	1.40%	1.56%
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	67.22%	69.92%	73.30%	74.71%	79.33%	77.65%	77.77%	70.65%	45.85%	46.08%
Total revenues	100.01%	99.99%	99.99%	99.99%	99.99%	99.98%	100.01%	99.99%	100.00%	100.00%

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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 7,281	\$ 7,277	\$ 7,293	\$ 7,195	\$ 7,325	\$ 7,324	\$ 7,271	\$ 6,387	\$ 6,372	\$ 6,302
Research	-	-	-	-	-	-	-	-	-	-
Public service	1	-	1	3	1	0	3	2	2	2
Academic support	804	983	980	898	1,122	1,357	1,088	947	1,004	944
Student services	1,469	1,552	1,546	1,629	1,536	1,417	1,325	1,213	1,020	1,033
Institutional support	3,856	3,569	3,691	3,715	3,133	2,757	2,450	2,191	1,879	2,037
Operation and maintenance of plant	1,739	1,832	1,702	1,825	1,879	1,922	1,732	1,719	1,852	2,151
Scholarships and fellowships	687	756	-	-	-	-	-	-	-	-
Auxiliary enterprises	2,899	3,071	3,152	3,302	3,339	3,904	3,852	3,246	3,081	2,828
Depreciation	747	787	768	745	734	740	704	686	681	538
Total operating expenses	19,483	19,827	19,133	19,312	19,069	19,421	18,425	16,391	15,891	15,835
Interest on capital related debt	245	262	275	365	467	572	580	594	615	631
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Total non-operating expenses	245	262	275	365	467	572	580	594	615	631
Total expenses	\$ 19,728	\$ 20,089	\$ 19,408	\$ 19,677	\$ 19,536	\$ 19,993	\$ 19,005	\$ 16,985	\$ 16,506	\$ 16,466

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	36.91%	36.22%	37.58%	36.57%	37.49%	36.63%	38.26%	37.60%	38.60%	38.27%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	0.01%	0.00%	0.01%	0.02%	0.01%	0.00%	0.02%	0.01%	0.01%	0.01%
Academic support	4.08%	4.89%	5.05%	4.56%	5.74%	6.79%	5.72%	5.58%	6.08%	5.73%
Student services	7.45%	7.73%	7.97%	8.28%	7.86%	7.09%	6.97%	7.14%	6.18%	6.27%
Institutional support	19.55%	17.77%	19.02%	18.88%	16.04%	13.79%	12.89%	12.90%	11.38%	12.37%
Operation and maintenance of plant	8.81%	9.12%	8.77%	9.27%	9.62%	9.61%	9.11%	10.12%	11.22%	13.06%
Scholarships and fellowships	3.48%	3.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Auxiliary enterprises	14.69%	15.29%	16.24%	16.78%	17.09%	19.53%	20.27%	19.11%	18.67%	17.17%
Depreciation	3.79%	3.92%	3.96%	3.79%	3.76%	3.70%	3.70%	4.04%	4.13%	3.27%
Total operating expenses	98.77%	98.70%	98.60%	98.15%	97.61%	97.14%	96.94%	96.50%	96.27%	96.15%
Interest on capital related debt	1.24%	1.30%	1.42%	1.85%	2.39%	2.86%	3.05%	3.50%	3.73%	3.83%
Loss on disposal of capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total non-operating expenses	1.24%	1.30%	1.42%	1.85%	2.39%	2.86%	3.05%	3.50%	3.73%	3.83%
Total expenses	100.01%	100.00%	100.02%	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%	99.98%

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
2015	\$ 40	\$ 25	\$ 13	\$ 40	\$ 15	\$ 1,296	\$ 1,596	2.86%	2.31%
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	ERR	ERR

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
2015	\$ 76	\$ 25	\$ 13	\$ 40	\$ 15	\$ 2,028	1.81%
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	ERR

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)
2015-16	\$ 711,753	\$ 1,313	710,440	99.82%	0.10844	0.00000	0.10844
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

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
2015-16	\$ 5,192	6,338	\$ 819	1,014,648	380,272	1,394,920	3.72
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

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)									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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	8,401	14,686	19,014	14,332	8,600	10,167				
Frac Tech Horizons LLC	Manufacturing	51,120									
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		8,253
Luminant Energy Co.	Energy								10,937		
Coral Gas Marketing	Energy								6,216	15,398	16,347
Frac Tech Services, LLC	Energy				218,068	211,585	145,963	140,774	88,559	9,971	10,000
Hill Lake Gas Storage	Energy	33,009	33,632	35,210	37,857	36,593	46,236	46,350	50,002	9,189	
Falcon Gas Storage	Energy								8,638		5,083
Cisco Hi Lift	Manufacturing		8,650					7,666	6,640		
Bear Energy LP	Energy								5,781		
Southwestern Bell Tele	Utility					2,751	3,198		4,052	4,390	4,640
Basic Energy Services	Energy	25,054	8,590	5,470			11,770	11,834	11,156	3,686	
Conoco Phillips	Energy										4,179
Cisco Pipeline LP	Energy										3,863
Union Pacific	Railroad	7,128	6,499	5,821	5,251	4,912	4,252	3,893		3,021	3,543
AEP Texas North	Energy		5,656	4,379	4,487	3,860	3,670			3,325	3,135
Enbridge Gathering	Energy										2,346
Calpine Energy Services	Energy	6,133									
Wilks Ranch, Texas LTD	Agriculture	6,082									
Breckenridge Exploration	Energy		12,263								
Burgess-Manning	Manufacturing									4,212	
FTS International Svcs	Energy	251,514	225,433	231,666							
Frac Tech Services, INC	Energy			4,500							
Lone Star Transmission	Energy	18,703	19,371	8,079							
Atmos Energy/Mid Tex	Energy	7,729	7,628		3,284	2,789					
Tenaska Gas Storage	Energy		5,498			5,761					
EDF Trading	Energy	5,968	8,169	6,192	6,229	4,069					
FTS Int'l Mfg (DC)	Manufacturing	12,490	12,033		17,258	20,316					
Wilks Equip Leasing	Manufacturing			9,584	10,044						
Wilks Brothers LLC	Other	13,160									
Wilks, Farris C & Joann	Other	7,342	5,822	6,045	5,532						
GS Memorial Airfield LL	Other	6,853									
Petex	Energy				3,519						
Electric Trans of Texas	Energy				3,219						
Totals		<u>460,686</u>	<u>381,208</u>	<u>369,341</u>	<u>349,776</u>	<u>311,354</u>	<u>283,128</u>	<u>252,390</u>	<u>209,824</u>	<u>100,308</u>	<u>61,389</u>
Total Taxable Assessed Value		<u>710,440</u>	<u>619,034</u>	<u>586,479</u>	<u>545,643</u>	<u>469,939</u>	<u>448,474</u>	<u>431,522</u>	<u>363,297</u>	<u>323,285</u>	<u>231,906</u>

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	1.18%	2.37%	3.24%	2.63%	1.83%	2.27%	-	-	-	-
Frac Tech Horizons LLC	Manufacturing	7.20%	-	-	-	-	-	-	-	-	-
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%	-
Luminant Energy Co.	Energy	-	-	-	-	-	-	-	3.01%	-	-
Coral Gas Marketing	Energy	-	-	-	-	-	-	-	1.71%	4.76%	7.05%
Frac Tech Services, LLC	Energy	-	-	-	39.97%	45.02%	32.55%	32.62%	24.38%	3.08%	4.31%
Hill Lake Gas Storage	Energy	4.65%	5.43%	6.00%	6.94%	7.79%	10.31%	10.74%	13.76%	2.84%	-
Falcon Gas Storage	Energy	-	-	-	-	-	-	-	2.38%	-	2.19%
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%
Basic Energy Services	Energy	3.53%	1.39%	0.93%	-	-	2.62%	2.74%	3.07%	1.14%	-
Conoco Phillips	Energy	-	-	-	-	-	-	-	-	-	1.80%
Cisco Pipeline LP	Energy	-	-	-	-	-	-	-	-	-	1.67%
Union Pacific	Railroad	1.00%	1.05%	0.99%	0.96%	1.05%	0.95%	0.90%	-	0.93%	1.53%
AEP Texas North	Energy	-	0.91%	0.75%	0.82%	0.82%	0.82%	-	-	1.03%	1.35%
Enbridge Gathering	Energy	-	-	-	-	-	-	-	-	-	1.01%
Calpine Energy Services	Energy	0.86%	-	-	-	-	-	-	-	-	-
Wilks Ranch, Texas LTD	Agriculture	0.86%	-	-	-	-	-	-	-	-	-
Breckenridge Exploration	Energy	-	1.98%	-	-	-	-	-	-	-	-
Burgess-Manning	Manufacturing	-	-	-	-	-	-	-	-	1.30%	-
FTS International Svcs	Energy	35.40%	36.42%	39.50%	-	-	-	-	-	-	-
Frac Tech Services, INC	Energy	-	-	0.77%	-	-	-	-	-	-	-
Lone Star Transmission	Energy	2.63%	3.13%	1.38%	-	-	-	-	-	-	-
Atmos Energy/Mid Tex	Energy	1.09%	1.23%	-	0.60%	0.59%	-	-	-	-	-
Tenaska Gas Storage	Energy	-	0.89%	-	-	1.23%	-	-	-	-	-
EDF Trading	Energy	0.84%	1.32%	1.06%	1.14%	0.87%	-	-	-	-	-
FTS Int'l Mfg (DC)	Manufacturing	1.76%	1.94%	2.94%	3.72%	-	-	-	-	-	-
Wilks Equip Leasing	Manufacturing	-	-	1.63%	1.84%	-	-	-	-	-	-
Wilks Brothers LLC	Other	1.85%	-	-	-	-	-	-	-	-	-
Wilks, Farris C & Joann	Other	1.03%	0.94%	1.03%	1.01%	-	-	-	-	-	-
GS Memorial Airfield LL	Other	0.96%	-	-	-	-	-	-	-	-	-
Petex	Energy	-	-	-	0.64%	-	-	-	-	-	-
Electric Trans of Texas	Energy	-	-	-	0.59%	-	-	-	-	-	-
Totals		<u>64.84%</u>	<u>61.58%</u>	<u>62.96%</u>	<u>64.09%</u>	<u>66.27%</u>	<u>63.13%</u>	<u>58.49%</u>	<u>57.76%</u>	<u>31.02%</u>	<u>26.47%</u>

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
2016	\$ 770	\$ 761	98.83%	8	\$ 775	100.65%
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%

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)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Outstanding Debt										
Revenue bonds	\$ 7,225	\$ 7,840	\$ 8,440	\$ 9,025	\$ 9,520	\$ 10,425	\$ 10,895	\$ 11,345	\$ 11,775	\$ 12,195
Notes payable and capital leases obligations	128	219	162	299	298	1,062	297	287	238	362
Total Outstanding Debt	\$ 7,353	\$ 8,059	\$ 8,602	\$ 9,324	\$ 9,818	\$ 11,487	\$ 11,192	\$ 11,632	\$ 12,013	\$ 12,557
Total Outstanding Debt Ratios										
Per Capita	\$ 405	\$ 443	\$ 471	\$ 506	\$ 527	\$ 618	\$ 602	\$ 640	\$ 655	\$ 686
Per Student	\$ 1,160	\$ 1,186	\$ 1,243	\$ 1,276	\$ 1,175	\$ 1,288	\$ 1,335	\$ 1,708	\$ 1,887	\$ 1,960
Annual Debt Service Coverage By Total Pledged Reven	9.91x	10.26x	10.01x	10.03x	11.20x	10.11x	9.31x	7.88x	7.95x	7.06x

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)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Taxable Assessed Value	\$ 710,440	\$ 619,034	\$ 586,479	\$ 545,643	\$ 469,939	\$ 448,474	\$ 431,522	\$ 363,297	\$ 323,284	\$ 226,245
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 3,552	\$ 3,095	\$ 2,932	\$ 2,728	\$ 2,350	\$ 2,242	\$ 2,158	\$ 1,816	\$ 1,616	\$ 1,131
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 3,552	\$ 3,095	\$ 2,932	\$ 2,728	\$ 2,350	\$ 2,242	\$ 2,158	\$ 1,816	\$ 1,616	\$ 1,131
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
2016	\$ 107	\$ 5,713	\$ 2,099	\$ 631	\$ 8,550	\$ 615	\$ 248	\$ 863	9.91
2015	114	5,839	2,521	377	8,851	600	264	864	10.24
2014	118	5,722	2,552	258	8,650	585	276	861	10.05
2013	126	5,656	2,590	267	8,639	580	329	909	9.50
2012	141	6,592	2,944	212	9,889	765	460	1,225	8.07
2011	155	6,595	3,478	249	10,477	470	543	1,013	10.34
2010	144	5,797	3,217	278	9,436	450	563	1,013	9.31
2009	123	4,828	2,588	446	7,985	430	581	1,011	7.90
2008	110	4,562	2,604	684	7,960	420	597	1,017	7.83
2007	121	4,326	2,433	274	7,154	400	613	1,013	7.06

(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
2015	18,171 \$	(a) \$	(a)	4.70%
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%

Sources:

Population from U.S. Bureau of the Census.

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

Unemployment rates from Texas Workforce Commission

(a) - Data not yet available for 2015.

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	3.70%	300
Basic Energy Service	100-499	3.70%	300
Wal-Mart	100-499	3.70%	300
United Energex	50-99	0.90%	75
Morgan Bldgs Pool & Spas	50-99	0.90%	75
Enbridge	50-99	1.00%	75
Gorman Milling	50-99	0.90%	75
Research & Advanced Methods (RAM)	50-99	0.90%	75
Bird Electric	50-99	0.90%	75
Eastlander Designs	50-99	0.90%	75
FTSI	50-99	1.00%	75
Cisco ISD	50-99	1.00%	75
Cisco College	50-99	0.90%	75
SWS Environmental Svc	50-99	0.90%	75
Brookshires	20-49	0.50%	35
Denny's	20-49	0.50%	35
Link Field Svc X Ray Div	20-49	0.50%	35
Republic Services	20-49	0.50%	35
Total	930-2782	23.30%	1,865

Total All Industries for Eastland County 8,060

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Faculty										
Full-Time	83	89	87	85	102	98	97	90	87	83
Part-Time	91	106	112	122	133	145	139	98	96	94
Total	<u>174</u>	<u>195</u>	<u>199</u>	<u>207</u>	<u>235</u>	<u>243</u>	<u>236</u>	<u>188</u>	<u>183</u>	<u>177</u>
Percent										
Full-Time	47.7%	45.6%	43.7%	41.1%	43.4%	40.3%	41.1%	47.9%	47.5%	46.9%
Part-Time	52.3%	54.4%	56.3%	58.9%	56.6%	59.7%	58.9%	52.1%	52.5%	53.1%
Staff and Administrators										
Full-Time	83	79	86	111	120	116	116	95	92	96
Part-Time	6	5	1	9	9	8	6	4	0	0
Total	<u>89</u>	<u>84</u>	<u>87</u>	<u>120</u>	<u>129</u>	<u>124</u>	<u>122</u>	<u>99</u>	<u>92</u>	<u>96</u>
Percent										
Full-Time	93.3%	94.0%	98.9%	92.5%	93.0%	93.5%	95.1%	96.0%	100.0%	100.0%
Part-Time	6.7%	6.0%	1.1%	7.5%	7.0%	6.5%	4.9%	4.0%	0.0%	0.0%
FTSE per Full-time Faculty	76.4	76.3	79.6	86.0	81.9	91.0	86.4	75.7	73.2	77.0
FTSE per Full-Time Staff Member	76.4	86.0	80.5	65.8	69.6	76.9	72.3	71.7	69.2	66.7
Average Annual Faculty Salary	\$ 44,484	\$ 42,742	\$ 42,470	\$ 42,996	\$ 42,222	\$ 41,547	\$ 41,717	\$ 43,223	\$ 42,733	\$ 40,181

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 CC enrollment data-POISE

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

Student Classification	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	2,213	66.70%	2,059	57.07%	2,090	57.78%	2,317	59.92%	2,724	62.61%
31-60 hours	740	22.30%	930	25.78%	899	24.85%	999	25.83%	1,032	23.72%
> 60 hours	365	11.00%	619	17.16%	623	17.22%	551	14.25%	595	13.68%
Unclassified	0	0.00%	0	0.00%	5	0.14%	0	0.00%	0	0.00%
Total	3,318	100.00%	3,608	100.01%	3,617	99.99%	3,867	100.00%	4,351	100.01%

Semester Hour Load	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	7	0.21%	175	4.85%	198	5.47%	196	5.07%	219	4.62%
3-5 semester hours	619	18.66%	677	18.76%	699	19.33%	765	19.78%	1,841	38.81%
6-8 Semester hours	749	22.57%	789	21.87%	781	21.59%	847	21.90%	362	7.63%
9-11 semester hours	429	12.93%	608	16.85%	576	15.92%	677	17.51%	741	15.62%
12-14 semester hours	1,050	31.65%	1,003	27.80%	1,017	28.12%	1,020	26.38%	1,140	24.03%
15-17 semester hours	408	12.30%	307	8.51%	298	8.24%	332	8.59%	370	7.80%
18 & over	56	1.69%	49	1.36%	48	1.33%	30	0.78%	71	1.50%
Total	3,318	100.01%	3,608	100.00%	3,617	100.00%	3,867	100.01%	4,744	100.01%

Average course load 9.6 8.7 8.7 8.6 8.7

Tuition Status	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	140	4.22%	144	3.99%	127	3.51%	127	3.26%	157	3.54%
Texas Resident (out-of-District)	3,056	92.10%	3,324	92.13%	3,259	90.10%	3,590	92.10%	4,077	91.95%
Non-Resident Tuition	86	2.59%	85	2.36%	170	4.70%	117	3.00%	150	3.38%
Tuition Exemption/Waiver	36	1.08%	55	1.52%	61	1.69%	64	1.64%	50	1.13%
Total	3,318	99.99%	3,608	100.00%	3,617	100.00%	3,898	100.00%	4,434	100.00%

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

Gender	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	2,012	60.64%	2,218	61.47%	2,194	60.66%	2,319	59.97%	2,712	61.51%
Male	1,306	39.36%	1,390	38.53%	1,423	39.34%	1,548	40.03%	1,697	38.49%
Total	<u>3,318</u>	<u>100.00%</u>	<u>3,608</u>	<u>100.00%</u>	<u>3,617</u>	<u>100.00%</u>	<u>3,867</u>	<u>100.00%</u>	<u>4,409</u>	<u>100.00%</u>

Ethnic Origin	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,047	61.69%	2,256	62.53%	2,439	67.43%	2,599	67.21%	2,979	67.57%
Hispanic	766	23.09%	834	23.12%	713	19.71%	763	19.73%	877	19.89%
African American	314	9.46%	288	7.98%	291	8.05%	317	8.20%	353	8.01%
Asian	75	2.26%	74	2.05%	85	2.35%	81	2.09%	67	1.52%
Foreign	37	1.12%	60	1.66%	30	0.83%	30	0.78%	24	0.54%
Native American	26	0.78%	24	0.67%	23	0.64%	32	0.83%	41	0.93%
Two or more races	35	1.05%	61	1.69%						
Not Reported	18	0.54%	11	0.30%	36	1.00%	45	1.16%	68	1.54%
Total	<u>3,318</u>	<u>99.99%</u>	<u>3,608</u>	<u>100.00%</u>	<u>3,617</u>	<u>100.01%</u>	<u>3,867</u>	<u>100.00%</u>	<u>4,409</u>	<u>100.00%</u>

Age	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	802	24.17%	854	23.67%	716	19.80%	590	15.26%	806	18.41%
18-21	1,305	39.33%	1,449	40.16%	1,432	39.59%	1,696	43.86%	1,512	34.53%
22-24	323	9.73%	421	11.67%	396	10.95%	382	9.88%	564	12.88%
25-35	566	17.06%	551	15.27%	683	18.88%	729	18.85%	939	21.44%
36-50	265	7.99%	261	7.23%	312	8.63%	378	9.78%	447	10.21%
51 & over	57	1.72%	72	2.00%	78	2.16%	92	2.38%	111	2.53%
Total	<u>3,318</u>	<u>100.00%</u>	<u>3,608</u>	<u>100.00%</u>	<u>3,617</u>	<u>100.01%</u>	<u>3,867</u>	<u>100.01%</u>	<u>4,379</u>	<u>100.00%</u>

Average Age	24		24		24		24		25	
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CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 17
 TRANSFERS TO SENIOR INSTITUTIONS
 2014 FALL STUDENTS AS OF FALL 2015
 (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	5	0	6	6	11	5.79%
2 Tarleton State University	9	2	15	17	28	14.74%
3 Texas A&M University - Corpus Christi	2	0	2	4	6	3.16%
4 Texas State University - San Marcos	5	1	5	7	13	6.84%
5 Texas Tech Health Science Center	4	3	6	28	35	18.42%
6 Texas Tech University	5	0	7	19	24	12.63%
7 University of Texas at Arlington	7	0	7	5	12	6.32%
8 University of Texas - San Antonio	3	0	3	2	5	2.63%
9 University of Texas - Permian Basin	4	0	4	2	6	3.16%
10 University of Houston	1	0	1	4	5	2.63%
11 University of North Texas	2	1	3	7	10	5.26%
12 Other Public 4-Yr Institutions	7	0	8	28	35	18.42%
Totals	<u>54</u>	<u>7</u>	<u>67</u>	<u>129</u>	<u>190</u>	<u>100.00%</u>

Source: Texas Higher Ed Data/Texas Higher Education Coordinating Board
http://www.txhighereddata.org/reports/performance/ctctransfer/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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Academic Buildings	10	10	10	8	8	8	8	8	8	8
Square footage	138,072	138,072	138,072	135,000	135,000	135,000	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	160,837	190,930	122,341	111,100	35,000	34,000	52,000	84,000	83,500	81,300
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	7	6	6	6	6	6	6	6	6	6
Square footage	79,800	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300
Number of beds	361	357	357	357	357	354	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	3	8	7	6	5	5	4	4	4
Light trucks/Vans	13	12	20	20	20	19	19	17	16	16
Buses	1	1	2	2	2	2	2	1	1	1

OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION

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Cameron L. Gulley

CERTIFIED PUBLIC ACCOUNTANT

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Eastland, Texas 76448
(325)669-9795
cgulley@txol.net

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, 2016 and 2015, 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 10, 2016.

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* or the *Public Funds Investment Act*.

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

Cameron L. Gulley
Certified Public Accountant

November 10, 2016

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CISCO COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2016

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, 2016

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	\$ 5,051,107
84.033 - Federal Work-Study Program	86,899
84.007 - Federal Supplemental Educational Opportunity Grant	70,700
84.032 - Federal Family Education Loans	<u>3,239,042</u>
Total Student Financial Aid Clustered Programs	<u>\$ 8,447,748</u>

The threshold used to distinguish between Type A and Type B federal programs was \$750,000.

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, 2016

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 THE UNIFORM GUIDANCE

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 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, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

I have audited the financial statements of Cisco College District as of and for the year ended August 31, 2016, and have issued my report thereon dated November 10, 2016, 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 the Uniform Guidance 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

Cameron L. Gulley
Certified Public Accountant

November 10, 2016

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, 2016, at Cisco College's facilities as follows:

Location	Description of Facility	Dates Visited
Cisco, Texas	SFA Offices/Main Campus	November 9-10, 2016
Cisco, Texas	Admin Offices/Main Campus	November 9-10, 2016

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, 2016

	GRANTS AND COLLEGE WORK STUDY			STUDENT LOANS	TOTAL
	SEOG	Pell	Work Study	NDSL	
Fund Balance - July 1, 2015	\$0	\$0	\$0	\$99	\$99
Additions:					
Federal Awards	70,699	5,051,107	86,899		5,208,705
Institution Matching Contribution					0
Interest Income				0	0
Total Additions	70,699	5,051,107	86,899	0	5,208,705
Deductions:					
Grants	67,333	5,051,107			5,118,440
Contribution:					
Federal					
Institutional					
Wages			82,761		82,761
Administrative Expense	3,366		4,138	99	7,603
Total Deductions	70,699	5,051,107	86,899	99	5,208,804
Net Increase (Decrease) in Fund Balance	0	0	0	(99)	(99)
Fund Balance - June 30, 2016	\$0	\$0	\$0	\$0	\$0

CISCO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES
FOR EACH STUDENT FINANCIAL ASSISTANCE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016

College Work Study Program

Student Wages	\$82,761
Administrative Cost Allowance	<u>4,138</u>
	<u>\$86,899</u>

Supplemental Educational Opportunity Grant

Student Grants	\$67,333
Administrative Cost Allowance	<u>3,366</u>
	<u>\$70,699</u>

Pell Grant Program

Student Grants	<u>\$5,051,107</u>
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