

ANGELINA COUNTY
JUNIOR COLLEGE DISTRICT

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
AUGUST 31, 2016 AND 2015



PREPARED BY:

THE BUSINESS OFFICE

ANGELINA COLLEGE
LUFKIN, TEXAS

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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**Angelina County
Junior College District**

INTRODUCTORY SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2016 and 2015**



Angelina College

P.O. Box 1768, Lufkin, Texas 75902-1768 • 936/639-1301 • Fax 936/639/4299 •
www.angelina.edu

December 12, 2016

To the Taxpayers of Angelina County, the Citizens of Angelina College Service Area, the Members of the Board of Trustees, and the President:

We are pleased to present the following comprehensive annual financial report (CAFR) of Angelina County Junior College District (the College) for the fiscal year ended August 31, 2016. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

The financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and follow any applicable Government Accounting Standards Board (GASB) pronouncements. The independent accounting firm of Axley & Rode, LLP conducted the audit of the financial statements and related notes in conformance with U.S. generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and state statutes. The independent auditors' report on MD&A, the basic financial statements, and other supplemental financial information is included within the financial section of this report. The independent auditors' report issued in accordance with *Government Auditing Standards* is in the single audit section of this report.

As a recipient of federal and state awards, the audit was also designed to meet any requirements set forth by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular*. The College is responsible for maintaining adequate internal control over compliance with applicable laws and regulations related to these programs. Internal controls are designed to provide reasonable, rather than absolute, assurances that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits derived. The auditor considered the internal controls over financial reporting, as well as adherence to applicable laws and regulations, and did not identify any material weaknesses in internal control or any significant violations of applicable laws and regulations. The report can be found within the single audit section of this report.

PROFILE OF DISTRICT

Angelina County Junior College District was established as a public community college under the laws of the State of Texas by election on September 24, 1966. It is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award the following degrees: Associate in Arts, Associate in Science, Associate in Applied Science, and certificates. The College's seven educational divisions (Business, Community Services, Fine Arts, Health Careers, Liberal Arts, Science & Mathematics, and Technology & Workforce) offer over 65 different areas of study. Course work includes

not only credit-type courses, but also certificate programs in multiple areas to provide for the educational needs of the local communities.

The College is governed by a seven member, locally elected, Board of Trustees and services 12 counties in East Texas encompassing over 10,200 square miles. The service area, as defined by the Texas Legislature, includes all of Angelina, Houston, Nacogdoches, Polk, Sabine, San Augustine, Trinity, and Tyler counties. Also included are parts of Cherokee (Wells & Alto ISDs), Newton (Burkeville & Newton ISDs), Jasper (Colmesneil & Jasper ISDs), and San Jacinto (Shepard & Coldspring-Oakhurst Consolidated ISDs) counties. Portions of Brookeland ISD located in Jasper and Newton counties are also included in the College's service area.

The College's main campus is located on over 230 wooded acres in Lufkin, Texas. Classes are also offered at various off-campus teaching centers at the Career and Technical Center in Crockett, the Higher Education & Technology Center in Jasper, the Nacogdoches Center, the Polk County Center in Livingston, and several area high schools or local community sites. In addition to physical locations, courses are offered through interactive video, via the Internet, and through the Virtual College of Texas in cooperation with other Texas colleges. The student body is comprised of over 5,300 credit students and 4,800 community service students. In addition to instructional programs, the College has multiple opportunities for students to become involved in college life experiences through 25 student clubs and organizations, fine arts activities, and intercollegiate athletic programs.

MISSION AND GOALS

The mission of Angelina College is "to provide quality educational opportunities and services to aid students in the service area in reaching their full potential".

This mission is exemplified by these five goals as stated in the College's strategic plan:

- **Goal One:** *Expanding Access to Higher Education Opportunities*
Angelina College will increase awareness of the educational opportunities and services offered by the College, continuously improve processes and services to make enrollment convenient and efficient, and expand access to all credit and noncredit programs.
- **Goal Two:** *Promoting Student Success*
Angelina College will assist students in identifying and achieving their educational goals including program completion, academic transfer, basic skills improvement, career preparation, and personal and professional growth.
- **Goal Three:** *Pursuing Excellence through Continuous Improvement*
Angelina College will cultivate a learning and working environment committed to evidence-based decision making, identifying and implementing best practices, and continuously improving programs and services.
- **Goal Four:** *Engaging in Community Service*
Angelina College will provide programs and services to support learners' career and personal enrichment goals, to meet the human capital needs of employers, to contribute to the social and cultural environment of the region, and to support economic development in the College's service area.

- **Goal Five: *Investing Responsibly in Quality***

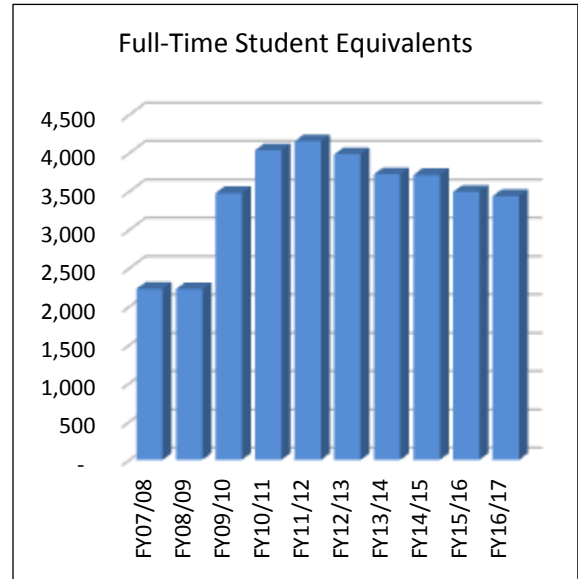
Angelina College will manage resources in a prudent manner while investing to enhance educational offerings and the physical environment to meet student and community needs and expectations

FINANCIAL CONDITION

While the population of the College's service area has grown slightly over the last ten years, the full-time student equivalent enrollment has grown by over fifty percent. Public two-year community colleges throughout the state of Texas have also experienced similar growth patterns. Our enrollment is expected to remain stable as students continue to take advantage of the low cost but high quality education of community colleges.

Another major source of revenue for the College is property taxes. Angelina County's tax base has remained relatively consistent over the last ten years and is anticipated to increase slightly or remain flat in the upcoming years.

One of the challenges community colleges are facing is being able to meet educational demands under the continued pressure of level or reduced state funding. Cost-saving measures, additional tuition and increased property tax revenue have enabled the College to balance these demands against decreases in state appropriations but it is a continuing concern, which may influence future budgets and educational programs.



LONG-TERM PLANNING

The Board's long-range planning committee provides leadership and guidance in developing the College's long-term goals and strategic plans. The committee reviews educational programs, student activities, fiscal needs, and facilities to meet the future needs of the College and community. Current goals are outlined in the committee's "2020 Vision" plan for the College.

The College also has a multi-year renewal and replacement plan, which addresses new construction projects and renovation projects to ensure the long-term viability of the College's facilities. The plan covers a three-year period of anticipated projects and expenditures.

BUDGETARY PROCESS

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. Program needs are balanced against available resources in preparing the budget to ensure that the College remains fiscally sound and stable. The budget is subsequently reviewed and approved by the College's Board of Trustees. During the year, the financial impact of College expenditures is monitored through a system of budget controls to adhere to legal provisions embodied in the annual appropriated budget and to maintain a balanced budget.

FINANCIAL POLICIES

The College implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the year ended August 31, 2015. Statement 68 requires recognition of the long-term obligations for defined pension plans. Readers are encouraged to read the notes to the financial statements and supplemental schedules for additional information concerning the impact of the standard.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Angelina County Junior College District for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2015. This was the fifth year that the College achieved this prestigious award.

We believe that our current CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

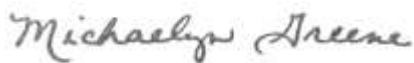
We would like to express our appreciation to the staff of the College's business office for their hard work in preparing this report and to the accounting firm of Axley & Rode, LLP for their timely completion of the audit.

We would also like to thank the College President and Board of Trustees for providing their outstanding leadership and vision for the College.

Respectfully submitted,



Chris Sullivan
Vice President of Business Affairs



Michaelyn Greene
Controller





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Angelina County
Junior College District
Texas**

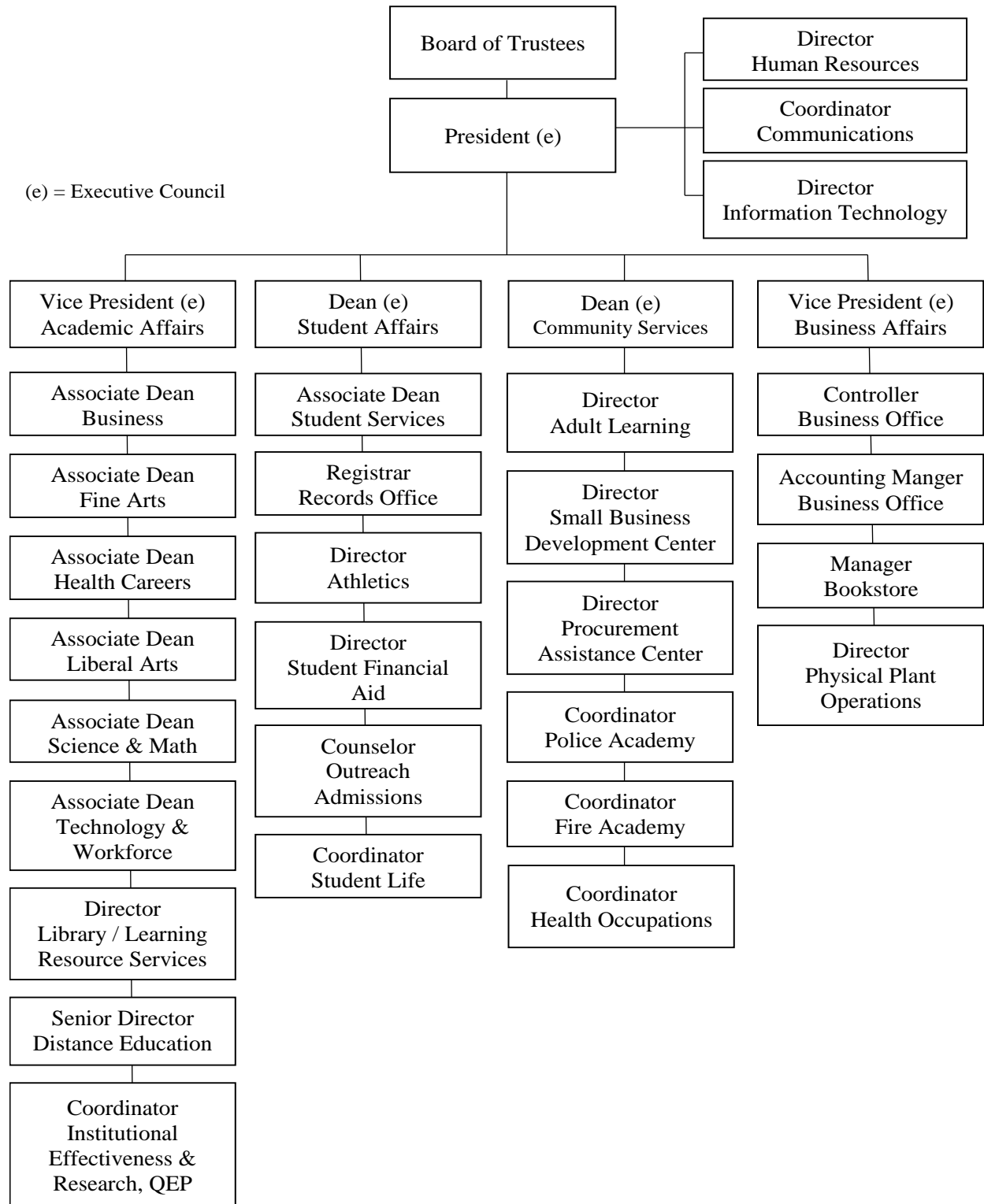
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2015

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is written in a cursive, flowing style.

Executive Director/CEO

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
ORGANIZATIONAL CHART
For the Fiscal Year Ending August 31, 2016



ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
PRINCIPAL OFFICIALS
For the Fiscal Year Ending August 31, 2016

BOARD OF TRUSTEES

| | | TITLE | TERM EXPIRES |
|----------------------------|---------------|----------------|-----------------|
| | | | |
| Robert L. Poland, Jr | Lufkin, Texas | President | 2018 |
| Dr. Billy G. Kistler, M.D. | Lufkin, Texas | Vice-President | 2022 |
| Trey Henderson | Lufkin, Texas | Secretary | 2020 |
| Joe Deason | Lufkin, Texas | Member | 2020 |
| Jay Shands | Lufkin, Texas | Member | 2020 |
| Tim Stacy | Lufkin, Texas | Member | 2022 |
| Ellen Clarke Temple | Lufkin, Texas | Member | 2018 |

PRINCIPAL ADMINISTRATIVE OFFICERS

| | |
|----------------------|------------------------------------|
| Dr. Michael Simon | President |
| Dr. Cynthia Casparis | Vice President of Academic Affairs |
| Chris Sullivan | Vice President of Business Affairs |
| Tim Ditoro | Dean of Community Services |
| Steve Hudman | Dean of Student Affairs |



**Angelina County
Junior College District**

FINANCIAL SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2016 and 2015**



CROCKETT - JASPER - LIVINGSTON - LUFKIN - NACOGDOCHES

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Angelina County Junior College District
Lufkin, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Angelina County Junior College District ("the College"), as of and for the years ended August 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College as of August 31, 2016 and 2015, and the respective changes in financial position and cash flows, thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT – CONTINUED

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 13 - 20, and the required supplementary information schedules on pages 55 - 56, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The introductory section, supplemental financial information, and statistical section 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 Schedule of Expenditures of Federal Awards and Expenditures of State Awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State of Texas Single Audit Circular* and are not a required part of the basic financial statements.

The supplemental financial information, including the Schedules of Expenditures of Federal and State Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report on pages 93 - 94 is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
December 12, 2016

AXLEY & RODE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**Angelina County Junior College District
Management's Discussion and Analysis
August 31, 2016**

The management of Angelina County Junior College District (the College) has prepared the following Management's Discussion and Analysis. As management of the College, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the College for the fiscal years ended August 31, 2016 and 2015. The information presented should be read in conjunction with additional information we have furnished in our letter of transmittal, which precedes this report, as well as the financial statements and the accompanying notes to the financial statements, which follow this section. Responsibility for the completeness and fairness of this information rests with the preparers.

Basic Financial Statements

The comprehensive annual financial report consists of three basic financial statements that provide information on the College as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The financial statements are designed to provide readers with a broad overview of Angelina College's finances in a manner comparable to those of a private sector college. The following information is intended to provide an overview of these statements.

Statement of Net Position

The Statement of Net Position presents current assets (unrestricted assets expected to provide support within a year), noncurrent assets (restricted assets expected to provide long-term benefit to the College), deferred outflows of resources (a consumption of net position that applies to a future period), current liabilities (obligations which must be met within the current year), noncurrent liabilities (obligations which are not to be settled in the current year), and deferred inflows of resources (an acquisition of net position that applies to a future period). The difference is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the College is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the College's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Statement of Cash Flows

The Statement of Cash Flows is reported on the direct method. The direct method of cash flow reporting portrays net cash flows from operations as major classes of operating receipts (e.g. receipts from students and other customers) and disbursements (e.g. payments to or on behalf of employees). GASB Statements No. 34 and 35 require this method to be used. The primary purpose of cash flow analysis is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also may help users assess

Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2016

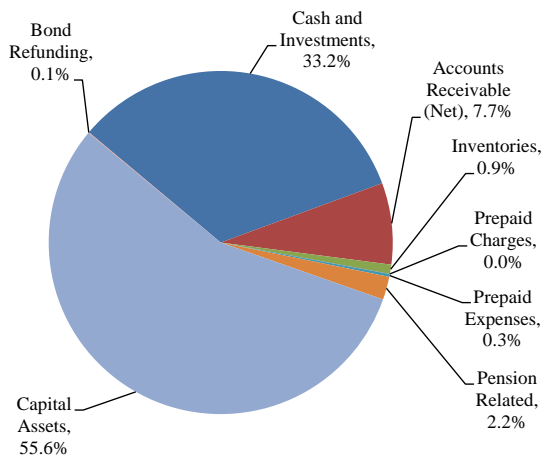
the College's ability to generate future net cash flows, to meet its obligations as they come due, and to determine its need for external financing.

Comparative Financial Information and Analysis

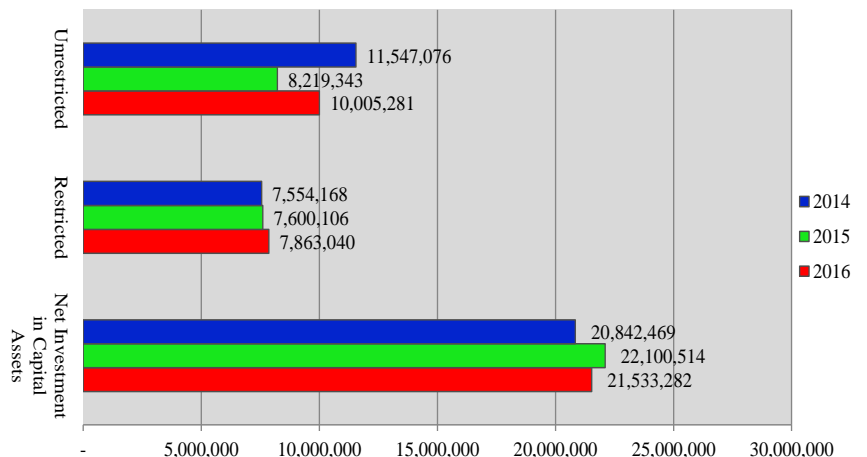
Comparison of Current to Prior Years' Net Position

| | 2016 | 2015 | \$ Difference Current Year and Previous Year | % Difference Current Year and Previous Year | 2014 | \$ Difference Previous Year and Year Before | % Difference Previous Year and Year Before |
|---------------------------------------|----------------------|----------------------|---|--|----------------------|--|---|
| Assets | | | | | | | |
| Cash and Investments | \$ 22,563,056 | \$ 20,061,122 | \$ 2,501,934 | 12.47% | \$ 19,371,413 | \$ 689,709 | 3.56% |
| Accounts Receivable (Net) | 5,206,685 | 4,790,914 | 415,771 | 8.68% | 1,441,962 | 3,348,952 | 232.25% |
| Inventories | 583,165 | 701,899 | (118,734) | (16.92%) | 1,010,894 | (308,995) | (30.57%) |
| Capital Assets | 37,815,273 | 39,749,899 | (1,934,626) | (4.87%) | 39,821,217 | (71,318) | (0.18%) |
| Total Assets | 66,168,179 | 65,303,834 | 864,345 | 1.32% | 61,645,486 | 3,658,348 | 5.93% |
| Deferred Outflows of Resources | | | | | | | |
| Prepaid Charges | 15,700 | 7,190 | 8,510 | 118.36% | 3,391,751 | (3,384,561) | (99.79%) |
| Prepaid Expenses | 183,372 | 231,508 | (48,136) | (20.79%) | 218,405 | 13,103 | 6.00% |
| Pension Related | 1,473,284 | 572,650 | 900,634 | 157.27% | - | 572,650 | - |
| Loss on Bond Refunding | 45,773 | - | 45,773 | - | - | - | - |
| Total Deferred Outflows of Resources | 1,718,129 | 811,348 | 861,008 | 106.12% | 3,610,156 | (2,798,808) | (77.53%) |
| Liabilities | | | | | | | |
| Current Liabilities | 2,470,611 | 2,580,786 | (110,175) | (4.27%) | 2,538,668 | 42,118 | 1.66% |
| Noncurrent Liabilities | 19,191,633 | 19,602,995 | (411,362) | (2.10%) | 17,904,665 | 1,698,330 | 9.49% |
| Total Liabilities | 21,662,244 | 22,183,781 | (521,537) | (2.35%) | 20,443,333 | 1,740,448 | 8.51% |
| Deferred Inflows of Resources | | | | | | | |
| Unearned Revenues | 5,551,683 | 5,052,625 | 499,058 | 9.88% | 4,868,596 | 184,029 | 3.78% |
| Pension Related | 1,212,889 | 958,813 | 254,076 | 26.50% | - | 958,813 | - |
| Total Deferred Inflows of Resources | 6,764,572 | 6,011,438 | 753,134 | 12.53% | 4,868,596 | 1,142,842 | 23.47% |
| Net Position | | | | | | | |
| Net Investment in Capital Assets | 21,533,282 | 22,100,514 | (567,232) | (2.57%) | 20,842,469 | 1,258,045 | 6.04% |
| Restricted | 7,908,813 | 7,600,106 | 308,707 | 4.06% | 7,554,168 | 45,938 | 0.61% |
| Unrestricted | 10,017,397 | 8,219,343 | 1,798,054 | 21.88% | 11,547,076 | (3,327,733) | (28.82%) |
| Total Net Position | <u>\$ 39,459,492</u> | <u>\$ 37,919,963</u> | <u>\$ 1,539,529</u> | <u>4.06%</u> | <u>\$ 39,943,713</u> | <u>\$ (2,023,750)</u> | <u>(5.07%)</u> |

Year Ending 2016 – Assets And Deferred Outflows



Net Position – Past Three Years



Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2016

Cash and Investments increased by \$2,501,934 (12%) in FY16 while increasing by \$689,709 (4%) in FY15. The increase in FY16 results from a lower than normal investment in capital assets.

Accounts Receivable (Net) increased by \$415,771 (9%) in FY16 as a result of a slightly earlier start of classes as well as a modest tuition increase. Accounts Receivable (Net) increased by \$3,348,952 (232%) in FY15 as a result of implementing estimated financial aid for student account balances. Prior to FY15, financial aid was applied as students enrolled and resulted in a Prepaid Charge. After implementing estimated financial aid, the student's account balance remains a receivable until the student has begun attending classes.

Bookstore Inventories decreased \$118,734 (17%) as a result of a slightly earlier start of classes in FY16 and decreased \$308,995 (31%) in FY15 as a result of better inventory management procedures.

Only some non-credit scholarships are included in Deferred Outflows of Resources as Prepaid Charges for the Fall 2016 and 2015 semesters. For the Fall 2014 semester, Title IV Grant expenses as well as scholarship expenses are included in Prepaid Charges. The decrease for FY15 of \$3,384,561 (100%) is a result of implementing estimated financial aid for student account balances.

Capital Assets compose 56% of the College's total assets. The \$37,815,273 invested in capital assets includes land, buildings, furniture and equipment, and improvements and is the largest single component of net position. The College uses these capital assets to provide services to students, faculty, and staff. The College's investment in capital assets is reported net of accumulated depreciation. A portion of the capital assets was acquired with debt, some of which is still outstanding. It should be noted that resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Current Liabilities decreased by \$110,175 (4%) in FY16 and increased by \$42,118 (2%) in FY15. These amounts fluctuate based on purchases and services required at year end.

Noncurrent Liabilities decreased by \$411,362 (2%) in FY16 as a result of payments on long-term indebtedness but this decrease was partially offset by an increase in the Net Pension Liability. Noncurrent Liabilities increased \$1,698,330 (9%) in FY15 due to the initial recording of the Net Pension Liability of \$3,134,367. This increase in FY15 was partially offset by normal payments on long-term indebtedness.

Tuition and fees of \$5,143,426 for the Fall 2016 semester and federal, state, and local grant receipts of \$408,256 have been deferred and are included in Deferred Inflows of Resources. Unearned revenues increased by \$499,058 (10%) in FY16 due primarily to an increase in enrollment combined with an increase in tuition rates. The increase in FY 15 of \$184,029 (4%) is due primarily to an increases in tuition rates.

The assets and deferred outflows of the College exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$39,459,492 (Net Position), an increase of \$1,539,529 from the prior fiscal year. Of total Net Position, \$10,017,397 is classified as Unrestricted and

Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2016

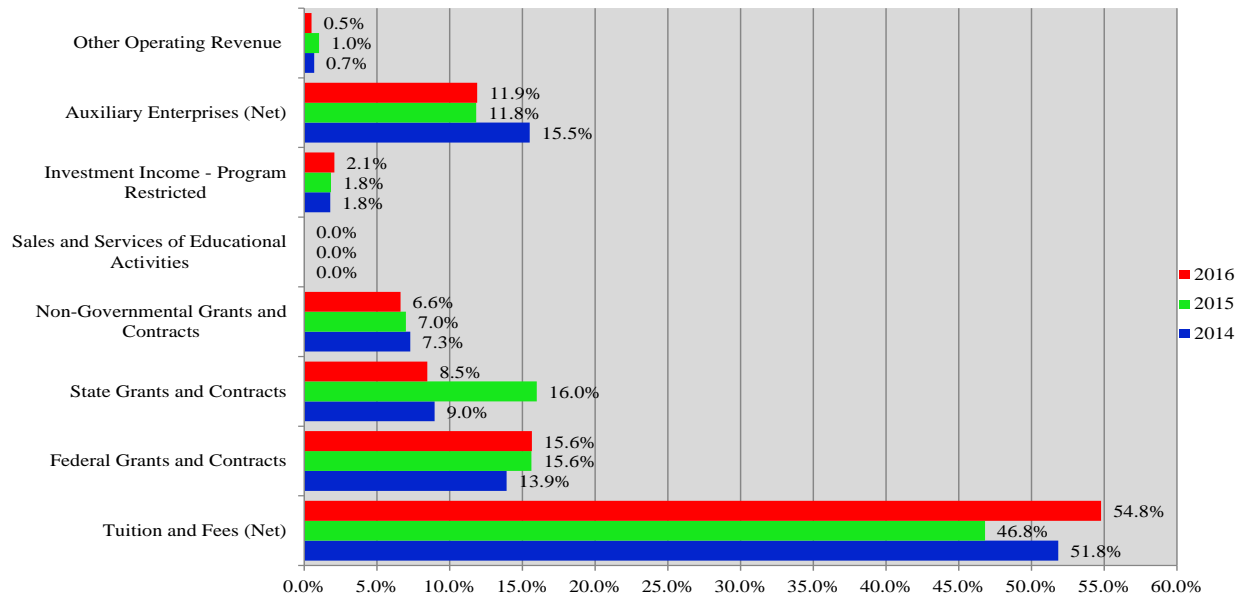
may be used to meet the College's day-to-day obligations. In FY15, the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* resulted in a decrease of \$3,551,254 in Net Position, however, operations resulted in an increase in Net Position of \$1,527,504.

Analysis of Significant Changes in Operations

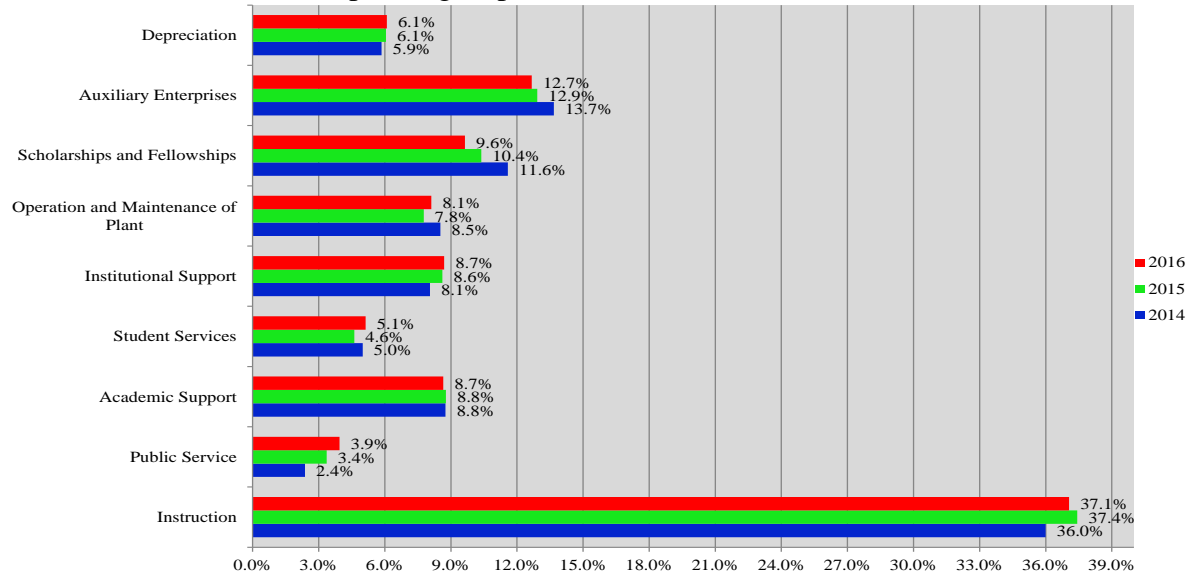
| | 2016 | 2015 | \$ Difference Current Year and Previous Year | % Difference Current Year and Previous Year | 2014 | \$ Difference Previous Year and Year Before | % Difference Previous Year and Year Before |
|--|----------------------|----------------------|---|--|----------------------|--|---|
| Operating Revenues | | | | | | | |
| Tuition and Fees (Net) | \$ 5,947,776 | \$ 4,993,701 | \$ 954,075 | 19.11% | \$ 5,156,839 | \$ (163,138) | (3.16%) |
| Federal Grants and Contracts | 1,698,421 | 1,670,839 | 27,582 | 1.65% | 1,384,761 | 286,078 | 20.66% |
| State Grants and Contracts | 919,265 | 1,709,566 | (790,301) | (46.23%) | 891,000 | 818,566 | 91.87% |
| Non-Governmental Grants and Contracts | 718,228 | 748,048 | (29,820) | (3.99%) | 725,996 | 22,052 | 3.04% |
| Sales and Services of Educational Activities | - | 400 | (400) | (100.00%) | 1,200 | (800) | (66.67%) |
| Investment Income - Program Restricted | 225,867 | 195,998 | 29,869 | 15.24% | 177,278 | 18,720 | 10.56% |
| Auxiliary Enterprises (Net) | 1,291,358 | 1,264,501 | 26,857 | 2.12% | 1,542,215 | (277,714) | (18.01%) |
| Other Operating Revenue | 54,781 | 108,460 | (53,679) | (49.49%) | 68,168 | 40,292 | 59.11% |
| Total Operating Revenue | 10,855,696 | 10,691,513 | 164,183 | 1.54% | 9,947,457 | 744,056 | 7.48% |
| Operating Expenses | | | | | | | |
| Instruction | 12,808,913 | 12,877,472 | (68,559) | (0.53%) | 12,384,578 | 492,894 | 3.98% |
| Public Service | 1,363,120 | 1,151,647 | 211,473 | 18.36% | 814,632 | 337,015 | 41.37% |
| Academic Support | 2,991,252 | 3,008,866 | (17,614) | (0.59%) | 2,995,188 | 13,678 | 0.46% |
| Student Services | 1,773,556 | 1,583,332 | 190,224 | 12.01% | 1,710,417 | (127,085) | (7.43%) |
| Institutional Support | 3,005,739 | 2,954,274 | 51,465 | 1.74% | 2,754,948 | 199,326 | 7.24% |
| Operation and Maintenance of Plant | 2,792,393 | 2,664,350 | 128,043 | 4.81% | 2,914,569 | (250,219) | (8.59%) |
| Scholarships and Fellowships | 3,328,425 | 3,562,585 | (234,160) | (6.57%) | 3,965,488 | (402,903) | (10.16%) |
| Auxiliary Enterprises | 4,379,873 | 4,433,118 | (53,245) | (1.20%) | 4,678,071 | (244,953) | (5.24%) |
| Depreciation | 2,105,071 | 2,077,154 | 27,917 | 1.34% | 2,003,171 | 73,983 | 3.69% |
| Total Operating Expenses | 34,548,342 | 34,312,798 | 235,544 | 0.69% | 34,221,062 | 91,736 | 0.27% |
| Net Operating Loss | (23,692,646) | (23,621,285) | (71,361) | 0.30% | (24,273,605) | 652,320 | (2.69%) |
| Non-Operating Revenues | | | | | | | |
| State Appropriations | 9,121,348 | 9,243,039 | (121,691) | (1.32%) | 9,186,314 | 56,725 | 0.62% |
| Maintenance Ad Valorem Taxes | 5,244,579 | 5,016,251 | 228,328 | 4.55% | 4,994,911 | 21,340 | 0.43% |
| Debt Service Ad Valorem Taxes | 1,829,913 | 1,818,724 | 11,189 | 0.62% | 1,886,023 | (67,299) | (3.57%) |
| Federal Revenue, Non-Operating | 8,460,303 | 9,101,905 | (641,602) | (7.05%) | 10,064,276 | (962,371) | (9.56%) |
| Gifts | 710,798 | 520,048 | 190,750 | 36.68% | 501,553 | 18,495 | 3.69% |
| Investment Income | 283,080 | 106,997 | 176,083 | 164.57% | 420,081 | (313,084) | (74.53%) |
| Other Non-Operating Revenues | 288,166 | 346,585 | (58,419) | (16.86%) | 324,970 | 21,615 | 6.65% |
| Total Non-Operating Revenues | 25,938,187 | 26,153,549 | (215,362) | (0.82%) | 27,378,128 | (1,224,579) | (4.47%) |
| Non-Operating Expenses | | | | | | | |
| Interest on Capital Related Debt | 752,245 | 797,712 | (45,467) | (5.70%) | 859,256 | (61,544) | (7.16%) |
| Disposal of Capital Asset (Net) | 8,604 | 1,500 | 7,104 | 473.60% | 13,250 | (11,750) | (88.68%) |
| Investment Expenses | 4,343 | 273,537 | (269,194) | (98.41%) | - | 273,537 | - |
| Total Non-Operating Expenses | 765,192 | 1,072,749 | (307,557) | (28.67%) | 872,506 | 200,243 | 22.95% |
| Income Before Other Revenues | 1,480,349 | 1,459,515 | 20,834 | 1.43% | 2,232,017 | (772,502) | (34.61%) |
| Other Revenues | | | | | | | |
| Capital Contributions | - | - | - | - | - | - | - |
| Additions to Permanent Endowments | 59,180 | 67,989 | (8,809) | (12.96%) | 175,031 | (107,042) | (61.16%) |
| Total Other Revenues | 59,180 | 67,989 | (8,809) | (12.96%) | 175,031 | (107,042) | (61.16%) |
| Increase in Net Position | 1,539,529 | 1,527,504 | 12,025 | 0.79% | 2,407,048 | (879,544) | (36.54%) |
| Beginning Net Position | 37,919,963 | 39,943,713 | (2,023,750) | (5.07%) | 37,536,665 | 2,407,048 | 6.41% |
| Cumulative Effect of Change in Accounting Principle | - | (3,551,254) | 3,551,254 | - | - | (3,551,254) | - |
| Ending Net Position | <u>\$ 39,459,492</u> | <u>\$ 37,919,963</u> | <u>\$ 1,539,529</u> | <u>4.06%</u> | <u>\$ 39,943,713</u> | <u>\$ (2,023,750)</u> | <u>(5.07%)</u> |

**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2016**

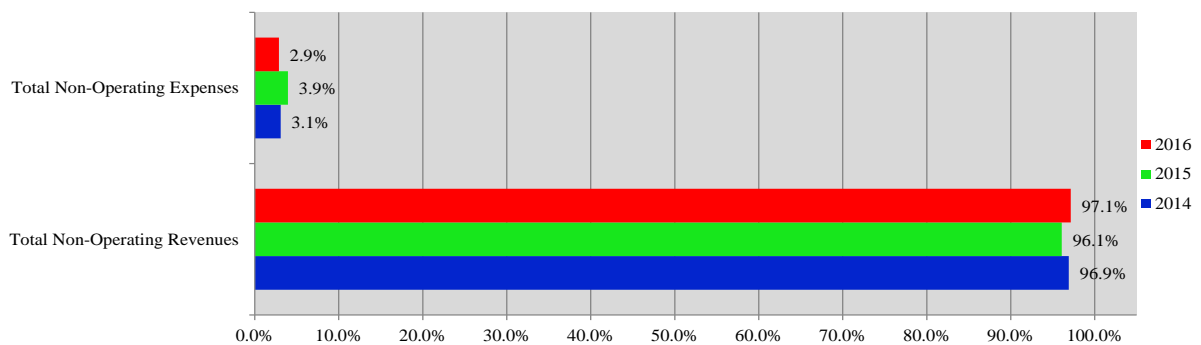
Operating Revenues – Past Three Years



Operating Expenses – Past Three Years



Non-Operating Revenues and Expenses – Past Three Years



Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2016

Operating revenues include all transactions that result from providing services related to the College's principal ongoing business activities such as tuition and fees, and sales from bookstore operations. In addition, certain federal, state, and private grants are considered operating revenue if they are not for capital purposes and are considered a contract for services.

Net Tuition and Fees increased \$954,075 (19%) in FY16 due primarily to an increase in tuition rates but decreased \$163,138 (3%) in FY15 as a result of decreased credit enrollment. Federal Grants and Contracts revenues remained level in FY16 but increased \$286,078 (21%) in FY15 due to additional grants such as the Child Care Training grant and Adult Education grant. State Grants and Contracts decreased by \$790,301 (46%) in FY16 after increasing in FY15 by \$818,566 (92%) showing the fluctuating nature of such grants. Non-Governmental Grants and Contracts was relatively stable over the three-year period. The Auxiliary Enterprises (Net) was relatively level in FY16 but decreased \$277,714 (18%) in FY15 because the College moved the first week of classes for the Fall 2013 semester from the end of August to the beginning of September causing a significant number of sales to be delayed until FY14. In addition, classes for the Fall 2014 semester started in August 2014 further increasing sales in FY14.

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College. Instructional costs decreased slightly in FY16 after increasing \$492,894 (4%) in FY15 due to increased instructional salaries, benefits, and additional instructional grants. Public Service increased by \$211,473 (18%) after increasing by \$337,015 (41%) during FY15 due to additional grants. Student Services increase \$190,224 (12%) in FY16 after decreasing \$127,085 (7%) with the filling of vacant positions and adding additional staff. Scholarships and Fellowships decreased \$234,160 (7%) in FY16 because the average course load decreased resulting in less Title IV aid. Scholarships and Fellowships decreased \$402,903 (10%) in FY15 because of decreased enrollment combined with higher tuition allowances which decreased the amount of grants and scholarships disbursed to students.

Non-operating revenues are all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, federal Title IV revenues, investment income, and grants and contracts that do not require any services to be performed. State Appropriations have remained fairly level over the three-year period. Maintenance Ad Valorem Tax revenue increased \$228,328 (5%) in FY16 after remaining relatively level in FY15 as a result of changes in property valuations as well as increased tax rates. Federal Revenue, Non-Operating decreased \$641,602 (7%) in FY16 as Pell eligible recipients reduced their average course load and, as a result, their awards. Federal Revenue, Non-Operating decreased \$962,371 (10%) during FY15 due to decreased enrollment resulting in fewer Pell eligible recipients. Investment Income increased \$176,083 (165%) after decreasing \$313,084 (75%) in FY15 stemming from fluctuations in the equities market.

Non-operating expenses are all expenditures that are not directly related to the basic services performed by the institution. They consist primarily of interest on capital related debt and disposal of capital assets. The College reduced interest expenses on capital related debt by paying scheduled principal payments on outstanding debt and refinancing some debt issues at a lower rate. Investment Expenses decreased \$269,194 (98%) stemming from fluctuations in the equities market with resulted in an unrealized loss on investments in FY15.

Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2016

Capital or endowment donations to the College can vary greatly from year to year. These variations led to a decrease in Other Revenue of \$8,809 in FY16 and \$107,042 (61%) in FY15.

Analysis of Cash Flows

| | 2016 | 2015 | \$ Difference Current Year and Previous Year | % Difference Current Year and Previous Year | 2014 | \$ Difference Previous Year and Year Before | % Difference Previous Year and Year Before |
|---|----------------------|----------------------|---|--|----------------------|--|---|
| Net Cash Used by Operating Activities | \$ (19,084,411) | \$ (19,048,021) | \$ (36,390) | 0.19% | \$ (20,151,636) | \$ 1,103,615 | (5.48%) |
| Net Cash Provided by Non-Capital Financing Activities | 21,810,508 | 22,186,842 | (376,334) | (1.70%) | 23,123,157 | (936,315) | (4.05%) |
| Net Cash Used by Capital Financing Activities | (489,730) | (2,290,493) | 1,800,763 | (78.62%) | (642,678) | (1,647,815) | 256.40% |
| Net Cash Provided by Investing Activities | 230,696 | (535,528) | 766,224 | (143.08%) | 24,527 | (560,055) | (2283.42%) |
| Increase (Decrease) in Cash and Cash Equivalents | 2,467,063 | 312,800 | 2,154,263 | 688.70% | 2,353,370 | (2,040,570) | (86.71%) |
| Cash and Cash Equivalents at September 1 | 12,069,250 | 11,756,450 | 312,800 | 2.66% | 9,403,080 | 2,353,370 | 25.03% |
| Cash and Cash Equivalents at August 31 | <u>\$ 14,536,313</u> | <u>\$ 12,069,250</u> | <u>\$ 2,467,063</u> | <u>20.44%</u> | <u>\$ 11,756,450</u> | <u>\$ 312,800</u> | <u>2.66%</u> |

Overall, the College's year-end cash balance of \$14,536,313 increased by \$2,467,063 (20%) from last year's balance of \$12,069,250.

Capital Assets and Long-Term Debt

Capital Assets
(Net of Accumulated Depreciation)

| | Year Ending 2016 | 2015 | \$ Difference Current Year and Previous Year | % Difference Current Year and Previous Year | 2014 | \$ Difference Previous Year and Year Before | % Difference Previous Year and Year Before |
|-------------------------------------|-----------------------------|----------------------|---|--|----------------------|--|---|
| Buildings and Improvements | \$ 30,355,218 | \$ 31,690,902 | \$ (1,335,684) | (4.21%) | \$ 31,899,451 | \$ (208,549) | (0.65%) |
| Land and Land Improvements | 5,722,914 | 6,012,006 | (289,092) | (4.81%) | 6,163,899 | (151,893) | (2.46%) |
| Library Books | 253,251 | 262,116 | (8,865) | (3.38%) | 268,822 | (6,706) | (2.49%) |
| Furniture, Machinery, and Equipment | 1,483,890 | 1,784,875 | (300,985) | (16.86%) | 1,489,045 | 295,830 | 19.87% |
| Construction in Process | - | - | - | - | - | - | - |
| Total | <u>\$ 37,815,273</u> | <u>\$ 39,749,899</u> | <u>\$ (1,934,626)</u> | <u>(4.87%)</u> | <u>\$ 39,821,217</u> | <u>\$ (71,318)</u> | <u>(0.18%)</u> |

During FY16, the College expended \$23,885 on library books and materials, and \$155,164 on furniture, machinery, and equipment.

During FY15, the College expended \$26,456 on library books and materials, and \$766,196 on furniture, machinery, and equipment. The College also capitalized \$1,073,461 for building improvements related to renovations to the Student Center, the Dorm, a new chiller and other smaller projects and \$141,223 for land improvements involving sidewalks around the Administration Building.

**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2016**

The College had \$37.8 and \$39.7 million invested in capital assets, net of accumulated depreciation of \$35.4 and \$33.4 million for FY16 and FY15, respectively. The largest single component of capital assets is buildings totaling \$26,503,728 for FY16 and \$27,521,673 for FY15 net of accumulated depreciation. Depreciation charges totaled \$2,105,071 for FY16 and \$2,077,154 for FY15.

The College currently has outstanding various forms of long-term debt. Tuition revenue, building use fees, and a portion of taxes collected are committed to pay these debt obligations as they come due.

Detailed information about the College's capital assets can be found in Note 7 – Capital Assets on pages 36-37. In addition, detailed information about the College's long-term debt can be found in Note 8 – Long-Term Liabilities, Note 9 – Debt Obligations, Note 10 – Bonds and Notes Payable and Note 11 – Advance Refunding Bonds found on pages 38-41.

Other Conditions and Factors

For the year ended August 31, 2015, Angelina College implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The requirements of this statement will improve the usefulness of employer financial reports by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense.

The College's Nacogdoches Center moved into the Nacogdoches ISD Technical Training Center in the fall of 2015. The College is currently renegotiating the terms of its agreement with Nacogdoches ISD relating to this center.

The challenge for Angelina College and for other Texas community colleges is trying to meet the expanding educational needs of the community with limited funding. The College's diverse revenue base of state appropriations, ad valorem tax collections, and tuition and fees revenues has lessened the impact of variations in these funding sources but additional cuts in state appropriations could adversely affect future operations.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Angelina College Business Office, P.O. Box 1768, Lufkin, Texas 75902.



BASIC FINANCIAL STATEMENTS

**For the Fiscal Years Ended
August 31, 2016 and 2015**

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 1
STATEMENTS OF NET POSITION
August 31, 2016 and 2015

| | <u>Current Year</u> | <u>Prior Year</u> |
|--|---------------------|-------------------|
| Assets | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 8,021,764 | \$ 6,419,005 |
| Accounts Receivable (Net) | 5,206,685 | 4,790,914 |
| Inventories | 583,165 | 701,899 |
| Total Current Assets | <u>13,811,614</u> | <u>11,911,818</u> |
| Noncurrent Assets | | |
| Restricted Cash and Cash Equivalents | 6,514,549 | 5,650,245 |
| Restricted Short-Term Investments | 1,650,000 | - |
| Endowment Investments | 6,376,743 | 6,341,872 |
| Other Noncurrent Investments | - | 1,650,000 |
| Capital Assets (Net) (See Note 7) | 37,815,273 | 39,749,899 |
| Total Noncurrent Assets | <u>52,356,565</u> | <u>53,392,016</u> |
| Total Assets | <u>66,168,179</u> | <u>65,303,834</u> |
| Deferred Outflows of Resources | | |
| Prepaid Expenses | 183,372 | 231,508 |
| Prepaid Charges | 15,700 | 7,190 |
| Pension Related | 1,473,284 | 572,650 |
| Loss on Bond Refunding | 45,773 | - |
| Total Deferred Outflows of Resources | <u>1,718,129</u> | <u>811,348</u> |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | 638,321 | 799,452 |
| Accrued Liabilities | 571,886 | 256,930 |
| Accrued Compensable Absences-Current Portion | 41,419 | 39,433 |
| Funds Held for Others | 46,525 | 53,109 |
| Bonds Payable - Current Portion | 1,172,460 | 1,431,862 |
| Total Current Liabilities | <u>2,470,611</u> | <u>2,580,786</u> |
| Noncurrent Liabilities | | |
| Deposits | 14,100 | 15,000 |
| Accrued Compensable Absences | 245,184 | 236,105 |
| Net Pension Liability | 3,822,817 | 3,134,367 |
| Bonds Payable | 15,109,532 | 16,217,523 |
| Total Noncurrent Liabilities | <u>19,191,633</u> | <u>19,602,995</u> |
| Total Liabilities | <u>21,662,244</u> | <u>22,183,781</u> |
| Deferred Inflows of Resources | | |
| Unearned Revenues | 5,551,683 | 5,052,625 |
| Pension Related | 1,212,889 | 958,813 |
| Total Deferred Inflows of Resources | <u>6,764,572</u> | <u>6,011,438</u> |

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 1 (Continued)
STATEMENTS OF NET POSITION
August 31, 2016 and 2015

| | <u>Current Year</u> | <u>Prior Year</u> |
|--|-----------------------------|-----------------------------|
| Net Position | | |
| Net Investment in Capital Assets | 21,533,282 | 22,100,514 |
| Restricted | | |
| Nonexpendable | | |
| Student Aid | 5,529,017 | 5,211,046 |
| Expendable | | |
| Student Aid | 1,657,182 | 1,465,537 |
| Debt Service | 531,737 | 768,762 |
| Other | 190,877 | 154,761 |
| Unrestricted | 10,017,397 | 8,219,343 |
| Total Net Position (Schedule D) | <u><u>\$ 39,459,492</u></u> | <u><u>\$ 37,919,963</u></u> |

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 2
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
August 31, 2016 and 2015

| | <u>Current Year</u> | <u>Prior Year</u> |
|--|---------------------|---------------------|
| Operating Revenues | | |
| Tuition and Fees (Net of Discounts of \$5,163,623 and \$5,464,985, respectively) | \$ 5,947,776 | \$ 4,993,701 |
| Federal Grants and Contracts | 1,698,421 | 1,670,839 |
| State Grants and Contracts | 919,265 | 1,709,566 |
| Non-Governmental Grants and Contracts | 718,228 | 748,048 |
| Sales and Services of Educational Activities | - | 400 |
| Investment Income - Program Restricted | 225,867 | 195,998 |
| Auxiliary Enterprises (Net of Discounts of \$1,985,824 and \$2,208,317, respectively) | 1,291,358 | 1,264,501 |
| Other Operating Revenues | 54,781 | 108,460 |
| Total Operating Revenues (Schedule A) | <u>10,855,696</u> | <u>10,691,513</u> |
| Operating Expenses | | |
| Instruction | 12,808,913 | 12,877,472 |
| Public Service | 1,363,120 | 1,151,647 |
| Academic Support | 2,991,252 | 3,008,866 |
| Student Services | 1,773,556 | 1,583,332 |
| Institutional Support | 3,005,739 | 2,954,274 |
| Operation and Maintenance of Plant | 2,792,393 | 2,664,350 |
| Scholarships and Fellowships | 3,328,425 | 3,562,585 |
| Auxiliary Enterprises | 4,379,873 | 4,433,118 |
| Depreciation | 2,105,071 | 2,077,154 |
| Total Operating Expenses (Schedule B) | <u>34,548,342</u> | <u>34,312,798</u> |
| Operating Loss | <u>(23,692,646)</u> | <u>(23,621,285)</u> |
| Non-Operating Revenues (Expenses) | | |
| State Appropriations | 9,121,348 | 9,243,039 |
| Maintenance Ad Valorem Taxes | 5,244,579 | 5,016,251 |
| Debt Service Ad Valorem Taxes | 1,829,913 | 1,818,724 |
| Federal Revenue, Non-Operating | 8,460,303 | 9,101,905 |
| Gifts | 710,798 | 520,048 |
| Investment Income | 283,080 | 106,997 |
| Interest on Capital Related Debt | (752,245) | (797,712) |
| Disposal of Capital Assets, net | (8,604) | (1,500) |
| Investment Expenses | (4,343) | (273,537) |
| Other Non-Operating Revenues | 288,166 | 346,585 |
| Total Non-Operating Revenue (Expenses) (Schedule C) | <u>25,172,995</u> | <u>25,080,800</u> |
| Income Before Other Revenues | 1,480,349 | 1,459,515 |

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 2 (Continued)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
August 31, 2016 and 2015

| | <u>Current Year</u> | <u>Prior Year</u> |
|---|---------------------------------|---------------------------------|
| Other Revenues | | |
| Additions to Permanent Endowments | 59,180 | 67,989 |
| Total Other Revenues | <u>59,180</u> | <u>67,989</u> |
| Increase (Decrease) in Net Position | 1,539,529 | 1,527,504 |
| Net Position | | |
| Net Position - Beginning of Year | 37,919,963 | 39,943,713 |
| Cumulative Effect of Change in Accounting Principle-Note 2 | - | <u>(3,551,254)</u> |
| Net Position - Beginning of Year, as restated | <u>37,919,963</u> | <u>36,392,459</u> |
| Net Position - End of Year | <u><u>\$ 39,459,492</u></u> | <u><u>\$ 37,919,963</u></u> |

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 3
STATEMENTS OF CASH FLOWS
August 31, 2016 and 2015

| | <u>Current Year</u> | <u>Prior Year</u> |
|---|----------------------|----------------------|
| Cash Flows from Operating Activities | | |
| Receipts from Students and Other Customers | \$ 6,997,803 | \$ 2,861,870 |
| Receipts from Grants and Contracts | 2,657,506 | 3,442,977 |
| Investment Income, Program Restricted | 225,867 | 195,998 |
| Collection of Loans to Students and Employees | 24,084 | (5,028) |
| Other Receipts | 342,058 | 450,165 |
| Payments to or on Behalf of Employees | (17,955,715) | (18,053,276) |
| Payments to Suppliers for Goods or Services | (7,680,487) | (7,390,111) |
| Payments of Scholarships | (3,688,031) | (544,106) |
| Other Cash Payments | (7,496) | (6,510) |
| Net Cash Provided (Used) by Operating Activities | <u>(19,084,411)</u> | <u>(19,048,021)</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Receipts from State Appropriations | 7,399,885 | 7,618,142 |
| Ad Valorem Tax Revenues | 5,246,411 | 5,061,473 |
| Receipts from Non-Operating Federal Revenue | 8,566,209 | 9,073,922 |
| Payments for Collection of Taxes | (142,546) | (147,304) |
| Gifts and Grants (Other Than Capital) | 747,132 | 582,204 |
| Student Organization and Other Agency Transactions | (6,583) | (1,595) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>21,810,508</u> | <u>22,186,842</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Net Proceeds from Issuance of Capital Debt | 3,404,587 | - |
| Ad Valorem Tax Revenue | 1,831,885 | 1,838,084 |
| Purchases of Capital Assets | (156,203) | (2,001,502) |
| Payment on Capital Debt and Leases | (5,569,999) | (2,127,075) |
| Net Cash Provided (Used) by Capital Financing Activities | <u>(489,730)</u> | <u>(2,290,493)</u> |
| Cash Flows from Investing Activities | | |
| Proceeds from Sale and Maturity of Investments | 454,317 | 1,939,886 |
| Investment Earnings | 57,981 | 114,592 |
| Purchases of Investments | (281,602) | (2,590,006) |
| Net Cash Provided (Used) by Investing Activities | <u>230,696</u> | <u>(535,528)</u> |
| Increase (Decrease) in Cash and Cash Equivalents | 2,467,063 | 312,800 |
| Cash and Cash Equivalents - September 1 | <u>12,069,250</u> | <u>11,756,450</u> |
| Cash and Cash Equivalents - August 31 | <u>\$ 14,536,313</u> | <u>\$ 12,069,250</u> |

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 3 (Continued)
STATEMENTS OF CASH FLOWS
August 31, 2016 and 2015

| | <u>Current Year</u> | <u>Prior Year</u> |
|--|------------------------|------------------------|
| Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities | | |
| Operating Income (Loss) | \$ (23,692,646) | \$ (23,621,285) |
| Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities | | |
| Depreciation Expense | 2,105,071 | 2,077,154 |
| Bad Debt Expense | (26,015) | 100,025 |
| Tax Collection Fee | 142,546 | 147,304 |
| Payments made directly by state for benefits | 1,721,463 | 1,624,897 |
| Other Non-Operating Revenue | 288,165 | 346,585 |
| Changes in Assets and Liabilities | | |
| Interest Receivable | 13,170 | (7,920) |
| Ad Valorem Taxes Receivable | (3,803) | (64,583) |
| Federal Receivable - Non-operating | (105,906) | 27,982 |
| Accounts Receivable (Net) | (389,756) | (3,448,977) |
| Inventories | 118,734 | 308,995 |
| Prepaid Expenses | 48,136 | (13,103) |
| Prepaid Charges | (8,510) | 3,384,561 |
| Pension Related Outflows | (900,634) | (572,650) |
| Accounts Payable | (161,131) | (141,063) |
| Accrued Liabilities | 314,956 | 82,387 |
| Unearned Revenue | 499,058 | 184,029 |
| Pension Related Inflows | 254,076 | 958,813 |
| Deposits | (900) | 1,200 |
| Accrued Compensable Absences | 11,065 | (5,485) |
| Net Pension Liability | 688,450 | (416,887) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (19,084,411)</u> | <u>\$ (19,048,021)</u> |

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

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

1. Reporting Entity

Angelina County Junior College District (the College) was established in 1966, in accordance with the laws of the State of Texas, to serve the educational needs of Angelina and the surrounding counties. Angelina County Junior College District is considered a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. Summary of Significant Accounting Policies

Reporting Guidelines

The significant accounting policies followed by the Angelina County Junior College 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 College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities (BTA).

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 Chapter 56.033). When the award is used by the student 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.

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

Other Tuition Discounts - The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are 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 Angelina County Junior College District have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

2. Summary of Significant Accounting Policies - Continued

Budgetary Data

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

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on-hand, demand deposits, and money market accounts.

Deferred Outflows

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

Investments

In accordance with GASB 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 a maturity of less than one year at the fiscal year end. Long-term investments have a maturity of greater than one year at the fiscal year end.

Inventories

Inventories consisting of copier paper and supplies, postage, and bookstore stock are valued at the lower of cost under the "first-in, first-out" method, or market, and are charged to expense as consumed or sold.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. Renovations to buildings 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 asset lives are charged to operating expense in the year in which the expense is incurred.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

2. Summary of Significant Accounting Policies - Continued

Items costing \$2,500 or more with a useful life greater than one year are capitalized and depreciated. Additionally, these items have a permanent decal affixed to them and are inventoried annually.

Items costing from \$1,000 to \$2,499 with a useful life greater than one year have a permanent decal affixed to them and are inventoried annually. However, they are neither capitalized nor depreciated. These items are expensed in the year of purchase.

Items costing less than \$1,000 but having a useful life greater than one year are expensed in the year of purchase. No separate inventory records are maintained on these items.

The College computes depreciation under the straight-line method over the estimated useful life of assets. The following lives are used:

| | |
|---|----------|
| Buildings | 50 years |
| Building Improvements | 20 years |
| Land Improvements | 20 years |
| Library Books | 15 years |
| Furniture, Machinery, Vehicles, and Other Equipment | 10 years |
| Telecommunications and Peripheral Equipment | 5 years |

Pensions

The College 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. For the year ended August 31, 2015, the College implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined on the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and 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 the benefit terms. Investments are reported at fair value.

Unearned Revenues

Tuition, fees, and other revenues received and related to periods after August 31, 2016 or 2015, respectively, have been deferred to the subsequent year.

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

2. Summary of Significant Accounting Policies - Continued

represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. Principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations, ad valorem tax collections, and Title IV grant revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operation of food services is not performed by the College but is contracted to an independent vendor.

Restatement

Since Angelina College did not have all of the audited beginning balances for deferred inflows of resources and deferred outflows of resources related to pensions required to properly restate FY2014 financial statements, the restatement was made directly to the beginning net position in the FY2015 financial statements as a cumulative effect of a change in accounting principle.

| | |
|---|----------------|
| Beginning net position as of September 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, <i>Accounting and Financial Reporting for Pensions</i> , as amended by GASB Statement No. 71, <i>Pension Transition for Contributions Made Subsequent to the Measurement Date</i> . | |
| Beginning Net Position | \$39,943,713 |
| Prior period adjustment-implementation of GASB 68: | |
| Net Pension Liability (measurement date as of August 31, 2014) | 3,848,748 |
| Deferred outflows – College contributions made during FY2014 | <u>297,494</u> |
| Cumulative Effect of Change in Accounting Principle | 3,551,254 |
| Beginning Net Position, as restated | \$36,392,459 |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

2. Summary of Significant Accounting Policies - Continued

Subsequent Events

Management has evaluated subsequent events through December 12, 2016, the date the statements were available to be issued.

3. Authorized Investments

Angelina College 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. The investments of the College are in compliance with these investment policies.

4. Deposits and Investments

Cash and deposits reported on the Statements of Net Position consist of the following:

| Cash and Deposits | | |
|--------------------------------------|------------------------|------------------------|
| | <u>August 31, 2016</u> | <u>August 31, 2015</u> |
| Bank Deposits | | |
| Demand Deposits and Money | | |
| Market Mutual Funds | \$ 13,952,515 | \$ 11,781,088 |
| Certificates of Deposit - Short-term | 1,788,008 | 140,441 |
| Certificates of Deposit - Long-term | 1,755,482 | 3,451,244 |
| | <u>17,496,005</u> | <u>15,372,773</u> |
| Cash and Cash Equivalents | | |
| Petty Cash on Hand | 10,624 | 10,000 |
| Total Cash and Deposits | <u>\$ 17,506,629</u> | <u>\$ 15,382,773</u> |

Reconciliation of Deposits and Investments to Exhibit 1

| Type of Security | Fair Value August 31, 2016 | Fair Value August 31, 2015 |
|---|-------------------------------|-------------------------------|
| U.S. Government Agencies | \$ 560,343 | \$ 814,921 |
| Mutual Funds | 3,574,412 | 3,240,390 |
| Corporate Bonds | 348,498 | 344,876 |
| Total Cash and Bank Deposits | 17,506,629 | 15,382,773 |
| Total Endowment Bank Deposits | 573,174 | 278,162 |
| Total Cash, Deposits, and Investments | <u>\$ 22,563,056</u> | <u>\$ 20,061,122</u> |
| Current (Exhibit 1) | | |
| Cash and Cash Equivalents | \$ 8,021,764 | \$ 6,419,005 |
| Noncurrent (Exhibit 1) | | |
| Restricted Cash and Cash Equivalents | 6,514,549 | 5,650,245 |
| Restricted Short-Term Investments | 1,650,000 | - |
| Endowment Investments | 6,376,743 | 6,341,872 |
| Other Noncurrent Investments | - | 1,650,000 |
| Total Current and Noncurrent Cash and Investments | <u>\$ 22,563,056</u> | <u>\$ 20,061,122</u> |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

4. Deposits and Investments - Continued

Restricted cash and investments are limited for capital acquisition, debt service, and student aid as well as other restricted purposes.

Following is a discussion of the College's investment policy related to specific investment risks:

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with state law and College policy for non-endowment funds, the College does not purchase any investments with maturities greater than 10 years. All College investments are in compliance with the Public Funds Investment Act. Maturities for the College's investments that are subject to interest rate risk are shown in the table below.

| Investment Type | Fair Value | Investment Maturities (in years) | | |
|----------------------------|---------------------|----------------------------------|---------------------|-------------------|
| | | Less Than 1 | 1 to 5 | 5 or More |
| U.S. Government Securities | \$ 560,343 | \$ 51,012 | \$ 466,201 | \$ 43,130 |
| Certificates of Deposit | 3,543,490 | 1,788,008 | 908,649 | 846,833 |
| Corporate Bonds | 348,498 | - | 263,103 | 85,395 |
| Total | <u>\$ 4,452,331</u> | <u>\$ 1,839,020</u> | <u>\$ 1,637,953</u> | <u>\$ 975,358</u> |

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's policy for reducing its exposure to credit risk is to comply with state law and the College's investment policy. Investments in money market funds and investment pools must be rated at least AAA or an equivalent rating by at least one nationally recognized rating service. Commercial paper must be rated at least A-1 or P-1. Investments in obligations from other states, municipalities, counties, etc. must be rated at least A. As of August 31, 2016, the College's investments in U.S. Government Agencies are rated AAA/AA+ by Moody's and Standard and Poor's, respectively. As of August 31, 2016, the College's investments in corporate bonds are rated at least BAA1/BBB+ by Moody's and Standard and Poor's, respectively. The College's investments in mutual funds are rated at least ★★ by Morningstar, Inc. as of August 31, 2016.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss that occurs due to the lack of diversification. The College's investment policy does not place a limit on the amount the College may invest in any one issuer. At August 31, 2016 and 2015, no single investment comprised more than 5% of the College's investments, excluding non-negotiable certificates of deposit.

Custodial Credit Risk - Custodial credit risk is the risk that the College's deposits may not be returned in the event of a bank failure. The College's policy with respect to custodial credit risk complies with state law. At August 31, 2016 and 2015, the bank balances of the College's deposits were \$14,074,900 and \$11,796,970, respectively. Of these balances, the amounts covered by FDIC insurance were \$1,323,174 and \$1,028,162 at August 31, 2016 and 2015, respectively.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

4. Deposits and Investments - Continued

The amounts covered by SIPC insurance were \$0 and \$0 at August 31, 2016 and 2015, respectively. The remaining balances at August 31, 2016 and 2015 of \$12,751,726 and \$10,768,808 were entirely covered by pledged collateral held by the pledging financial institution's agent bank in the College's name.

5. Derivative Investments

Derivatives are investment products that may be a security or contract deriving its value from another security, currency, commodity, or index, regardless of the source of funds used. Angelina County Junior College District did not invest in derivative products during fiscal year 2016 or 2015.

6. Endowments

The investment policy of the Board of Trustees is reviewed and adopted annually. Within that investment policy, the investment objective for the endowment fund is to preserve the real purchasing power of the principal and to provide a stable source of perpetual financial support to scholarships in accordance with the endowment spending policy. The brokerage firm or other endowment manager is also adopted annually by the Board of Trustees and is required to certify familiarity and compliance with the Public Funds Investment Act of the State of Texas, and the Investment Policy of the College. Endowment funds are subject to the provisions of the "Uniform Prudent Management of Institutional Funds Act" in Chapter 163 of the Texas Property Code.

Distributions from endowment investments are required to be spent for the purposes for which the endowment was established. Scholarship distributions are made pursuant to the Investment Policy. The policy for distribution of investment income designates an annual spending rate of no more than 5% as applied to a 36 month moving average of market value less current year contributions as measured at August 31 of each year. Endowment net position is classified as restricted nonexpendable student aid in the Statement of Net Position except for a portion which is included in unrestricted quasi endowment.

| | <u>August 31, 2016</u> | <u>August 31, 2015</u> |
|---|----------------------------|----------------------------|
| Beginning Net Position | \$ 6,666,880 | \$ 6,770,505 |
| Interest, Dividends, Earnings, Capital Gains (Losses) | 277,457 | 286,852 |
| Unrealized Gains (Losses) | 207,586 | (273,212) |
| Excess Distributions Returned to Endowment | 15,000 | 9,744 |
| Contributions | <u>59,180</u> | <u>67,989</u> |
| Funds Available in the Endowment | 7,226,103 | 6,861,878 |
| Less Scholarship Distributions from Current Year Endowment Interest | <u>224,999</u> | <u>194,998</u> |
| Ending Net Position | <u><u>\$ 7,001,104</u></u> | <u><u>\$ 6,666,880</u></u> |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

6. Endowments - Continued

The restricted expendable balances of endowments available for distribution at August 31, 2016 and 2015 are \$759,985 and \$621,618, respectively. The fair value of endowment investment assets at August 31, 2016 and 2015 was \$6,376,743 and \$6,341,872, respectively. The endowment bank deposits at August 31, 2016 and 2015 were \$573,174 and \$278,162, respectively.

7. Capital Assets

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

| | Balance September 1, 2015 | Increase | Decrease | Balance August 31, 2016 |
|--|---------------------------------|-----------------------|-----------------|-------------------------------|
| Not Depreciated | | | | |
| Land | \$ 1,773,999 | \$ - | \$ - | \$ 1,773,999 |
| Total Not Depreciated | <u>1,773,999</u> | <u>-</u> | <u>-</u> | <u>1,773,999</u> |
| Other Capital Assets | | | | |
| Buildings | 50,897,262 | - | - | 50,897,262 |
| Land Improvements | 7,548,396 | - | - | 7,548,396 |
| Building Improvements | 6,354,774 | - | - | 6,354,774 |
| Library Books | 1,029,031 | 23,885 | 19,261 | 1,033,655 |
| Furniture, Machinery, Vehicles, and Other Equipment | 3,006,188 | 103,086 | 25,886 | 3,083,388 |
| Telecommunications and Peripheral Equipment | <u>2,528,112</u> | <u>52,078</u> | <u>41,106</u> | <u>2,539,084</u> |
| Total Capital Assets | <u>71,363,763</u> | <u>179,049</u> | <u>86,253</u> | <u>71,456,559</u> |
| Accumulated Depreciation | | | | |
| Buildings | 23,375,589 | 1,017,945 | - | 24,393,534 |
| Land Improvements | 3,310,389 | 289,092 | - | 3,599,481 |
| Building Improvements | 2,185,545 | 317,739 | - | 2,503,284 |
| Library Books | 766,915 | 32,750 | 19,261 | 780,404 |
| Furniture, Machinery, Vehicles, and Other Equipment | 1,987,425 | 204,822 | 17,282 | 2,174,965 |
| Telecommunications and Peripheral Equipment | <u>1,762,000</u> | <u>242,723</u> | <u>41,106</u> | <u>1,963,617</u> |
| Total Accumulated Depreciation | <u>33,387,863</u> | <u>2,105,071</u> | <u>77,649</u> | <u>35,415,285</u> |
| Net Capital Assets | <u>\$ 39,749,899</u> | <u>\$ (1,926,022)</u> | <u>\$ 8,604</u> | <u>\$ 37,815,273</u> |

The College has an artwork collection that it does not capitalize. This collection adheres to the College's policy to (a) maintain it for public exhibition or education; (b) protect, keep unencumbered, care for, and preserve it; and (c) require proceeds from its sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at time of acquisition rather than capitalized.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

7. Capital Assets - Continued

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

| | Balance September 1, 2014 | Increase | Decrease | Balance August 31, 2015 |
|--|---------------------------------|--------------------|-----------------|-------------------------------|
| Not Depreciated | | | | |
| Land | \$ 1,773,999 | \$ - | \$ - | \$ 1,773,999 |
| Total Not Depreciated | <u>1,773,999</u> | <u>-</u> | <u>-</u> | <u>1,773,999</u> |
| Other Capital Assets | | | | |
| Buildings | 50,897,262 | - | - | 50,897,262 |
| Land Improvements | 7,407,173 | 141,223 | - | 7,548,396 |
| Building Improvements | 5,281,313 | 1,073,461 | - | 6,354,774 |
| Library Books | 1,003,030 | 26,456 | 455 | 1,029,031 |
| Furniture, Machinery, Vehicles, and Other Equipment | 2,980,066 | 76,220 | 50,098 | 3,006,188 |
| Telecommunications and Peripheral Equipment | <u>1,940,768</u> | <u>689,976</u> | <u>102,632</u> | <u>2,528,112</u> |
| Total Other Capital Assets | <u>69,509,612</u> | <u>2,007,336</u> | <u>153,185</u> | <u>71,363,763</u> |
| Accumulated Depreciation | | | | |
| Buildings | 22,357,644 | 1,017,945 | - | 23,375,589 |
| Land Improvements | 3,017,273 | 293,116 | - | 3,310,389 |
| Building Improvements | 1,921,480 | 264,065 | - | 2,185,545 |
| Library Books | 734,208 | 33,162 | 455 | 766,915 |
| Furniture, Machinery, Vehicles, and Other Equipment | 1,827,084 | 208,939 | 48,598 | 1,987,425 |
| Telecommunications and Peripheral Equipment | <u>1,604,705</u> | <u>259,927</u> | <u>102,632</u> | <u>1,762,000</u> |
| Total Accumulated Depreciation | <u>31,462,394</u> | <u>2,077,154</u> | <u>151,685</u> | <u>33,387,863</u> |
| Net Capital Assets | <u>\$ 39,821,217</u> | <u>\$ (69,818)</u> | <u>\$ 1,500</u> | <u>\$ 39,749,899</u> |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

8. Long-Term Liabilities

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

| | Balance August 31, 2015 | Additions | Reductions | Balance August 31, 2016 | Current Portion |
|---|-------------------------------|---------------------|---------------------|-------------------------------|---------------------|
| Bonds | | | | | |
| Series 1995 Revenue Bonds | \$ 265,000 | \$ - | \$ 265,000 | \$ - | \$ - |
| Series 2004 Tax Refunding Bonds | 1,424,422 | - | 1,424,422 | - | - |
| Series 2005 Advance Refunding Bonds | 1,848,610 | - | 1,848,610 | - | - |
| Series 2008 Limited Tax Bonds | 8,520,884 | - | 333,942 | 8,186,942 | 334,995 |
| Series 2009 Limited Tax Bonds | 5,590,469 | - | 213,602 | 5,376,867 | 212,654 |
| Series 2015 Limited Tax Refunding Bonds | - | 3,404,587 | 686,404 | 2,718,183 | 624,811 |
| Total Bonds | 17,649,385 | 3,404,587 | 4,771,980 | 16,281,992 | 1,172,460 |
| Other Liabilities | | | | | |
| Accrued Compensable Absences | 275,538 | 281,420 | 270,355 | 286,603 | 41,419 |
| Net Pension Liability | 3,134,367 | 1,585,920 | 897,470 | 3,822,817 | - |
| Deposits Payable | 15,000 | 12,800 | 13,700 | 14,100 | - |
| Total Liabilities | 21,074,290 | \$ 5,284,727 | \$ 5,953,505 | 20,405,512 | \$ 1,213,879 |
| Current Portion | (1,471,295) | | | (1,213,879) | |
| Total Noncurrent Portion | \$ 19,602,995 | | | \$ 19,191,633 | |

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

| | Balance August 31, 2014 | Additions | Reductions | Balance August 31, 2015 | Current Portion |
|-------------------------------------|-------------------------------|---------------------|---------------------|-------------------------------|---------------------|
| Bonds | | | | | |
| Series 1995 Revenue Bonds | \$ 520,000 | \$ - | \$ 255,000 | \$ 265,000 | \$ 265,000 |
| Series 2004 Tax Refunding Bonds | 1,742,998 | - | 318,576 | 1,424,422 | 335,000 |
| Series 2005 Advance Refunding Bonds | 2,109,544 | - | 260,934 | 1,848,610 | 284,318 |
| Series 2008 Limited Tax Bonds | 8,826,398 | - | 305,514 | 8,520,884 | 333,942 |
| Series 2009 Limited Tax Bonds | 5,779,808 | - | 189,339 | 5,590,469 | 213,602 |
| Total Bonds | 18,978,748 | - | 1,329,363 | 17,649,385 | 1,431,862 |
| Other Liabilities | | | | | |
| Accrued Compensable Absences | 281,023 | 246,606 | 252,091 | 275,538 | 39,433 |
| Net Pension Liability | - | 4,630,310 | 1,495,943 | 3,134,367 | - |
| Deposits Payable | 13,800 | 18,800 | 17,600 | 15,000 | - |
| Total Liabilities | 19,273,571 | \$ 4,895,716 | \$ 3,094,997 | 21,074,290 | \$ 1,471,295 |
| Current Portion | (1,368,906) | | | (1,471,295) | |
| Total Noncurrent Portion | \$ 17,904,665 | | | \$ 19,602,995 | |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

9. Debt Obligations

The debt service requirements for the next five years and beyond are summarized below for bonds and notes issued:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|---------------------|----------------------|
| 2017 | \$ 1,172,460 | \$ 644,688 | \$ 1,817,148 |
| 2018 | 1,201,007 | 602,437 | 1,803,444 |
| 2019 | 1,281,263 | 558,969 | 1,840,232 |
| 2020 | 940,925 | 517,906 | 1,458,831 |
| 2021 | 947,338 | 483,738 | 1,431,076 |
| 2022-2026 | 3,412,135 | 2,013,106 | 5,425,241 |
| 2027-2031 | 4,270,762 | 1,220,844 | 5,491,606 |
| 2032-2034 | 3,056,102 | 249,900 | 3,306,002 |
| Total | <u>\$ 16,281,992</u> | <u>\$ 6,291,588</u> | <u>\$ 22,573,580</u> |

10. Bonds Payable

Bonds are payable semi-annually with annual obligations varying from \$1,076,063 to \$1,773,969, with interest rates from 3.00% to 7.00%. The final installment is due in 2034.

General information related to bonds and notes payable is summarized below:

| | <u>August 31,</u> <u>2016</u> | <u>August 31,</u> <u>2015</u> |
|--|----------------------------------|----------------------------------|
| Revenue Bonds, Series 1995. | | |
| • To construct a Student Activities Center. | | |
| • Issued December 1, 1995, matures fiscal 2016. | | |
| • \$3,000,000 was authorized and issued. | | |
| • Source of revenue for debt service - building use fees, (100% pledged), transfer of tuition. | | |
| • Interest rate of 5.00% to 7.00%. | | |
| • Coverage ratio of pledged revenue to debt service requirements was 1.38 in 2015 and 1.49 in 2014 | | |
| • Outstanding balance: | \$ - | \$ 265,000 |
| Limited Tax Refunding Bonds, Series 2004. | | |
| • To refund the series 1994 limited tax bonds that provided funds for construction of a Community Service building and a Workforce Development Center. | | |
| • Issued July 15, 2004, matures fiscal 2019. | | |
| • \$4,275,000 was authorized and issued. | | |
| • Source of revenue for debt service – ad valorem taxes. | | |
| • Interest rate of 3.50% to 5.00%. | | |
| • Outstanding balance: | - | 1,424,422 |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

10. Bonds Payable - Continued

| | August 31, 2016 | August 31, 2015 |
|---|----------------------|----------------------|
| Limited Tax Refunding Bonds, Series 2005. | | |
| <ul style="list-style-type: none"> To refund the series 1996 limited tax bonds that provided funds for renovation of existing facilities, construction of a Science Building, and a contribution of \$3,000,000 towards the construction of the Angelina Center for the Arts. Issued November 1, 2005, matures fiscal 2021. \$3,699,997 was authorized and issued. Source of revenue for debt service – ad valorem taxes. Interest rate of 3.00% to 4.00%. Outstanding balance: | - | 1,848,610 |
| Limited Tax Bonds, Series 2008. | | |
| <ul style="list-style-type: none"> To construct a softball and baseball complex, Health Careers building, and a Technical Education Shop Center. Issued June 15, 2008, matures fiscal 2034. \$16,500,000 was authorized and \$10,000,000 was issued. Source of revenue for debt service – ad valorem taxes. Interest rate of 3.65% to 5.00%. Outstanding balance: | 8,186,944 | 8,520,886 |
| Limited Tax Bonds, Series 2009. | | |
| <ul style="list-style-type: none"> To construct a softball and baseball complex, Health Careers building, and a Technical Education Shop Center. Issued June 15, 2009, matures fiscal 2034. \$16,500,000 was authorized and \$6,500,000 was issued. Source of revenue for debt service – ad valorem taxes. Interest rate of 4.25% to 5.50%. Outstanding balance: | 5,376,865 | 5,590,467 |
| Limited Tax Refunding Bonds, Series 2015. | | |
| <ul style="list-style-type: none"> To refund the series 2004 limited tax refunding bonds which refunded the series 1994 limited tax bonds that provided funds for construction of a Community Service Building and a Workforce Development Center. Also to refund the series 2005 limited tax refunding bonds which refunded the series 1996 limited tax bonds that provided funds for renovation of existing facilities, construction of a Science Building, and a contribution of \$3,000,000 towards the construction of the Angelina Center for the Arts. Issued December 1, 2015, matures fiscal 2021. \$3,245,000 was authorized and issued. Source of revenue for debt service – ad valorem taxes. Interest rate of 3.00% to 4.00%. Outstanding balance: | 2,718,183 | - |
| Total Bonds Payable | \$ 16,281,992 | \$ 17,649,385 |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

11. Advance Refunding Bonds

- Refunded \$1,430,000 of Limited Tax Refunding Bonds, Series 2004 and \$1,840,000 of Limited Tax Refunding Bonds, Series 2005.
- Issued refunding bonds on December 1, 2015.
- \$3,245,000, all authorized bonds have been issued.
- Angelina County Junior College District Limited Tax Refunding Bonds, Series 2015.
- Average interest rate of bonds refunded – 3.48%.
- Net proceeds from Refunding Series -- \$3,391,766 including premium of \$159,587 and net of \$12,821 in underwriter's discount.
- \$3,326,435 was retained for the redemption of the Limited Tax Refunding Bonds, Series 2004 and 2005.
- The refunding resulted in a deferred loss on refunding of \$53,402 which will be amortized over 3.5 years.
- The 2004 and 2005 Series Limited Tax Refunding Bonds are fully defeased and the liability for those bonds has been removed from the College's financial statements.
- There was no balance for the defeased debt on August 31, 2016 because the debt was redeemed on January 19, 2016.
- Advance refunding of the 2004 and 2005 Series Limited Tax Refunding Bonds reduced the College's debt service payments over the next 5 years by approximately \$160,331.
- Economic Gain -- \$135,153 difference between the net present value of the old and new debt service payments.

12. Unearned Revenues

Tuition and fees of \$5,143,427 and \$4,662,332 and federal, state, and local grants of \$408,256 and \$390,293 have been reported as unearned revenues at August 31, 2016 and 2015, respectively.

13. Pending Lawsuits and Claims

On August 31, 2016 and 2015, no claims involving the College were pending.

14. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all of its employees. The College requires all full-time employees to participate in either the Teacher Retirement System of Texas (TRS) or in the Optional Retirement Plan (ORP). Faculty, administrators, and professional employees may enroll in either TRS or ORP. Secretarial, clerical, and classified employees are limited to participation in TRS. Employees who are eligible to participate in ORP have ninety days from the date of their employment to select the Optional Retirement Program. Employees who previously had the opportunity to participate in ORP but declined must remain with TRS for the duration of their employment in the Texas education system.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

14. Employees' Retirement Plan - Continued

Teacher Retirement System of Texas (TRS)

Plan Description - Angelina County Junior College District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system and become members.

Pension Plan Fiduciary Net Position - Detailed information about TRS'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.

Benefits Provided - TRS provides service and disability retirement, as well as death and survivor benefits, to eligible members (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 employees who are grandfathered, where 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 cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions - Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

14. Employees' Retirement Plan - Continued

particular action, the time required to amortize TRS's 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 through 2017. The 84rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

| | <u>Contribution Rates</u> | | |
|--|---------------------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Member (Employee) | 7.2% | 6.7% | 6.4% |
| The State of Texas and/or Angelina County Junior College District | 6.8% | 6.8% | 6.8% |
| FY2015 Angelina College Contributions | | \$320,225 | |
| FY2015 State of Texas On-behalf Contributions | | \$200,714 | |

The State of Texas and/or The College's contributions to the TRS pension plan in FY2016 were \$543,181 as reported in the Schedule of the College's Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for FY2016 were \$215,820.

As the non-employer contributing entity for community colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. The College as the employer is required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- The state contribution is limited to 50% for eligible employees of public junior colleges or junior college districts. As a result, the College shall contribute 50% of the state contribution rate for eligible employees and 100% of the state contribution rate for all other employees.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

14. Employees' Retirement Plan - Continued

- When employing a retiree of TRS the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.

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 | 8.0% |
| Long-term expected Investment Rate of Return* | 8.0% |
| 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 |

**Includes inflation rate of 2.5%*

The actuarial methods and assumptions are primarily based on a study of actual experience for the four-year period ending August 31, 2014 and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. The most significant changes were related to the update of the post-retirement mortality rates based on the most recent TRS member experience and the decrease in the assumption for general wage inflation from 3% to 2.5%. Other changes to overall assumptions and methods had a minor impact on the results of the actuarial valuation and the related pension liability.

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

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 8.0%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

14. Employees' Retirement Plan - Continued

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 | Long-Term Expected Geometric Real Rate of Return | Expected Contribution to Long-Term Portfolio Returns* |
|-------------------------------|-------------------|--|---|
| Global Equity | | | |
| U.S. | 18.0% | 4.6% | 1.0% |
| Non-U.S Developed | 13.0% | 5.1% | 0.8% |
| Emerging Markets | 9.0% | 5.9% | 0.7% |
| Directional Hedge Funds | 4.0% | 3.2% | 0.1% |
| Private Equity | 13.0% | 7.0% | 1.1% |
| Stable Value | | | |
| U.S. Treasuries | 11.0% | 0.7% | 0.1% |
| Absolute Return | 0.0% | 1.8% | 0.0% |
| Stable Value Hedge Funds | 4.0% | 3.0% | 0.1% |
| Cash | 1.0% | -0.2% | 0.0% |
| Real Return | | | |
| Global Inflation Linked Bonds | 3.0% | 0.9% | 0.0% |
| Real Assets | 16.0% | 5.1% | 1.1% |
| Energy and Natural Resources | 3.0% | 6.6% | 0.2% |
| Commodities | 0.0% | 1.2% | 0.0% |
| Risk Parity | | | |
| Risk Parity | 5.0% | 6.7% | 0.3% |
| Inflation Expectation | | | 2.2% |
| Alpha | | | 1.0% |
| Total | 100.0% | | 8.7% |

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

Source: Teacher Retirement System of Texas 2015 Comprehensive Annual Financial Report

Discount Rate Sensitivity Analysis - The following schedule shows the impact on the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8.0%) in measuring the 2015 Net Pension Liability recorded at August 31, 2016.

| | 1% Decrease in Discount Rate (7.0%) | Discount Rate (8.0%) | 1% Increase in Discount Rate (9.0%) |
|---|--|-------------------------|--|
| Angelina County Junior College District's proportionate share of the net pension liability: | \$5,989,634 | \$3,822,817 | \$2,017,993 |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

14. Employees' Retirement Plan - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At August 31, 2016, the College reported a liability of \$3,822,817 for its proportionate share of TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

| | |
|--|----------------------------|
| Angelina College's Proportionate share of the collective net pension | \$ 3,822,817 |
| State's proportionate share that is associated with Angelina College | <u>2,395,398</u> |
| Total | <u><u>\$ 5,205,814</u></u> |

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 College's proportion of the net pension liability was based on the College's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2014 through August 31, 2015.

At the measurement date of August 31, 2015, the Colleges proportion of the collective net pension liability was .0108146%, which was a decrease of .0009196% from its proportion measured as of August 31, 2014

For the year ended August 31, 2016, the College recognized pension expense of \$341,306 and revenue of \$341,306 for support provided by the State.

At August 31, 2016, the College reported its proportionate share of 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 |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 40,314 | \$146,914 |
| Changes in actuarial assumptions | \$169,441 | \$136,381 |
| Difference between projected and actual investment earnings | \$941,475 | \$718,493 |
| Changes in proportion and difference between the College's contributions and the proportionate share of contributions | \$<2> | \$211,101 |
| Contributions paid to TRS subsequent to the measurement date | \$322,056 | |
| Total | \$1,473,284 | \$1,212,889 |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

14. Employees' Retirement Plan - Continued

The net amounts of the College'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 | (\$45,424) |
| 2018 | (\$45,423) |
| 2019 | (\$45,423) |
| 2020 | \$194,075 |
| 2021 | (\$43,962) |
| Thereafter | (75,504) |

Actual contributions to TRS, which were equal to the required contributions each year, are shown below:

| Fiscal Year Ended August 31, | On-Behalf State Contribution | Angelina College Contribution | Participant Contribution | Total Contribution | Covered Payroll | Total College Payroll |
|------------------------------------|------------------------------------|-------------------------------------|-----------------------------|-----------------------|--------------------|-----------------------------|
| 2016 | 341,306 | 322,056 | 575,133 | 1,238,495 | 7,987,960 | \$ 15,579,645 |
| 2015 | 191,501 | 320,439 | 511,089 | 1,023,029 | 7,628,195 | 15,543,617 |
| 2014 | 208,635 | 299,676 | 462,434 | 970,745 | 7,225,531 | 14,929,055 |

Optional Retirement Program (ORP)

Plan Description - Participation in the Optional Retirement Program, a defined contribution plan, is in lieu of participation in the Teacher Retirement System of Texas. The optional retirement program provides for the purchase of annuity contracts or mutual funds from a variety of providers who administer the plans for employees. The program operates under the provisions of the Texas Constitution, Article XVI, Sec 67, and the 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 percentage of participant salaries contributed by each participating employee is 6.65 percent for fiscal years 2016, 2015, and 2014. The percentage of participant salaries contributed by the state is 3.135 percent for 2016 and 3.3 percent for 2015 and 2014. The percentage of participant salaries contributed by the College is 3.465 percent for 2016 and 3.3 percent for 2015 and 2014. The College contributed an additional 1.9 percent for fiscal years 2016, 2015 and 2014 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 contracts, the state has no additional or unfunded liability for this program.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

14. Employees' Retirement Plan - Continued

Actual contributions to ORP, which were equal to the required contributions each year, are shown below:

| Fiscal Year Ended August 31, | On-Behalf State Contribution | Angelina College Contribution | Participant Contribution | Total Contribution | Covered Payroll | Total College Payroll |
|------------------------------------|------------------------------------|-------------------------------------|-----------------------------|-----------------------|--------------------|-----------------------------|
| 2016 | \$ 132,207 | \$ 206,008 | \$ 320,171 | \$ 658,386 | \$4,814,598 | \$ 15,579,645 |
| 2015 | 146,893 | 213,666 | 338,279 | 698,838 | 5,086,900 | 15,543,617 |
| 2014 | 149,497 | 215,087 | 342,373 | 706,957 | 5,148,473 | 14,929,055 |

Part-time Employees

Plan Description - Part-time employees who are not members of the Teacher Retirement System of Texas participate in a separate IRS 403(b) plan administered by Teacher Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF).

Funding Policy - The plan offered through TIAA-CREF is a defined contribution plan to which the employees contribute 7.5 percent and the State of Texas and the College do not contribute. Employee contributions to TIAA-CREF for the years ended August 31, 2016, 2015, and 2014 were \$152,700, \$155,521, and \$151,182, respectively, which equaled the required contributions each year.

15. Compensable Absences

Full-time employees earn annual leave from 5.83 to 10.00 hours per month depending on whether they have less than or more than five years continuous employment with the College. The College's policy is that an employee may carry their accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to total hours earned in the two years immediately preceding. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed.

The College recognized the accrued liability for the unpaid annual leave in the amounts of \$286,603 and \$275,538 for fiscal years ended August 31, 2016 and 2015, respectively. The liability is shown in the Statement of Net Position split between current and noncurrent in the amounts of \$41,419 and \$245,184, respectively for August 31, 2016 and \$39,433 and \$236,105, respectively for August 31, 2015.

Sick leave, which can be accumulated to a maximum of 90 days, is earned at the rate of one day per month per length of the contract. It is paid to an employee who misses work because of personal or immediate family illness. The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since sick leave is not a vested benefit and is not paid upon termination or to a deceased employee's estate.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

16. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA audit and accounting guide, State and Local Governments, 8.99). 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. Funds received but not yet expended are reported as Current Unearned Revenue 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 \$4,174,557 and \$4,694,523. Of these amounts, \$2,602,400 and \$2,607,846 were from Federal Contract and Grant Awards; \$1,089,157 and \$1,791,677 were from State Contract and Grant Awards; and \$483,000 and \$295,000 were from Private Contract and Grant Awards for the fiscal years ended 2016 and 2015, respectively.

17. Disaggregation of Receivables and Payables Balances

Receivables were as follows:

| | August 31, 2016 | August 31, 2015 |
|--|-------------------------|-------------------------|
| Students and Other Customers | \$ 6,787,185 | \$ 6,282,699 |
| Allowance for Doubtful Accounts | (2,316,965) | (2,321,690) |
| Federal Grants and Contracts - Operating | 379,141 | 257,638 |
| Federal Grants and Contracts - Non-operating | 34,323 | 140,229 |
| Other Grants and Contracts | 32,226 | 88,005 |
| Loans to Students | 156,365 | 179,552 |
| Allowance for Doubtful Accounts | (148,501) | (169,791) |
| Taxes Receivable | 629,966 | 590,235 |
| Allowance for Uncollectible Taxes | (448,323) | (404,789) |
| Interest Receivable | 38,907 | 25,737 |
| Other Receivables | 62,361 | 123,089 |
| Total Receivables | <u>\$ 5,206,685</u> | <u>\$ 4,790,914</u> |

Payables and accrued liabilities were as follows:

| | August 31, 2016 | August 31, 2015 |
|---------------------------|--------------------|--------------------|
| Vendors | \$ 627,468 | \$ 798,543 |
| Students | 10,853 | 909 |
| Total Payables | <u>\$ 638,321</u> | <u>\$ 799,452</u> |
| Salaries and benefits | \$ 488,384 | \$ 166,767 |
| Sales taxes | 80,695 | 88,191 |
| Other | 2,807 | 1,972 |
| Total Accrued Liabilities | <u>\$ 571,886</u> | <u>\$ 256,930</u> |

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

18. Self-Insured Plans

From September 1, 1990 through August 31, 1997, the College participated in a workers' compensation self-insurance program as permitted by Labor Code Chapter 504. The liability for unpaid claims relates to claims incurred prior to September 1, 1997. Changes in the College's undiscounted claims liability for the following fiscal years are as follows:

| Year | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claims Payments | End of Fiscal Year Liability |
|------|--|---|--------------------|------------------------------------|
| 2016 | \$ 1,303 | \$ (9) | \$ 45 | \$ 1,249 |
| 2015 | 1,329 | 3 | 29 | 1,303 |

Neither was an expenditure made nor a liability accrued based on the actuarial valuation of the present value of unpaid expected claims due to immateriality.

19. Post-Retirement Health Care and Life Insurance Benefits

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

The state recognizes the cost of providing these benefits for retirees who retired from certain cost centers paid by state appropriated funds by expending annual insurance premiums. The College recognizes the cost of providing these benefits for retirees who retired from all other cost centers by expending annual insurance premiums.

| | August 31, 2016 | August 31, 2015 | August 31, 2014 |
|---|--------------------|--------------------|--------------------|
| State's monthly contribution per full-time employee | \$ 577 - 1679 | \$ 538 - 1,566 | \$ 503 - 1,465 |
| State's contribution for retired participants | \$ 434,353 | \$ 359,882 | \$ 368,139 |
| Number of retired participants | 115 | 112 | 110 |
| State's contribution for active participants | \$ 813,597 | \$ 926,621 | \$ 830,504 |
| Number of active participants | 252 | 252 | 242 |
| State's total contribution | \$ 1,247,950 | \$ 1,286,503 | \$ 1,198,643 |
| Number of total participants | 367 | 364 | 352 |

20. Ad Valorem Tax

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

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

20. Ad Valorem Tax - Continued

| | August 31, 2016 | August 31, 2015 |
|---------------------------------------|-------------------------|-------------------------|
| Assessed Valuation of the College | \$ 4,708,708,162 | \$ 4,601,903,748 |
| Less: Exemptions | 600,460,055 | 595,609,080 |
| Less: Abatements | 31,023,392 | 17,363,921 |
| Net Assessed Valuation of the College | <u>\$ 4,077,224,715</u> | <u>\$ 3,988,930,747</u> |

| | Current Operations | Debt Service | Total |
|---|--------------------|--------------|-----------|
| Tax Rate per \$100 valuation - authorized | \$ 0.4000 | \$ 0.5000 | \$ 0.9000 |
| Tax Rate per \$100 valuation - assessed | | | |
| - FYE August 31, 2016 | \$ 0.1274 | \$ 0.0445 | \$ 0.1719 |
| - FYE August 31, 2015 | \$ 0.1261 | \$ 0.0458 | \$ 0.1719 |

Taxes levied for the year ended August 31, 2016 were \$7,024,578 (which includes any penalty and interest assessed if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the following year in which imposed.

| Tax Revenues-2016 | Current Operations | Debt Service | Total |
|------------------------|---------------------|---------------------|---------------------|
| Current Taxes | \$ 5,070,174 | \$ 1,766,747 | \$ 6,836,921 |
| Delinquent Taxes | 95,631 | 34,561 | 130,192 |
| Penalties and Interest | 78,774 | 28,605 | 107,379 |
| Total Tax Revenues | <u>\$ 5,244,579</u> | <u>\$ 1,829,913</u> | <u>\$ 7,074,492</u> |

Taxes levied for the year ended August 31, 2015 were \$6,824,510 (which includes any penalty and interest assessed if applicable).

| Tax Revenues-2015 | Current Operations | Debt Service | Total |
|------------------------|---------------------|---------------------|---------------------|
| Current Taxes | \$ 4,884,215 | \$ 1,770,678 | \$ 6,654,893 |
| Delinquent Taxes | 50,976 | 17,748 | 68,724 |
| Penalties and Interest | 81,060 | 30,298 | 111,358 |
| Total Tax Revenues | <u>\$ 5,016,251</u> | <u>\$ 1,818,724</u> | <u>\$ 6,834,975</u> |

Tax collections for the year ended August 31, 2016 and 2015 were 97% and 97%, respectively of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

21. Income Taxes

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

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

22. Risk Management

During the years ended August 31, 2016 and 2015, the College participated in several Texas Association of School Boards (TASB) Risk Management Fund programs including Auto Liability, Auto Physical Damage, General Liability, Legal Liability, Property, and Unemployment Compensation.

The TASB Risk Management Fund (the Fund) was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability, and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the years ended August 31, 2016 and 2015, the Fund anticipates that the College has no additional liability beyond the contractual obligations for payment of contributions.

During the years ended August 31, 2016 and 2015, the College provided unemployment compensation coverage to its employees through the Fund. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code.

The Fund meets its quarterly obligation to the Texas Workforce Commission for unemployment compensation coverage. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop-loss coverage for the Unemployment Compensation pool. For the years ended August 31, 2016 and 2015, the Fund anticipates that the College has no additional liability beyond the contractual obligation for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2015 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

23. Non-Monetary Transactions

The College receives the benefit from the use of certain facilities at its off-campus sites at no cost or costs below prevailing market rates that the College would have to pay in an exchange transaction. Included in operating revenues is \$633,475 and \$633,475 in non-monetary transactions representing the value of the use of these off-campus facilities for the years ended August 31, 2016 and 2015, respectively. A corresponding amount is also included in operating expenses.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2016

23. Non-Monetary Transactions - Continued

The College also provides the use of some of its facilities to an unrelated nonprofit entity at no cost. Included in operating expenses is \$119,066 and \$119,066 in non-monetary transactions representing the value of the donation of the facilities for the years ended August 31, 2016 and 2015, respectively. A corresponding amount is also included in non-operating revenues.

24. Post-Employment Benefits Other than Pensions

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

ERS issues a publicly available financial report that includes financial statements and required 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. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB 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% of eligible employees for community colleges.

The College's contributions to SRHP for the years ended August 31, 2016, 2015, and 2014, were \$494,314, \$497,478, and \$439,810, respectively, which equaled the required contributions each year.

**REQUIRED SUPPLEMENTARY
INFORMATION SCHEDULES**

**For the Fiscal Years Ended
August 31, 2016 and 2015**

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY SCHEDULE I
SCHEDULE OF THE COLLEGE'S SHARE OF NET PENSION LIABILITY

| Fiscal year ending August 31 * | 2016 | 2015 ** |
|--|--------------------|--------------------|
| Total Teacher's Retirement System (TRS) pension liability | \$ 163,887,375,172 | \$ 159,496,075,886 |
| TRS' net position | (128,538,706,212) | (132,779,243,085) |
| TRS' net pension liability | \$ 35,348,668,960 | \$ 26,716,832,801 |
| TRS net position as a percentage of total pension liability | 78.43% | 83.25% |
| The College's proportionate share of collective net pension liability (%) | 0.0108146% | 0.0117342% |
| The College's proportionate share of collective net pension liability (\$) | \$ 3,822,817 | \$ 3,134,367 |
| Portion of nonemployer contributing entities (NECE) total proportionate share of NPL associated with the College | 2,395,398 | 2,071,447 |
| Total | \$ 6,218,215 | \$ 5,205,814 |
| The College's covered payroll amount in the year of measurement | \$ 7,628,195 | \$ 7,225,531 |
| Ratio of: AC proportionate share of collective NPL/AC's covered payroll amount | 0.501143057 | 0.433790541 |

* The amounts presented above are as of the measurement date of the collective net pension liability.

**This schedule is intended to show information for 10 years. The College presented this schedule starting fiscal year 2015 and has chosen to implement prospectively.

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY SCHEDULE II
SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS

| Fiscal year ending August 31 * | 2016 | 2015 ** |
|---|------------------|------------------|
| Legally required contributions | \$ 543,181 | \$ 518,717 |
| Actual Contributions | 543,181 | 518,717 |
| Contributions deficiency (excess) | \$ - | \$ - |
| The College's covered payroll amount in the current fiscal year | \$ 7,987,960 | \$ 7,628,195 |
| Ratio of: Actual contributions / AC's covered payroll amount | 6.80% | 6.80% |

*The amounts presented above are as of the College's most recent fiscal year-end.

**This schedule is intended to show information for 10 years. The College presented this schedule starting fiscal year 2015 and has chosen to implement prospectively.

See independent auditors' report.



**SUPPLEMENTAL FINANCIAL
INFORMATION**

**For the Fiscal Years Ended
August 31, 2016 and 2015**

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015

| | | | Total | | | |
|--|--------------|--------------|--------------|--------------|---------------|---------------|
| | | | Educational | Auxiliary | Totals | |
| | Unrestricted | Restricted | Activities | Enterprises | Current Year | Prior Year |
| Tuition | | | | | | |
| State Funded Credit Courses | | | | | | |
| In-District Resident Tuition | \$ 2,827,689 | \$ - | \$ 2,827,689 | \$ - | \$ 2,827,689 | \$ 2,520,092 |
| Out-of-District Resident Tuition | 4,688,498 | - | 4,688,498 | - | 4,688,498 | 4,367,702 |
| Non-Resident Tuition | 250,454 | - | 250,454 | - | 250,454 | 222,399 |
| TPEG - Credit (set aside)* | 482,278 | - | 482,278 | - | 482,278 | 442,143 |
| State Funded Continuing Education Courses | 806,856 | - | 806,856 | - | 806,856 | 884,701 |
| TPEG - Non-Credit (set aside)* | 51,436 | - | 51,436 | - | 51,436 | 56,510 |
| Non-State Funded Continuing Education | 42,328 | - | 42,328 | - | 42,328 | 44,444 |
| Total Tuition | 9,149,539 | - | 9,149,539 | - | 9,149,539 | 8,537,991 |
| Fees | | | | | | |
| General Institutional Service Fee | - | - | - | 871,928 | 871,928 | 776,560 |
| Building Use Fee | - | 175,526 | 175,526 | - | 175,526 | 388,270 |
| Laboratory Fee | 692,089 | - | 692,089 | - | 692,089 | 541,945 |
| Other Fees | 212,722 | - | 212,722 | 9,595 | 222,317 | 213,920 |
| Total Fees | 904,811 | 175,526 | 1,080,337 | 881,523 | 1,961,860 | 1,920,695 |
| Scholarship Allowances and Discounts | | | | | | |
| Local Scholarships | (341,694) | (7,257) | (348,951) | (27,816) | (376,767) | (387,296) |
| Auxiliary Scholarships | (243,264) | (3,221) | (246,485) | (14,316) | (260,801) | (241,563) |
| Remissions and Exemptions-State | (235,102) | - | (235,102) | - | (235,102) | (181,041) |
| Remissions and Exemptions-Local | (5,887) | - | (5,887) | - | (5,887) | (5,897) |
| TPEG Allowances | (496,655) | (1,875) | (498,530) | (7,110) | (505,640) | (433,913) |
| Other State Grants | (346,286) | (5,860) | (352,146) | (23,468) | (375,614) | (346,071) |
| Title IV Federal Grants | (2,879,062) | (60,788) | (2,939,850) | (298,662) | (3,238,512) | (3,588,118) |
| Other Federal Grants | (160,343) | (938) | (161,281) | (4,019) | (165,300) | (281,086) |
| Total Scholarship Allowances | (4,708,293) | (79,939) | (4,788,232) | (375,391) | (5,163,623) | (5,464,985) |
| Total Net Tuition and Fees | 5,346,057 | 95,587 | 5,441,644 | 506,132 | 5,947,776 | 4,993,701 |
| Additional Operating Revenues | | | | | | |
| Federal Grants and Contracts | 39,234 | 1,659,187 | 1,698,421 | - | 1,698,421 | 1,670,839 |
| State Grants and Contracts | 8,600 | 910,665 | 919,265 | - | 919,265 | 1,709,566 |
| Non-Governmental Grants and Contracts | 633,475 | 84,753 | 718,228 | - | 718,228 | 748,048 |
| Sales and Services of Educational Activities | - | - | - | - | - | 400 |
| Investment Income (Program Restricted) | - | 225,867 | 225,867 | - | 225,867 | 195,998 |
| Other Operating Revenues | (4,492) | 45,111 | 40,619 | 14,162 | 54,781 | 108,460 |
| Total Additional Operating Revenues | 676,817 | 2,925,583 | 3,602,400 | 14,162 | 3,616,562 | 4,433,311 |
| Auxiliary Enterprises | | | | | | |
| Residential Life | - | - | - | 532,690 | 532,690 | 550,581 |
| Scholarship Allowances and Discounts | - | - | - | (380,027) | (380,027) | (410,741) |
| Net Resident Life | - | - | - | 152,663 | 152,663 | 139,840 |
| Bookstore | - | - | - | 2,744,492 | 2,744,492 | 2,922,237 |
| Scholarship Allowances and Discounts | - | - | - | (1,605,797) | (1,605,797) | (1,797,576) |
| Net Bookstore | - | - | - | 1,138,695 | 1,138,695 | 1,124,661 |
| Total Net Auxiliary Enterprises | - | - | - | 1,291,358 | 1,291,358 | 1,264,501 |
| Total Operating Revenues | \$ 6,022,874 | \$ 3,021,170 | \$ 9,044,044 | \$ 1,811,652 | \$ 10,855,696 | \$ 10,691,513 |
| | | | | | (Exhibit 2) | (Exhibit 2) |

* In accordance with Education Code 56.033, \$533,714 and \$498,653 respectively were set aside for Texas Public Education Grants (TPEG).

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015

| | Operating Expenses | | | | Totals | |
|--|-----------------------|---------------------|---------------------|----------------------|-------------------------------------|-------------------------------------|
| | Salaries and Wages | State Benefits | Local Benefits | Other Expenses | Current Year | Prior Year |
| Unrestricted - Educational Activities | | | | | | |
| Instruction | \$ 9,042,271 | \$ - | \$ 1,567,450 | \$ 634,962 | \$ 11,244,683 | \$ 11,207,164 |
| Public Service | 28,495 | - | 4,940 | 9,199 | 42,634 | 40,559 |
| Academic Support | 1,582,096 | - | 274,251 | 919,793 | 2,776,140 | 2,783,283 |
| Student Services | 886,584 | - | 153,687 | 172,210 | 1,212,481 | 1,062,993 |
| Institutional Support | 1,251,780 | - | 216,992 | 1,362,758 | 2,831,530 | 2,774,041 |
| Operation and Maintenance of Plant | 852,502 | - | 147,779 | 1,675,308 | 2,675,589 | 2,553,856 |
| Total Unrestricted Educational Activities | 13,643,728 | - | 2,365,099 | 4,774,230 | 20,783,057 | 20,421,896 |
| Restricted - Educational Activities | | | | | | |
| Instruction | 172,435 | 1,140,886 | 9,244 | 241,665 | 1,564,230 | 1,670,308 |
| Public Service | 904,208 | 3,595 | 152,400 | 260,283 | 1,320,486 | 1,111,088 |
| Academic Support | 15,495 | 199,617 | - | - | 215,112 | 225,583 |
| Student Services | 307,746 | 111,863 | 47,015 | 94,451 | 561,075 | 520,339 |
| Institutional Support | 16,269 | 157,940 | - | - | 174,209 | 180,233 |
| Operation and Maintenance of Plant | 9,242 | 107,562 | - | - | 116,804 | 110,494 |
| Scholarships and Fellowships | - | - | - | 3,328,425 | 3,328,425 | 3,562,585 |
| Total Restricted Educational Activities | 1,425,395 | 1,721,463 | 208,659 | 3,924,824 | 7,280,341 | 7,380,630 |
| Total Educational Activities | 15,069,123 | 1,721,463 | 2,573,758 | 8,699,054 | 28,063,398 | 27,802,526 |
| Auxiliary Enterprises | 510,522 | - | 180,087 | 3,689,264 | 4,379,873 | 4,433,118 |
| Depreciation Expense-Buildings and Improvements | - | - | - | 1,624,776 | 1,624,776 | 1,575,126 |
| Depreciation Expense-Equipment and Furniture | - | - | - | 480,295 | 480,295 | 502,028 |
| Total Operating Expenses | <u>\$ 15,579,645</u> | <u>\$ 1,721,463</u> | <u>\$ 2,753,845</u> | <u>\$ 14,493,389</u> | <u>\$ 34,548,342</u> (Exhibit 2) | <u>\$ 34,312,798</u> (Exhibit 2) |

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE C
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Auxiliary Enterprises</u> | <u>Totals</u> <u>Memorandum Only</u> | |
|---------------------------------------|----------------------|----------------------|----------------------------------|---|-------------------------------------|
| | | | | <u>Current Year</u> | <u>Prior Year</u> |
| Non-Operating Revenues | | | | | |
| State Appropriations | | | | | |
| Educational and General State Support | \$ 6,297,129 | \$ - | \$ - | \$ 6,297,129 | \$ 6,482,955 |
| State Group Insurance | - | 1,247,950 | - | 1,247,950 | 1,286,503 |
| State Retirement Matching | - | 473,513 | - | 473,513 | 338,394 |
| Special Appropriations | 1,089,358 | - | - | 1,089,358 | 1,128,042 |
| Other State Support | 13,398 | - | - | 13,398 | 7,145 |
| Total State Appropriations | <u>7,399,885</u> | <u>1,721,463</u> | <u>-</u> | <u>9,121,348</u> | <u>9,243,039</u> |
| Maintenance Ad Valorem Taxes | 5,244,579 | - | - | 5,244,579 | 5,016,251 |
| Debt Service Ad Valorem Taxes | - | 1,829,913 | - | 1,829,913 | 1,818,724 |
| Federal Revenue, Non-Operating | - | 8,460,303 | - | 8,460,303 | 9,101,905 |
| Gifts | 23,276 | 652,029 | 35,493 | 710,798 | 520,048 |
| Investment Income | 16,746 | 265,502 | 832 | 283,080 | 106,997 |
| Other Non-Operating Revenues | <u>85,797</u> | <u>26,435</u> | <u>175,934</u> | <u>288,166</u> | <u>346,585</u> |
| Total Non-Operating Revenues | 12,770,283 | 12,955,645 | 212,259 | 25,938,187 | 26,153,549 |
| Non-Operating Expenses | | | | | |
| Interest on Capital Related Debt | - | 752,245 | - | 752,245 | 797,712 |
| Disposal of Capital Assets, net | 8,604 | - | - | 8,604 | 1,500 |
| Investment Expenses | <u>-</u> | <u>4,343</u> | <u>-</u> | <u>4,343</u> | <u>273,537</u> |
| Total Non-Operating Expenses | 8,604 | 756,588 | - | 765,192 | 1,072,749 |
| Net Non-Operating Revenues | <u>\$ 12,761,679</u> | <u>\$ 12,199,057</u> | <u>\$ 212,259</u> | <u>\$ 25,172,995</u> (Exhibit 2) | <u>\$ 25,080,800</u> (Exhibit 2) |

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE D
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015

| | Detail by Source | | | | | Available for Current Operations | |
|--|---------------------|-------------------|-------------------|--|------------------------------------|----------------------------------|-------------------|
| | Unrestricted | Restricted | | Net Investment in Capital Assets | Total | Yes | No |
| | | Expendable | Non-Expendable | | | | |
| Current: | | | | | | | |
| Unrestricted | \$ 1,620,283 | \$ - | \$ - | \$ - | \$ 1,620,283 | \$ 1,620,283 | \$ - |
| Restricted | - | 1,848,059 | - | - | 1,848,059 | - | 1,848,059 |
| Auxiliary Enterprises | 2,086,063 | - | - | - | 2,086,063 | 2,086,063 | - |
| Loan | 375,114 | - | - | - | 375,114 | - | 375,114 |
| Endowment: | | | | | | | |
| Quasi: | | | | | | | |
| Unrestricted | 1,472,087 | - | - | - | 1,472,087 | - | 1,472,087 |
| Endowment: | | | | | | | |
| True | - | - | 5,529,017 | - | 5,529,017 | - | 5,529,017 |
| Plant: | | | | | | | |
| Unexpended | 4,463,850 | - | - | - | 4,463,850 | - | 4,463,850 |
| Debt Service | - | 531,737 | - | - | 531,737 | - | 531,737 |
| Investment in Plant | - | - | - | 21,533,282 | 21,533,282 | - | 21,533,282 |
| Total Net Position, August 31, 2016 | 10,017,397 | 2,379,796 | 5,529,017 | 21,533,282 | 39,459,492 (Exhibit 1) | 3,706,346 | 35,753,146 |
| Total Net Position, August 31, 2015 | 8,219,343 | 2,389,060 | 5,211,046 | 22,100,514 | 37,919,963 (Exhibit 1) | 2,273,560 | 35,646,403 |
| Net Increase (Decrease) in Net Position | \$ 1,798,054 | \$ (9,264) | \$ 317,971 | \$ (567,232) | \$ 1,539,529 (Exhibit 2) | \$ 1,432,786 | \$ 106,743 |

See independent auditors' report.



**Angelina County
Junior College District**

| |
|---|
| <p>STATISTICAL SECTION (UNAUDITED)</p> |
|---|

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2016 and 2015**

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SECTION OBJECTIVES
(UNAUDITED)**

This part of Angelina County Junior College District's (the College's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

The information contained within this section is being presented to provide the reader with a better understanding of five objectives:

- Financial Trends – Showing how the College's financial position has changed over time.
- Revenue Capacity – Assessing the College's ability to generate revenue by examining its major revenue sources.
- Debt Capacity – Assessing the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.
- Demographic and Economic Information – Providing demographic and economic indicators to help in understanding the environment within which the College's financial activities take place.
- Operating Information – Providing information about how the College's financial report relates to the services it provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports or from employment, enrollment, and capital asset information of the College for the relevant year.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

| | For the Fiscal Year Ended August 31, | | | | |
|----------------------------------|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Net Investment in Capital Assets | \$ 21,533,282 | \$ 22,100,514 | \$ 20,842,469 | \$ 21,182,819 | \$ 19,852,472 |
| Restricted - Expendable | 2,379,796 | 2,389,060 | 2,221,331 | 2,205,320 | 2,138,476 |
| Restricted - Nonexpendable | 5,529,017 | 5,211,046 | 5,332,837 | 4,764,495 | 4,222,327 |
| Unrestricted | 10,017,397 | 8,219,343 | 11,547,076 | 9,384,031 | 10,151,810 |
| Total Net Position | <u>\$ 39,459,492</u> | <u>\$ 37,919,963</u> | <u>\$ 39,943,713</u> | <u>\$ 37,536,665</u> | <u>\$ 36,365,085</u> |

| | For the Fiscal Year Ended August 31, | | | | |
|----------------------------------|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Investment in Capital Assets | \$ 18,329,853 | \$ 17,808,653 | \$ 17,162,195 | \$ 17,104,444 | \$ 15,631,874 |
| Restricted - Expendable | 2,012,956 | 2,023,521 | 2,164,189 | 2,208,832 | 2,288,448 |
| Restricted - Nonexpendable | 3,453,266 | 3,163,172 | 2,893,184 | 3,001,016 | 3,151,197 |
| Unrestricted | 10,167,908 | 8,966,937 | 8,472,941 | 7,799,155 | 6,635,185 |
| Total Net Position | <u>\$ 33,963,983</u> | <u>\$ 31,962,283</u> | <u>\$ 30,692,509</u> | <u>\$ 30,113,447</u> | <u>\$ 27,706,704</u> |

Note: In FY2015, net position as of the beginning of the year was restated (reduced) by \$3,551,254 for the cumulative effect of applying GASB Statement No. 68. See Note 2 – Summary of Significant Accounting Policies.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 2
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

| | For the Year Ended August 31, | | | | |
|--|-------------------------------|---------------|---------------|---------------|---------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Tuition and Fees (Net of Discounts) | \$ 5,947,776 | \$ 4,993,701 | \$ 5,156,839 | \$ 4,590,713 | \$ 4,533,203 |
| Federal Grants and Contracts | 1,698,421 | 1,670,839 | 1,384,761 | 1,341,682 | 1,146,921 |
| State Grants and Contracts | 919,265 | 1,709,566 | 891,000 | 684,680 | 716,095 |
| Non-Governmental Grants and Contracts | 718,228 | 748,048 | 725,996 | 867,413 | 515,531 |
| Sales and Services of Educational Activities | - | 400 | 1,200 | 3,500 | 3,600 |
| Investment Income - Program Restricted | 225,867 | 195,998 | 177,278 | 162,838 | 165,272 |
| Auxiliary Enterprises | 1,291,358 | 1,264,501 | 1,542,215 | 835,168 | 1,434,693 |
| Other Operating Revenues | 54,781 | 108,460 | 68,168 | 60,673 | 116,219 |
| Total Operating Revenues | 10,855,696 | 10,691,513 | 9,947,457 | 8,546,667 | 8,631,534 |
| State Appropriations | 9,121,348 | 9,243,039 | 9,186,314 | 8,589,835 | 9,091,735 |
| Ad Valorem Taxes | 7,074,492 | 6,834,975 | 6,880,934 | 6,412,418 | 6,217,240 |
| Federal Revenue, Non-Operating | 8,460,303 | 9,101,905 | 10,064,276 | 10,205,465 | 11,603,694 |
| Gifts | 710,798 | 520,048 | 501,553 | 473,274 | 435,491 |
| Investment Income | 283,080 | 106,997 | 420,081 | 229,787 | 224,543 |
| Other Non-Operating Revenues | 288,166 | 346,585 | 324,970 | 288,339 | 292,396 |
| Total Non-Operating Revenues | 25,938,187 | 26,153,549 | 27,378,128 | 26,199,118 | 27,865,099 |
| Capital Contributions | - | - | - | - | 8,081 |
| Additions to Permanent Endowments | 59,180 | 67,989 | 175,031 | 263,213 | 574,591 |
| Total Other Revenues | 59,180 | 67,989 | 175,031 | 263,213 | 582,672 |
| Total Revenues | \$ 36,853,063 | \$ 36,913,051 | \$ 37,500,616 | \$ 35,008,998 | \$ 37,079,305 |

| | For the Year Ended August 31, | | | | |
|--|-------------------------------|---------|---------|---------|---------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Tuition and Fees (Net of Discounts) | 16.15% | 13.52% | 13.75% | 13.09% | 12.23% |
| Federal Grants and Contracts | 4.61% | 4.53% | 3.69% | 3.83% | 3.09% |
| State Grants and Contracts | 2.49% | 4.63% | 2.38% | 1.96% | 1.93% |
| Non-Governmental Grants and Contracts | 1.95% | 2.03% | 1.94% | 2.48% | 1.39% |
| Sales and Services of Educational Activities | 0.00% | 0.00% | 0.00% | 0.01% | 0.01% |
| Investment Income - Program Restricted | 0.61% | 0.53% | 0.47% | 0.47% | 0.45% |
| Auxiliary Enterprises | 3.50% | 3.43% | 4.11% | 2.39% | 3.87% |
| Other Operating Revenues | 0.15% | 0.29% | 0.18% | 0.17% | 0.31% |
| Total Operating Revenues | 29.46% | 28.96% | 26.52% | 24.40% | 23.28% |
| State Appropriations | 24.74% | 25.04% | 24.49% | 24.55% | 24.52% |
| Ad Valorem Taxes | 19.20% | 18.52% | 18.35% | 18.32% | 16.77% |
| Federal Revenue, Non-Operating | 22.96% | 24.66% | 26.84% | 29.15% | 31.29% |
| Gifts | 1.93% | 1.41% | 1.34% | 1.35% | 1.17% |
| Investment Income | 0.77% | 0.29% | 1.12% | 0.66% | 0.61% |
| Other Non-Operating Revenues | 0.78% | 0.94% | 0.87% | 0.82% | 0.79% |
| Total Non-Operating Revenues | 70.38% | 70.86% | 73.01% | 74.85% | 75.15% |
| Capital Contributions | 0.00% | 0.00% | 0.00% | 0.00% | 0.02% |
| Additions to Permanent Endowments | 0.16% | 0.18% | 0.47% | 0.75% | 1.55% |
| Total Other Revenues | 0.16% | 0.18% | 0.47% | 0.75% | 1.57% |
| Total Revenues | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 2 (Continued)
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

| | For the Year Ended August 31, | | | | |
|--|-------------------------------|---------------|---------------|---------------|---------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Tuition and Fees (Net of Discounts) | \$ 4,343,311 | \$ 3,994,219 | \$ 4,232,590 | \$ 3,872,967 | \$ 4,651,422 |
| Federal Grants and Contracts | 1,356,620 | 1,310,236 | 1,259,075 | 1,355,194 | 1,465,623 |
| State Grants and Contracts | 1,175,621 | 901,557 | 718,226 | 575,512 | 508,919 |
| Non-Governmental Grants and Contracts | 683,267 | 344,500 | 467,499 | 332,047 | 286,658 |
| Sales and Services of Educational Activities | 4,375 | 8,750 | 14,310 | 17,850 | 6,825 |
| Investment Income - Program Restricted | 222,094 | 215,003 | 217,862 | 212,514 | 196,762 |
| Auxiliary Enterprises | 1,614,141 | 1,877,653 | 2,388,254 | 1,381,737 | 2,304,925 |
| Other Operating Revenues | 224,431 | 144,107 | 173,980 | 172,646 | 98,478 |
| Total Operating Revenues | 9,623,860 | 8,796,025 | 9,471,796 | 7,920,467 | 9,519,612 |
| State Appropriations | 9,732,668 | 9,824,030 | 10,431,792 | 10,366,211 | 10,340,180 |
| Ad Valorem Taxes | 5,855,381 | 5,483,542 | 4,722,495 | 3,870,282 | 3,731,027 |
| Federal Revenue, Non-Operating | 11,593,356 | 10,542,716 | 5,719,908 | 4,922,339 | 4,982,062 |
| Gifts | 549,749 | 588,142 | 449,827 | 463,358 | 426,194 |
| Investment Income | 167,726 | 163,500 | 44,875 | 99,392 | 461,959 |
| Other Non-Operating Revenues | 302,999 | 281,248 | 260,610 | 365,520 | 341,754 |
| Total Non-Operating Revenues | 28,201,879 | 26,883,178 | 21,629,507 | 20,087,102 | 20,283,176 |
| Capital Contributions | 230,000 | 47,500 | - | 1,576,902 | - |
| Additions to Permanent Endowments | 146,012 | 27,096 | 64,090 | 93,634 | 648,691 |
| Total Other Revenues | 376,012 | 74,596 | 64,090 | 1,670,536 | 648,691 |
| Total Revenues | \$ 38,201,751 | \$ 35,753,799 | \$ 31,165,393 | \$ 29,678,105 | \$ 30,451,479 |

| | For the Year Ended August 31, | | | | |
|--|-------------------------------|---------|---------|---------|---------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Tuition and Fees (Net of Discounts) | 11.37% | 11.18% | 13.59% | 13.06% | 15.27% |
| Federal Grants and Contracts | 3.55% | 3.66% | 4.04% | 4.57% | 4.81% |
| State Grants and Contracts | 3.08% | 2.52% | 2.30% | 1.94% | 1.67% |
| Non-Governmental Grants and Contracts | 1.79% | 0.96% | 1.50% | 1.12% | 0.94% |
| Sales and Services of Educational Activities | 0.01% | 0.02% | 0.05% | 0.06% | 0.02% |
| Investment Income - Program Restricted | 0.58% | 0.60% | 0.70% | 0.72% | 0.65% |
| Auxiliary Enterprises | 4.23% | 5.25% | 7.66% | 4.66% | 7.57% |
| Other Operating Revenues | 0.59% | 0.40% | 0.56% | 0.58% | 0.32% |
| Total Operating Revenues | 25.20% | 24.61% | 30.40% | 26.71% | 31.25% |
| State Appropriations | 25.47% | 27.48% | 33.47% | 34.92% | 33.97% |
| Ad Valorem Taxes | 15.33% | 15.34% | 15.15% | 13.04% | 12.25% |
| Federal Revenue, Non-Operating | 30.35% | 29.49% | 18.35% | 16.59% | 16.36% |
| Gifts | 1.44% | 1.64% | 1.44% | 1.56% | 1.40% |
| Investment Income | 0.44% | 0.46% | 0.14% | 0.33% | 1.52% |
| Other Non-Operating Revenues | 0.79% | 0.79% | 0.84% | 1.23% | 1.13% |
| Total Non-Operating Revenues | 73.82% | 75.18% | 69.39% | 67.67% | 66.62% |
| Capital Contributions | 0.60% | 0.13% | 0.00% | 5.30% | 0.00% |
| Additions to Permanent Endowments | 0.38% | 0.08% | 0.21% | 0.32% | 2.13% |
| Total Other Revenues | 0.98% | 0.21% | 0.21% | 5.62% | 2.13% |
| Total Revenues | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 3
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

| | For the Year Ended August 31, | | | | |
|------------------------------------|-------------------------------|---------------|---------------|---------------|---------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Instruction | \$ 12,808,913 | \$ 12,877,472 | \$ 12,384,578 | \$ 12,232,520 | \$ 11,604,842 |
| Public Service | 1,363,120 | 1,151,647 | 814,632 | 836,757 | 893,358 |
| Academic Support | 2,991,252 | 3,008,866 | 2,995,188 | 2,655,407 | 2,697,103 |
| Student Services | 1,773,556 | 1,583,332 | 1,710,417 | 1,712,312 | 1,654,914 |
| Institutional Support | 3,005,739 | 2,954,274 | 2,754,948 | 2,473,328 | 2,536,414 |
| Operation and Maintenance of Plant | 2,792,393 | 2,664,350 | 2,914,569 | 2,667,988 | 2,396,103 |
| Scholarships and Fellowships | 3,328,425 | 3,562,585 | 3,965,488 | 4,292,090 | 4,933,758 |
| Auxiliary Enterprises | 4,379,873 | 4,433,118 | 4,678,071 | 4,105,847 | 5,112,241 |
| Depreciation | 2,105,071 | 2,077,154 | 2,003,171 | 1,952,293 | 1,886,764 |
| Total Operating Expenses | 34,548,342 | 34,312,798 | 34,221,062 | 32,928,542 | 33,715,497 |
| Interest on Capital Related Debt | 752,245 | 797,712 | 859,256 | 906,277 | 955,838 |
| Loss on Disposal of Capital Assets | 8,604 | 1,500 | 13,250 | 2,599 | 6,868 |
| Investment Expenses | 4,343 | 273,537 | - | - | - |
| Total Non-Operating Expenses | 765,192 | 1,072,749 | 872,506 | 908,876 | 962,706 |
| Total Expenses | \$ 35,313,534 | \$ 35,385,547 | \$ 35,093,568 | \$ 33,837,418 | \$ 34,678,203 |

| | For the Year Ended August 31, | | | | |
|------------------------------------|-------------------------------|---------|---------|---------|---------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Instruction | 36.27% | 36.40% | 35.30% | 36.17% | 33.45% |
| Public Service | 3.86% | 3.25% | 2.32% | 2.47% | 2.58% |
| Academic Support | 8.47% | 8.50% | 8.53% | 7.85% | 7.78% |
| Student Services | 5.02% | 4.47% | 4.87% | 5.06% | 4.77% |
| Institutional Support | 8.51% | 8.35% | 7.85% | 7.31% | 7.31% |
| Operation and Maintenance of Plant | 7.91% | 7.53% | 8.31% | 7.88% | 6.91% |
| Scholarships and Fellowships | 9.43% | 10.07% | 11.30% | 12.68% | 14.23% |
| Auxiliary Enterprises | 12.40% | 12.53% | 13.33% | 12.13% | 14.74% |
| Depreciation | 5.96% | 5.87% | 5.71% | 5.77% | 5.44% |
| Total Operating Expenses | 97.83% | 96.97% | 97.52% | 97.32% | 97.21% |
| Interest on Capital Related Debt | 2.14% | 2.26% | 2.44% | 2.67% | 2.77% |
| Loss on Disposal of Capital Assets | 0.02% | 0.00% | 0.04% | 0.01% | 0.02% |
| Investment Expenses | 0.01% | 0.77% | 0.00% | 0.00% | 0.00% |
| Total Non-Operating Expenses | 2.17% | 3.03% | 2.48% | 2.68% | 2.79% |
| Total Expenses | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

| | | | | | |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Change in Net Position | \$ 1,539,529 | \$ 1,527,504 | \$ 2,407,048 | \$ 1,171,580 | \$ 2,401,102 |
|------------------------|--------------|--------------|--------------|--------------|--------------|

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 3 (Continued)
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

| | For the Year Ended August 31, | | | | |
|------------------------------------|-------------------------------|---------------|---------------|---------------|---------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Instruction | \$ 12,452,764 | \$ 11,486,873 | \$ 10,938,945 | \$ 10,209,697 | \$ 10,083,644 |
| Public Service | 938,407 | 895,122 | 952,490 | 930,064 | 958,980 |
| Academic Support | 2,520,179 | 2,441,377 | 2,117,408 | 2,150,222 | 2,132,574 |
| Student Services | 1,645,553 | 1,558,416 | 1,460,460 | 1,425,917 | 1,443,954 |
| Institutional Support | 2,333,905 | 2,260,856 | 2,286,355 | 2,250,869 | 2,082,862 |
| Operation and Maintenance of Plant | 2,387,384 | 2,359,547 | 2,222,365 | 2,118,858 | 2,103,785 |
| Scholarships and Fellowships | 5,684,608 | 5,321,444 | 5,318,158 | 4,100,908 | 4,969,889 |
| Auxiliary Enterprises | 5,569,091 | 5,393,595 | 2,953,991 | 1,930,804 | 2,812,996 |
| Depreciation | 1,648,776 | 1,543,802 | 1,277,504 | 1,260,739 | 1,203,454 |
| Total Operating Expenses | 35,180,667 | 33,261,032 | 29,527,676 | 26,378,078 | 27,792,138 |
| Interest on Capital Related Debt | 1,013,374 | 1,091,578 | 1,056,627 | 880,690 | 619,795 |
| Loss on Disposal of Capital Assets | 6,010 | 131,415 | 2,028 | 12,594 | 15,821 |
| Investment Expenses | - | - | - | - | - |
| Total Non-Operating Expenses | 1,019,384 | 1,222,993 | 1,058,655 | 893,284 | 635,616 |
| Total Expenses | \$ 36,200,051 | \$ 34,484,025 | \$ 30,586,331 | \$ 27,271,362 | \$ 28,427,754 |

| | For the Year Ended August 31, | | | | |
|------------------------------------|-------------------------------|---------|---------|---------|---------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Instruction | 34.41% | 33.30% | 35.77% | 37.44% | 35.47% |
| Public Service | 2.59% | 2.60% | 3.11% | 3.41% | 3.37% |
| Academic Support | 6.96% | 7.08% | 6.92% | 7.88% | 7.50% |
| Student Services | 4.55% | 4.52% | 4.77% | 5.23% | 5.08% |
| Institutional Support | 6.45% | 6.56% | 7.48% | 8.25% | 7.33% |
| Operation and Maintenance of Plant | 6.59% | 6.84% | 7.27% | 7.77% | 7.40% |
| Scholarships and Fellowships | 15.70% | 15.43% | 17.39% | 15.04% | 17.48% |
| Auxiliary Enterprises | 15.38% | 15.64% | 9.66% | 7.08% | 9.90% |
| Depreciation | 4.55% | 4.48% | 4.18% | 4.62% | 4.23% |
| Total Operating Expenses | 97.18% | 96.45% | 96.55% | 96.72% | 97.76% |
| Interest on Capital Related Debt | 2.80% | 3.17% | 3.44% | 3.23% | 2.18% |
| Loss on Disposal of Capital Assets | 0.02% | 0.38% | 0.01% | 0.05% | 0.06% |
| Investment Expenses | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total Non-Operating Expenses | 2.82% | 3.55% | 3.45% | 3.28% | 2.24% |
| Total Expenses | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

| | | | | | |
|------------------------|--------------|--------------|------------|--------------|--------------|
| Change in Net Position | \$ 2,001,700 | \$ 1,269,774 | \$ 579,062 | \$ 2,406,743 | \$ 2,023,725 |
|------------------------|--------------|--------------|------------|--------------|--------------|

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 4
TUITION AND FEES
LAST TEN ACADEMIC YEARS
(UNAUDITED)**

| Resident Fees per Semester Credit Hour (SCH) | | | | | | | | |
|---|------------------------|----------------------------|---------------------|---|-----------------------------------|---------------------------------------|---|---|
| Academic Year (Fall) | In-District Tuition | Out-of-District Tuition | Building Use Fee | General Institutional 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 | \$62 | \$104 | \$4 | \$8 | \$888 | \$1,392 | 8.82% | 7.41% |
| 2014 | 56 | 96 | 4 | 8 | 816 | 1,296 | 4.62% | 2.86% |
| 2013 | 56 | 96 | 4 | 5 | 780 | 1,260 | 10.17% | 17.98% |
| 2012 | 50 | 80 | 4 | 5 | 708 | 1,068 | 3.51% | 7.23% |
| 2011 | 48 | 74 | 4 | 5 | 684 | 996 | 16.33% | 16.90% |
| 2010 | 40 | 62 | 4 | 5 | 588 | 852 | 11.36% | 7.58% |
| 2009 | 35 | 57 | 4 | 5 | 528 | 792 | 7.98% | 8.64% |
| 2008 | 33 | 53 | 4 | 5 | 489 | 729 | 7.95% | 8.97% |
| 2007 | 30 | 48 | 4 | 5 | 453 | 669 | 0.00% | 0.00% |
| 2006 | 30 | 48 | 4 | 5 | 453 | 669 | 5.59% | 5.69% |

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

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 4 (Continued)
TUITION AND FEES
LAST TEN ACADEMIC YEARS
(UNAUDITED)**

| Non - Resident | | | | | |
|--|---|-----------------------------|--|---|---|
| Fees per Semester Credit Hour (SCH) | | | | | |
| Academic Year (Fall) | Non-Resident Tuition Out-of- State | Building Use Fee | General Institutional Service Fee | Cost for 12 SCH Out-of-State | Increase from Prior Year Out- of-State |
| 2015 | \$150 | \$4 | \$8 | \$1,944 | 6.58% |
| 2014 | 140 | 4 | 8 | 1,824 | 2.01% |
| 2013 | 140 | 4 | 5 | 1,788 | 15.50% |
| 2012 | 120 | 4 | 5 | 1,548 | 13.16% |
| 2011 | 105 | 4 | 5 | 1,368 | 16.33% |
| 2010 | 89 | 4 | 5 | 1,176 | 5.38% |
| 2009 | 84 | 4 | 5 | 1,116 | 8.45% |
| 2008 | 78 | 4 | 5 | 1,029 | 10.29% |
| 2007 | 70 | 4 | 5 | 933 | 0.00% |
| 2006 | 70 | 4 | 5 | 933 | 6.87% |

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

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 5
ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Fiscal Year | Assessed Valuation of Property | Less Exemptions | Taxable Assessed Value (TAV) | Ratio of Taxable Assessed Value to Assessed Value | Direct Rate | | |
|----------------|--------------------------------------|--------------------|------------------------------------|--|---------------------------------------|------------------------|--------------|
| | | | | | Maintenance & Operations (a) | Debt Service (a) | Total (a) |
| 2015-16 | \$ 4,708,708,162 | \$ 631,483,447 | \$ 4,077,224,715 | 86.59% | 0.12744 | 0.04446 | 0.171900 |
| 2014-15 | 4,601,903,748 | 612,973,001 | 3,988,930,747 | 86.68% | 0.12610 | 0.04580 | 0.171900 |
| 2013-14 | 4,476,114,582 | 583,621,752 | 3,892,492,830 | 86.96% | 0.12392 | 0.04676 | 0.170680 |
| 2012-13 | 4,319,178,725 | 560,918,897 | 3,758,259,828 | 87.01% | 0.12240 | 0.04828 | 0.170680 |
| 2011-12 | 4,263,436,076 | 563,673,416 | 3,699,762,660 | 86.78% | 0.11880 | 0.04820 | 0.167000 |
| 2010-11 | 4,188,567,447 | 551,873,718 | 3,636,693,729 | 86.82% | 0.11000 | 0.04900 | 0.159000 |
| 2009-10 | 4,058,206,848 | 492,191,065 | 3,566,015,783 | 87.87% | 0.10350 | 0.05170 | 0.155200 |
| 2008-09 | 3,582,902,535 | 238,537,528 | 3,344,365,007 | 93.34% | 0.10180 | 0.03570 | 0.137500 |
| 2007-08 | 3,473,591,068 | 290,798,782 | 3,182,792,286 | 91.63% | 0.09700 | 0.02250 | 0.119500 |
| 2006-07 | 3,301,454,790 | 324,074,811 | 2,977,379,979 | 90.18% | 0.09470 | 0.02430 | 0.119000 |

Source: Angelina County Central Appraisal District

Note: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 6
UNRESTRICTED STATE APPROPRIATION PER FTSE AND CONTACT HOUR
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Appropriation per FTSE | | | | Appropriation per Contact Hour | | | |
|------------------------|------------------------|-------|------------------------------------|--------------------------------|---------------------------|------------------------|---|
| Fiscal Year | State Appropriation | FTSE | State Appropriation per FTSE | Academic Contact Hours | Voc/Tech Contact Hours | Total Contact Hours | State Appropriation per Contact Hour |
| 2015-16 | \$ 7,399,885 | 3,437 | \$ 2,153 | 1,279,890 | 647,842 | 1,927,732 | 3.84 |
| 2014-15 | 7,618,142 | 3,493 | 2,181 | 1,325,249 | 634,468 | 1,959,717 | 3.89 |
| 2013-14 | 7,629,539 | 3,712 | 2,055 | 1,431,388 | 668,688 | 2,100,076 | 3.63 |
| 2012-13 | 7,095,995 | 3,720 | 1,908 | 1,429,977 | 661,364 | 2,091,341 | 3.39 |
| 2011-12 | 7,651,628 | 3,981 | 1,922 | 1,565,846 | 679,626 | 2,245,472 | 3.41 |
| 2010-11 | 7,776,673 | 4,152 | 1,873 | 1,633,081 | 737,204 | 2,370,285 | 3.28 |
| 2009-10 | 7,864,085 | 4,035 | 1,949 | 1,602,944 | 651,814 | 2,254,758 | 3.49 |
| 2008-09 | 8,407,217 | 3,476 | 2,419 | 1,366,313 | 581,064 | 1,947,377 | 4.32 |
| 2007-08 | 8,407,214 | 2,225 | 3,779 | 1,319,837 | 617,518 | 1,937,355 | 4.34 |
| 2006-07 | 8,407,214 | 2,227 | 3,776 | 1,355,170 | 579,768 | 1,934,938 | 4.34 |

Note: FTSE (Full-time Student Equivalent) is defined as Semester Credit Hours divided by 30 plus Non-Semester Length Technical Contact Hours divided by 900.

**ANGELINA COUNTY JUNIOR 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) | | | | |
|-----------------------------------|----------------------|--|--------------|--------------|--------------|--------------|
| | | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| Abitibi Consolidated Corp. | Manufacturing | \$ - | \$ - | \$ - | \$ - | \$ - |
| American Color Graphics Inc. | Manufacturing | - | - | - | 10,695 | - |
| Aspen Power LLC | Energy | - | 11,259 | 12,508 | 14,545 | 20,300 |
| BBL Real Estate Holding LTD | Retail | - | - | - | 9,821 | - |
| Brookshire Brothers Inc. | Groceries | 30,847 | 31,889 | 28,664 | 29,991 | 30,308 |
| BVMC Lufkin LLC | Retail | 13,449 | 13,550 | - | - | - |
| Consolidated Comm of Texas | Utility | 43,281 | 44,702 | 40,973 | 46,935 | 47,534 |
| Crown Pine Timber 1 LP | Agricultural | 18,214 | 14,518 | 14,108 | 14,207 | 12,965 |
| Encana Oil & Gas (USA) | Oil & Gas | - | - | - | - | - |
| Energy Transfer Fuel | Oil & Gas | - | - | - | - | - |
| Georgia Pacific Corp. | Manufacturing | 54,871 | 69,060 | 55,673 | 21,221 | 19,446 |
| Hexion Inc. | Manufacturing | 14,997 | 11,793 | 9,868 | - | - |
| Hexion Specialty Chemicals | Manufacturing | - | - | - | - | - |
| Keystone Southloop of Lufkin LLC | Retail | - | - | 12,814 | 12,827 | 13,216 |
| Loving Honda | Retail | 11,390 | - | - | - | - |
| Lowe's Home Centers Inc. | Retail | - | - | 10,584 | 10,484 | 11,697 |
| Lufkin GKD Partners LP | Retail | 15,188 | 15,459 | 15,347 | 15,465 | 16,050 |
| Lufkin Industries | Manufacturing | 95,744 | 141,554 | 136,632 | 125,511 | 112,810 |
| Nabors Drilling USA LP | Oil & Gas | - | - | - | - | 14,019 |
| Natural Gas Pipeline | Oil & Gas | - | - | - | - | - |
| Oncor Electric Delivery Co. | Utility Distribution | 65,035 | 62,863 | 62,775 | 61,837 | 58,132 |
| Pilgrim Industries Inc. | Food | 24,121 | 26,223 | 20,205 | 22,624 | 24,666 |
| Pineywoods Health Care Systems LP | Medical | 25,922 | 26,847 | 28,521 | 28,118 | 31,468 |
| Quad/Graphics Marketing | Printing | 12,495 | - | - | - | - |
| SND Operating LLC | Oil & Gas | - | 10,647 | 9,933 | - | 11,564 |
| Temple-Inland FPC | Manufacturing | - | - | - | 35,270 | 33,501 |
| Texas Foundries LTD | Manufacturing | - | - | - | - | - |
| TIN Inc. | Manufacturing | - | - | - | - | 16,840 |
| Trans Canada Keystone Pipeline | Oil & Gas | 45,491 | 54,238 | 52,209 | 19,505 | - |
| TXU Electric Delivery Company | Utility | - | - | - | - | - |
| Union Pacific RR Co. | Transportation | 19,694 | 15,691 | 14,244 | 12,736 | 11,423 |
| Wal-Mart Real Estate #140 | Retail | 11,120 | 11,774 | 11,947 | 11,950 | 12,102 |
| West Texas LPG LLP | Oil & Gas | 10,799 | - | - | - | - |
| Totals | | \$ 512,658 | \$ 562,067 | \$ 537,005 | \$ 503,742 | \$ 498,041 |
| Total Taxable Assessed Value | | \$ 4,077,225 | \$ 3,988,931 | \$ 3,892,493 | \$ 3,758,260 | \$ 3,699,763 |

| Taxpayer | Type of Business | % of Taxable Assessed Value (TAV) by Tax Year | | | | |
|-----------------------------------|----------------------|---|---------|---------|---------|---------|
| | | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| Abitibi Consolidated Corp. | Manufacturing | - | - | - | - | - |
| American Color Graphics Inc. | Manufacturing | - | - | - | 0.28% | - |
| Aspen Power LLC | Energy | - | 0.28% | 0.32% | 0.39% | 0.55% |
| BBL Real Estate Holding LTD | Retail | - | - | - | 0.26% | - |
| Brookshire Brothers Inc. | Groceries | 0.76% | 0.80% | 0.74% | 0.80% | 0.82% |
| BVMC Lufkin LLC | Retail | 0.33% | 0.34% | - | - | - |
| Consolidated Comm of Texas | Utility | 1.06% | 1.12% | 1.05% | 1.25% | 1.28% |
| Crown Pine Timber 1 LP | Agricultural | 0.45% | 0.36% | 0.36% | 0.38% | 0.35% |
| Encana Oil & Gas (USA) | Oil & Gas | - | - | - | - | - |
| Energy Transfer Fuel | Oil & Gas | - | - | - | - | - |
| Georgia Pacific Chemicals LLC | Manufacturing | 1.35% | 1.73% | 1.43% | 0.56% | 0.53% |
| Hexion Inc. | Manufacturing | 0.37% | 0.30% | 0.25% | - | - |
| Hexion Specialty Chemicals | Manufacturing | - | - | - | - | - |
| Keystone Southloop of Lufkin LLC | Retail | - | - | 0.33% | 0.34% | 0.36% |
| Loving Honda | Retail | 0.28% | - | - | - | - |
| Lowe's Home Centers Inc. | Retail | - | - | 0.27% | 0.28% | 0.32% |
| Lufkin GKD Partners LP | Retail | 0.37% | 0.39% | 0.39% | 0.41% | 0.43% |
| Lufkin Industries | Manufacturing | 2.35% | 3.55% | 3.51% | 3.34% | 3.05% |
| Nabors Drilling USA LP | Oil & Gas | - | - | - | - | 0.38% |
| Natural Gas Pipeline | Oil & Gas | - | - | - | - | - |
| Oncor Electric Delivery Co. | Utility Distribution | 1.60% | 1.58% | 1.61% | 1.65% | 1.57% |
| Pilgrim Industries Inc. | Food | 0.59% | 0.66% | 0.52% | 0.60% | 0.67% |
| Pineywoods Health Care Systems LP | Medical | 0.64% | 0.67% | 0.73% | 0.75% | 0.85% |
| Quad/Graphics Marketing | Printing | 0.31% | - | - | - | - |
| SND Operating LLC | Oil & Gas | - | 0.27% | 0.26% | - | 0.31% |
| Temple-Inland FPC | Manufacturing | - | - | - | 0.94% | 0.91% |
| Texas Foundries LTD | Manufacturing | - | - | - | - | - |
| TIN Inc. | Manufacturing | - | - | - | - | 0.46% |
| Trans Canada Keystone Pipeline | Oil & Gas | 1.12% | 1.36% | 1.34% | 0.52% | - |
| TXU Electric Delivery Company | Utility | - | - | - | - | - |
| Union Pacific RR Co. | Transportation | 0.48% | 0.39% | 0.37% | 0.34% | 0.31% |
| Wal-Mart Real Estate #140 | Retail | 0.27% | 0.30% | 0.31% | 0.32% | 0.33% |
| West Texas LPG LLP | Oil & Gas | 0.26% | - | - | - | - |
| Totals | | 12.59% | 14.10% | 13.79% | 13.41% | 13.48% |

Source: Angelina County Central Appraisal District

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 7 (Continued)
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(UNAUDITED)

| Taxpayer | Type of Business | Taxable Assessed Value (TAV) by Tax Year (\$000 omitted) | | | | |
|-----------------------------------|----------------------|--|--------------|--------------|--------------|--------------|
| | | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
| Abitibi Consolidated Corp. | Manufacturing | \$ - | \$ - | \$ 14,098 | \$ 20,860 | \$ 30,487 |
| American Color Graphics Inc. | Manufacturing | 10,825 | 8,821 | 8,631 | 12,812 | - |
| Aspen Power LLC | Energy | 35,034 | - | - | - | - |
| BBL Real Estate Holding LTD | Retail | 11,589 | 11,910 | 11,661 | 11,873 | - |
| Brookshire Brothers Inc. | Groceries | 29,467 | 30,492 | 32,806 | 30,645 | 30,497 |
| BVMC Lufkin LLC | Retail | - | - | - | - | - |
| Consolidated Comm of Texas | Utility | 47,843 | 50,685 | 67,933 | 44,600 | 56,275 |
| Crown Pine Timber 1 LP | Agricultural | 14,950 | 16,325 | 19,857 | 17,755 | - |
| Encana Oil & Gas (USA) | Oil & Gas | - | 32,385 | 29,273 | - | - |
| Energy Transfer Fuel | Oil & Gas | - | 9,187 | 9,494 | - | - |
| Georgia Pacific Chemicals LLC | Manufacturing | 11,633 | 11,567 | 11,507 | 14,192 | - |
| Hexion Inc. | Manufacturing | - | - | - | - | - |
| Hexion Specialty Chemicals | Manufacturing | - | - | - | 12,337 | - |
| Keystone Southloop of Lufkin LLC | Retail | 13,382 | 13,609 | 13,946 | 11,573 | - |
| Loving Honda | Retail | - | - | - | - | - |
| Lowe's Home Centers Inc. | Retail | 11,606 | 11,324 | 11,766 | 11,402 | - |
| Lufkin GKD Partners LP | Retail | 18,219 | 18,203 | 22,444 | 15,244 | - |
| Lufkin Industries | Manufacturing | 97,249 | 96,042 | 105,346 | 101,717 | 94,550 |
| Nabors Drilling USA LP | Oil & Gas | - | - | - | - | - |
| Natural Gas Pipeline | Oil & Gas | - | 11,411 | 10,284 | - | - |
| Oncor Electric Delivery Co. | Utility Distribution | 56,983 | 57,314 | 58,029 | 64,178 | - |
| Pilgrim Industries Inc. | Food | 17,822 | 14,410 | 15,412 | 20,925 | 21,478 |
| Pineywoods Health Care Systems LP | Medical | 33,059 | 34,320 | 38,365 | 38,985 | 17,486 |
| Quad/Graphics Marketing | Printing | - | - | - | - | - |
| SND Operating LLC | Oil & Gas | 21,152 | - | - | - | - |
| Temple-Inland FPC | Manufacturing | 33,680 | 25,021 | 28,110 | 52,634 | 44,223 |
| Texas Foundries LTD | Manufacturing | - | - | - | 17,350 | 20,895 |
| TIN Inc. | Manufacturing | 18,741 | 31,174 | 34,229 | 34,145 | 67,297 |
| Trans Canada Keystone Pipeline | Oil & Gas | - | - | - | - | - |
| TXU Electric Delivery Company | Utility | - | - | - | - | 61,309 |
| Union Pacific RR Co. | Transportation | - | - | - | - | - |
| Wal-Mart Real Estate #140 | Retail | 12,326 | 12,279 | 11,999 | 12,727 | - |
| West Texas LPG LLP | Oil & Gas | - | - | - | - | - |
| Totals | | \$ 495,560 | \$ 496,479 | \$ 555,190 | \$ 545,954 | \$ 444,497 |
| Total Taxable Assessed Value | | \$ 3,636,694 | \$ 3,566,016 | \$ 3,344,365 | \$ 3,182,792 | \$ 2,988,458 |

| Taxpayer | Type of Business | % of Taxable Assessed Value (TAV) by Tax Year | | | | |
|-----------------------------------|----------------------|---|---------|---------|---------|---------|
| | | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
| Abitibi Consolidated Corp. | Manufacturing | - | - | 0.42% | 0.66% | 1.02% |
| American Color Graphics Inc. | Manufacturing | 0.30% | 0.25% | 0.26% | 0.40% | - |
| Aspen Power LLC | Energy | 0.96% | - | - | - | - |
| BBL Real Estate Holding LTD | Retail | 0.32% | 0.33% | 0.35% | 0.37% | - |
| Brookshire Brothers Inc. | Groceries | 0.81% | 0.86% | 0.98% | 0.96% | 1.02% |
| BVMC Lufkin LLC | Retail | - | - | - | - | - |
| Consolidated Comm of Texas | Utility | 1.32% | 1.42% | 2.03% | 1.40% | 1.88% |
| Crown Pine Timber 1 LP | Agricultural | 0.41% | 0.46% | 0.59% | 0.56% | - |
| Encana Oil & Gas (USA) | Oil & Gas | - | 0.91% | 0.88% | - | - |
| Energy Transfer Fuel | Oil & Gas | - | 0.26% | 0.28% | - | - |
| Georgia Pacific Chemicals LLC | Manufacturing | 0.32% | 0.32% | 0.34% | 0.45% | - |
| Hexion Inc. | Manufacturing | - | - | - | - | - |
| Hexion Specialty Chemicals | Manufacturing | - | - | - | 0.39% | - |
| Keystone Southloop of Lufkin LLC | Retail | 0.37% | 0.38% | 0.42% | 0.36% | - |
| Loving Honda | Retail | - | - | - | - | - |
| Lowe's Home Centers Inc. | Retail | 0.32% | 0.32% | 0.35% | 0.36% | - |
| Lufkin GKD Partners LP | Retail | 0.50% | 0.51% | 0.67% | 0.48% | - |
| Lufkin Industries | Manufacturing | 2.67% | 2.69% | 3.15% | 3.20% | 3.16% |
| Nabors Drilling USA LP | Oil & Gas | - | - | - | - | - |
| Natural Gas Pipeline | Oil & Gas | - | 0.32% | 0.31% | - | - |
| Oncor Electric Delivery Co. | Utility Distribution | 1.57% | 1.61% | 1.74% | 2.02% | - |
| Pilgrim Industries Inc. | Food | 0.49% | 0.40% | 0.46% | 0.66% | 0.72% |
| Pineywoods Health Care Systems LP | Medical | 0.91% | 0.96% | 1.15% | 1.22% | 0.59% |
| Quad/Graphics Marketing | Printing | - | - | - | - | - |
| SND Operating LLC | Oil & Gas | 0.58% | - | - | - | - |
| Temple-Inland FPC | Manufacturing | 0.93% | 0.70% | 0.84% | 1.65% | 1.48% |
| Texas Foundries LTD | Manufacturing | - | - | - | 0.55% | 0.70% |
| TIN Inc. | Manufacturing | 0.52% | 0.87% | 1.02% | 1.07% | 2.25% |
| Trans Canada Keystone Pipeline | Oil & Gas | - | - | - | - | - |
| TXU Electric Delivery Company | Utility | - | - | - | - | 2.05% |
| Union Pacific RR Co. | Transportation | - | - | - | - | - |
| Wal-Mart Real Estate #140 | Retail | 0.34% | 0.34% | 0.36% | 0.40% | - |
| West Texas LPG LLP | Oil & Gas | - | - | - | - | - |
| Totals | | 13.64% | 13.91% | 16.60% | 17.16% | 14.87% |

Source: Angelina County Central Appraisal District

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 8
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS
(UNAUDITED)**

(amounts expressed in thousands)

| Fiscal Year Ended August 31 | Levy (a) | Cumulative Levy Adjustments | Adjusted Tax Levy (b) | Collections - Year of Levy (c) | Percentage (c/b) | Prior Collections of Prior Levies (d) | Current Collections of Prior Levies (e) | Total Collections (c+d+e) | Cumulative Collections of Adjusted Levy |
|--|---------------------|--|--------------------------------------|---|-----------------------------|--|--|--|--|
| 2015 | \$ 7,008 | \$ 17 | \$ 7,025 | \$ 6,837 | 97.32% | \$ - | \$ - | \$ 6,837 | 97.32% |
| 2014 | 6,857 | (32) | 6,825 | 6,655 | 97.51% | (15) | 87 | 6,727 | 98.56% |
| 2014 | 6,644 | (22) | 6,622 | 6,434 | 97.16% | 86 | 24 | 6,544 | 98.82% |
| 2013 | 6,415 | (15) | 6,400 | 6,197 | 96.82% | 135 | 16 | 6,348 | 99.18% |
| 2012 | 6,179 | 15 | 6,194 | 5,961 | 96.23% | 185 | 9 | 6,155 | 99.37% |
| 2011 | 5,782 | 1 | 5,783 | 5,620 | 97.18% | 125 | 5 | 5,750 | 99.43% |
| 2010 | 5,534 | (29) | 5,505 | 5,332 | 96.87% | 144 | 3 | 5,479 | 99.53% |
| 2009 | 4,599 | (19) | 4,580 | 4,448 | 97.11% | 113 | 2 | 4,563 | 99.63% |
| 2008 | 3,803 | 6 | 3,809 | 3,710 | 97.41% | 85 | 1 | 3,796 | 99.66% |
| 2007 | 3,543 | (34) | 3,509 | 3,409 | 97.16% | 87 | 1 | 3,497 | 99.66% |

Source: Local Tax Assessor/Collector and District records.

Notes:

- (a) Taxable Assessed Value (TAV) multiplied by total tax rate
- (b) As reported in notes to the financial statements for the year of the levy
- (c) Property tax only - does not include penalties and interest
- (d) Represents cumulative collections of prior year not collected in the current year or the year of the tax levy
- (e) Represents current year collections of prior year levies

**ANGELINA COUNTY JUNIOR 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 |
| General Bonded Debt | | | | | |
| Limited Tax Bonds | \$ 16,282 | \$ 17,384 | \$ 18,459 | \$ 19,533 | \$ 20,529 |
| Less: Funds Restricted for Debt Service | (486) | (769) | (747) | (1,168) | (1,196) |
| Net General Bonded Debt | <u>\$ 15,796</u> | <u>\$ 16,615</u> | <u>\$ 17,712</u> | <u>\$ 18,365</u> | <u>\$ 19,333</u> |
| Other Debt | | | | | |
| Revenue Bonds | \$ - | \$ 265 | \$ 520 | \$ 760 | \$ 985 |
| Maintenance Tax Notes | - | - | - | - | - |
| Long-Term Loans | - | - | - | - | - |
| Total Outstanding Debt | <u>\$ 15,796</u> | <u>\$ 16,880</u> | <u>\$ 18,232</u> | <u>\$ 19,125</u> | <u>\$ 20,318</u> |
| General Bonded Debt Ratios | | | | | |
| Per Capita | \$ 179 | \$ 189 | \$ 203 | \$ 210 | \$ 221 |
| Per FTSE | 4,596 | 4,757 | 4,772 | 4,937 | 4,856 |
| As a Percentage of Taxable Assessed Value | 0.39% | 0.42% | 0.46% | 0.49% | 0.52% |
| Total Outstanding Debt Ratios | | | | | |
| Per Capita | \$ 179 | \$ 192 | \$ 209 | \$ 218 | \$ 232 |
| Per FTSE | 4,596 | 4,833 | 4,912 | 5,141 | 5,104 |
| As a Percentage of Taxable Assessed Value | 0.39% | 0.42% | 0.47% | 0.51% | 0.55% |

| For the Year Ended August 31 (amounts expressed in thousands) | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| General Bonded Debt | | | | | |
| Limited Tax Bonds | \$ 21,458 | \$ 22,363 | \$ 23,212 | \$ 17,057 | \$ 7,345 |
| Less: Funds Restricted for Debt Service | (1,226) | (1,446) | (1,457) | (1,279) | (1,228) |
| Net General Bonded Debt | <u>\$ 20,232</u> | <u>\$ 20,917</u> | <u>\$ 21,755</u> | <u>\$ 15,778</u> | <u>\$ 6,117</u> |
| Other Debt | | | | | |
| Revenue Bonds | \$ 1,200 | \$ 1,400 | \$ 1,590 | \$ 1,770 | \$ 1,945 |
| Maintenance Tax Notes | - | 190 | 370 | 545 | 710 |
| Long-Term Loans | - | - | - | - | 1,597 |
| Total Outstanding Debt | <u>\$ 21,432</u> | <u>\$ 22,507</u> | <u>\$ 23,715</u> | <u>\$ 18,093</u> | <u>\$ 10,369</u> |
| General Bonded Debt Ratios | | | | | |
| Per Capita | \$ 233 | \$ 250 | \$ 262 | \$ 191 | \$ 70 |
| Per FTSE | 4,873 | 5,184 | 6,258 | 4,955 | 2,747 |
| As a Percentage of Taxable Assessed Value | 0.56% | 0.59% | 0.65% | 0.53% | 0.21% |
| Total Outstanding Debt Ratios | | | | | |
| Per Capita | \$ 247 | \$ 269 | \$ 286 | \$ 219 | \$ 118 |
| Per FTSE | 5,162 | 5,578 | 6,822 | 5,682 | 4,656 |
| As a Percentage of Taxable Assessed Value | 0.59% | 0.63% | 0.71% | 0.61% | 0.35% |

Notes: Ratios calculated using population and Taxable Assessed Value (TAV) from the current year. Debt per student calculated using Full-Time-Student-Equivalent (FTSE) enrollment.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 10
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

| | For the Year Ended August 31 (amount expressed in thousands) | | | | |
|--|---|--------------|--------------|--------------|--------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Taxable Assessed Value | \$ 4,077,225 | \$ 3,988,931 | \$ 3,892,493 | \$ 3,758,260 | \$ 3,699,763 |
| General Obligation Bonds | | | | | |
| Statutory Tax Levy Limit for Debt Service | \$ 20,386 | \$ 19,945 | \$ 19,462 | \$ 18,791 | \$ 18,499 |
| Less: Funds Restricted for Repayment of General Obligation Bonds | - | - | - | - | - |
| Total Net General Obligation Debt | 20,386 | 19,945 | 19,462 | 18,791 | 18,499 |
| Less Current Year Debt Service Requirements | 1,832 | 1,787 | 1,826 | 1,803 | 1,782 |
| Excess of Statutory Limit for Debt Service over Current Requirements | \$ 18,554 | \$ 18,158 | \$ 17,636 | \$ 16,988 | \$ 16,717 |
| Net Current Requirements as a % of Statutory Limit | 8.99% | 8.96% | 9.38% | 9.59% | 9.63% |

| | For the Year Ended August 31 (amount expressed in thousands) | | | | |
|--|---|--------------|--------------|--------------|--------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Taxable Assessed Value | \$ 3,636,694 | \$ 3,566,016 | \$ 3,344,365 | \$ 3,182,792 | \$ 2,977,380 |
| General Obligation Bonds | | | | | |
| Statutory Tax Levy Limit for Debt Service | \$ 18,183 | \$ 17,830 | \$ 16,722 | \$ 15,914 | \$ 14,887 |
| Less: Funds Restricted for Repayment of General Obligation Bonds | - | - | - | - | - |
| Total Net General Obligation Debt | 18,183 | 17,830 | 16,722 | 15,914 | 14,887 |
| Less Current Year Debt Service Requirements | 1,787 | 1,541 | 1,392 | 1,307 | 444 |
| Excess of Statutory Limit for Debt Service over Current Requirements | \$ 16,396 | \$ 16,289 | \$ 15,330 | \$ 14,607 | \$ 14,443 |
| Net Current Requirements as a % of Statutory Limit | 9.83% | 8.65% | 8.33% | 8.21% | 2.98% |

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.

**ANGELINA COUNTY JUNIOR 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) | | | |
|--------------------------------|-------------------------------------|--------|--------|--|----------|--------|-------|
| | Building | | | Coverage | | | |
| | Tuition | Fees | Total | Principal | Interest | Total | Ratio |
| 2016 | \$ - | \$ 176 | \$ 176 | \$ 265 | \$ 14 | \$ 279 | 0.63 |
| 2015 | - | 388 | 388 | 255 | 27 | 282 | 1.38 |
| 2014 | - | 416 | 416 | 240 | 40 | 280 | 1.49 |
| 2013 | - | 415 | 415 | 225 | 51 | 276 | 1.50 |
| 2012 | - | 449 | 449 | 215 | 62 | 277 | 1.62 |
| 2011 | - | 468 | 468 | 200 | 72 | 272 | 1.72 |
| 2010 | - | 447 | 447 | 190 | 81 | 271 | 1.65 |
| 2009 | - | 385 | 385 | 180 | 89 | 269 | 1.43 |
| 2008 | 54 | 381 | 435 | 175 | 97 | 272 | 1.60 |
| 2007 | 246 | 384 | 630 | 165 | 105 | 270 | 2.33 |

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 12
DEMOGRAPHIC AND ECONOMIC STATISTICS – TAXING DISTRICT
LAST TEN CALANDER YEARS
(UNAUDITED)**

| Calendar Year | District Population | District Personal Income | District Personal Income Per Capita | District Unemployment |
|--------------------------|--------------------------------|---|--|----------------------------------|
| 2015 | 88,255 | * | * | 5.6% |
| 2014 | 87,750 | 3,258,337,000 | 37,132 | 5.2% |
| 2013 | 87,441 | 3,157,642,000 | 36,112 | 6.3% |
| 2012 | 87,597 | 3,010,988,000 | 34,373 | 6.7% |
| 2011 | 87,669 | 2,930,199,000 | 33,423 | 7.7% |
| 2010 | 86,986 | 2,844,111,000 | 32,696 | 8.3% |
| 2009 | 86,029 | 2,910,790,000 | 33,835 | 8.3% |
| 2008 | 83,038 | 2,807,182,628 | 33,806 | 4.9% |
| 2007 | 82,570 | 2,693,996,000 | 32,627 | 4.4% |
| 2006 | 82,204 | 2,539,450,000 | 30,892 | 4.7% |

* Data not available as of reporting date.

Source:

Texas Labor Market Information - <http://www.tracer2.com/>

Texas Association of Counties – <http://www.txcip.org/tac/census/profile.php?FIPS=48005>

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 13
PRINCIPAL EMPLOYERS
LAST TEN CALANDER YEARS
(UNAUDITED)**

| Employer | 2016 | | 2015 | | 2014 | | 2013 | | 2012 | |
|--------------------------------------|------------------------------------|---|------------------------------------|---|------------------------------------|---|------------------------------------|---|------------------------------------|---|
| | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment |
| Lufkin Independent School District | 1,537 | 4.42% | 1,537 | 4.36% | 1,548 | 4.28% | 1,500 | 4.01% | 1,340 | 3.60% |
| Pilgrim's | 1,300 | 3.74% | 1,300 | 3.69% | 1,494 | 4.13% | 1,466 | 3.92% | 1,250 | 3.36% |
| Brookshire Brothers, LTC | 1,100 | 3.17% | 1,100 | 3.12% | 1,277 | 3.53% | 1,132 | 3.03% | 1,223 | 3.29% |
| Lufkin State Supported Living Center | 1,100 | 3.17% | 1,100 | 3.12% | 1,166 | 3.23% | 1,132 | 3.03% | 1,178 | 3.17% |
| Memorial Health/CHI St Lukes | 1,100 | 3.17% | 1,119 | 3.17% | 1,119 | 3.10% | 1,119 | 2.99% | 1,083 | 2.91% |
| Angelina College | 676 | 1.95% | 698 | 1.98% | 675 | 1.87% | 689 | 1.84% | 697 | 1.87% |
| Woodland Heights Medical Center | 580 | 1.67% | 565 | 1.60% | 550 | 1.52% | 526 | 1.41% | 526 | 1.41% |
| Temple-Inland/Georgia Pacific | 545 | 1.57% | 545 | 1.55% | 480 | 1.33% | 554 | 1.48% | 502 | 1.35% |
| City of Lufkin | 458 | 1.32% | - | - | - | - | - | - | - | - |
| Wal-Mart Supercenter | 450 | 1.30% | 450 | 1.28% | 450 | 1.25% | 525 | 1.40% | 525 | 1.41% |
| Lufkin Industries Inc./GE | 350 | 1.01% | 800 | 2.27% | 1,745 | 4.83% | 1,745 | 4.67% | 1,824 | 4.91% |
| Citation Corporation | - | - | - | - | - | - | - | - | - | - |
| Other Angelina County Employers | 25,549 | 73.51% | 26,050 | 73.86% | 25,634 | 70.93% | 27,007 | 72.22% | 27,034 | 72.72% |
| Total | 34,745 | 100.00% | 35,264 | 100.00% | 36,138 | 100.00% | 37,395 | 100.00% | 37,182 | 100.00% |
| Angelina County Summary | | | | | | | | | | |
| Number Employed | 34,745 | 93.39% | 35,264 | 94.36% | 36,138 | 94.79% | 37,395 | 93.35% | 37,182 | 92.27% |
| Number Unemployed | 2,458 | 6.61% | 2,106 | 5.64% | 1,986 | 5.21% | 2,664 | 6.65% | 3,114 | 7.73% |
| Total Available Labor Force | 37,203 | 100.00% | 37,370 | 100.00% | 38,124 | 100.00% | 40,059 | 100.00% | 40,296 | 100.00% |

| Employer | 2011 | | 2010 | | 2009 | | 2008 | | 2007 | |
|--------------------------------------|------------------------------------|---|------------------------------------|---|------------------------------------|---|------------------------------------|---|------------------------------------|---|
| | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment |
| Lufkin Independent School District | 1,500 | 4.09% | 1,381 | 3.82% | 1,491 | 3.92% | 1,490 | 3.89% | 1,495 | 3.85% |
| Pilgrim's | 1,466 | 4.00% | 1,668 | 4.62% | 1,500 | 3.95% | 1,500 | 3.92% | 1,500 | 3.86% |
| Lufkin Industries Inc./GE | 1,430 | 3.90% | 1,379 | 3.82% | 581 | 1.53% | 1,785 | 4.66% | 1,900 | 4.89% |
| Brookshire Brothers, LTC | 1,396 | 3.81% | 1,051 | 2.91% | 1,051 | 2.77% | 1,050 | 2.74% | 1,052 | 2.71% |
| Lufkin State Supported Living Center | 1,132 | 3.09% | 1,125 | 3.12% | 975 | 2.57% | 890 | 2.32% | 898 | 2.31% |
| Memorial Health/CHI St Lukes | 1,119 | 3.05% | 1,107 | 3.07% | 1,057 | 2.78% | 1,027 | 2.68% | 1,038 | 2.67% |
| Angelina College | 706 | 1.93% | 662 | 1.83% | 605 | 1.59% | 609 | 1.59% | 605 | 1.56% |
| Temple-Inland/Georgia Pacific | 554 | 1.51% | 539 | 1.49% | 1,007 | 2.65% | 1,004 | 2.62% | 1,058 | 2.72% |
| Wal-Mart Supercenter | 525 | 1.43% | 505 | 1.40% | 510 | 1.34% | 515 | 1.34% | 525 | 1.35% |
| Woodland Heights Medical Center | 500 | 1.36% | 634 | 1.76% | 630 | 1.66% | 630 | 1.64% | 625 | 1.61% |
| City of Lufkin | - | - | - | - | - | - | - | - | - | - |
| Citation Corporation | - | - | - | - | - | - | 445 | 1.16% | 455 | 1.17% |
| Other Angelina County Employers | 26,324 | 71.83% | 26,056 | 72.15% | 28,603 | 75.24% | 27,365 | 71.44% | 27,713 | 71.30% |
| Total | 36,652 | 100.00% | 36,107 | 100.00% | 38,010 | 100.00% | 38,310 | 100.00% | 38,864 | 100.00% |
| Angelina County Summary | | | | | | | | | | |
| Number Employed | 36,652 | 91.74% | 36,107 | 91.51% | 38,010 | 91.08% | 38,310 | 95.60% | 38,864 | 95.80% |
| Number Unemployed | 3,301 | 8.26% | 3,349 | 8.49% | 3,722 | 8.92% | 1,765 | 4.40% | 1,704 | 4.20% |
| Total Available Labor Force | 39,953 | 100.00% | 39,456 | 100.00% | 41,732 | 100.00% | 40,075 | 100.00% | 40,568 | 100.00% |

Note: Began tracking the City of Lufkin as a Principal Employer in 2016

Source:

- Labor Force - Texas Labor Market Information - <http://www.tracer2.com/>
- Economic Development , City of Lufkin
- Lufkin Angelina County Economic Development Partnership

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 14
FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

| | Fiscal Year | | | | |
|---------------------------------|--------------------|-------------|-------------|-------------|-------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Faculty | | | | | |
| Full-Time | 121 | 120 | 121 | 119 | 119 |
| Part-Time | 237 | 249 | 212 | 286 | 289 |
| Total | 358 | 369 | 333 | 405 | 408 |
| Percent | | | | | |
| Full-Time | 33.8% | 32.5% | 36.3% | 29.4% | 29.2% |
| Part-Time | 66.2% | 67.5% | 63.7% | 70.6% | 70.8% |
| Staff and Administrators | | | | | |
| Full-Time | 143 | 143 | 140 | 133 | 135 |
| Part-Time | 175 | 186 | 202 | 151 | 154 |
| Total | 318 | 329 | 342 | 284 | 289 |
| Percent | | | | | |
| Full-Time | 45.0% | 43.5% | 40.9% | 46.8% | 46.7% |
| Part-Time | 55.0% | 56.5% | 59.1% | 53.2% | 53.3% |
| FTSE per Full-time Faculty | 43.9 | 43.6 | 42.5 | 46.2 | 45.5 |
| FTSE per Full-Time Staff Member | 37.1 | 36.6 | 36.8 | 41.3 | 40.1 |
| Average Annual Faculty Salary | \$ 51,881 | \$ 51,681 | \$ 48,866 | \$ 48,793 | \$ 47,045 |

Note: FTSE (Full-time Student Equivalent) is defined as Semester Credit Hours divided by 30 plus Non-Semester Length Technical Contact Hours divided by 900.

Faculty - Full-time = Faculty teaching 12 or more semester hours

Staff And Administrators - Full-time = 30 hours per week or more

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 14 (Continued)
FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

| | Fiscal Year | | | | |
|---------------------------------|--------------------|-------------|-------------|-------------|-------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Faculty | | | | | |
| Full-Time | 129 | 118 | 116 | 115 | 116 |
| Part-Time | 269 | 278 | 242 | 254 | 248 |
| Total | 398 | 396 | 358 | 369 | 364 |
| Percent | | | | | |
| Full-Time | 32.4% | 29.8% | 32.4% | 31.2% | 31.9% |
| Part-Time | 67.6% | 70.2% | 67.6% | 68.8% | 68.1% |
| Staff and Administrators | | | | | |
| Full-Time | 129 | 125 | 124 | 127 | 120 |
| Part-Time | 179 | 141 | 123 | 119 | 125 |
| Total | 308 | 266 | 247 | 246 | 245 |
| Percent | | | | | |
| Full-Time | 41.9% | 47.0% | 50.2% | 51.6% | 49.0% |
| Part-Time | 58.1% | 53.0% | 49.8% | 48.4% | 51.0% |
| FTSE per Full-time Faculty | 45.2 | 50.0 | 46.4 | 42.7 | 39.9 |
| FTSE per Full-Time Staff Member | 45.2 | 47.2 | 43.4 | 38.7 | 38.5 |
| Average Annual Faculty Salary | \$ 48,191 | \$ 47,848 | \$ 47,441 | \$ 47,212 | \$ 45,461 |

Note: FTSE (Full-time Student Equivalent) is defined as Semester Credit Hours divided by 30 plus Non-Semester Length Technical Contact Hours divided by 900.

Faculty - Full-time = Faculty teaching 12 or more semester hours

Staff And Administrators - Full-time = 30 hours per week or more

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 15
ENROLLMENT DETAILS
LAST TEN 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 | 4,059 | 78.89% | 3,968 | 77.12% | 4,287 | 77.99% | 4,306 | 79.55% | 4,616 | 79.09% |
| 31-60 hours | 1,086 | 21.11% | 1,175 | 22.84% | 1,209 | 21.99% | 1,106 | 20.43% | 1,219 | 20.89% |
| > 60 hours | 0 | 0.00% | 2 | 0.04% | 1 | 0.02% | 1 | 0.02% | 1 | 0.02% |
| Total | 5,145 | 100.00% | 5,145 | 100.00% | 5,497 | 100.00% | 5,413 | 100.00% | 5,836 | 100.00% |

| 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 semester hours | 47 | 0.91% | 72 | 1.40% | 50 | 0.91% | 47 | 0.87% | 33 | 0.57% |
| 3-5 semester hours | 1,095 | 21.30% | 929 | 18.06% | 918 | 16.70% | 993 | 18.34% | 1,057 | 18.11% |
| 6-8 semester hours | 1,606 | 31.21% | 1,592 | 30.94% | 1,569 | 28.53% | 1,514 | 27.96% | 1,505 | 25.78% |
| 9-11 semester hours | 777 | 15.10% | 843 | 16.38% | 875 | 15.92% | 779 | 14.39% | 886 | 15.18% |
| 12-14 semester hours | 1,396 | 27.13% | 1,454 | 28.26% | 1,788 | 32.54% | 1,768 | 32.67% | 2,039 | 34.95% |
| 15-17 semester hours | 154 | 2.99% | 195 | 3.79% | 247 | 4.49% | 257 | 4.75% | 265 | 4.54% |
| 18 & over semester hours | 70 | 1.36% | 60 | 1.17% | 50 | 0.91% | 55 | 1.02% | 51 | 0.87% |
| Total | 5,145 | 100.00% | 5,145 | 100.00% | 5,497 | 100.00% | 5,413 | 100.00% | 5,836 | 100.00% |

| | | | | | |
|---------------------|-----|-----|-----|-----|-----|
| Average course load | 8.3 | 8.6 | 8.9 | 8.8 | 9.0 |
|---------------------|-----|-----|-----|-----|-----|

| 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) | 2,366 | 45.99% | 2,416 | 46.96% | 2,531 | 46.04% | 2,476 | 45.75% | 2,603 | 44.60% |
| Texas Resident (Out-of-District) | 2,716 | 52.79% | 2,666 | 51.82% | 2,882 | 52.43% | 2,848 | 52.61% | 3,149 | 53.96% |
| Non-Resident Tuition | 63 | 1.22% | 63 | 1.22% | 84 | 1.53% | 89 | 1.64% | 84 | 1.44% |
| Total | 5,145 | 100.00% | 5,145 | 100.00% | 5,497 | 100.00% | 5,413 | 100.00% | 5,836 | 100.00% |

Source: CBM001

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 15 (Continued)
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Student Classification | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | | Fall 2006 | |
|-------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 00-30 hours | 4,649 | 78.74% | 4,362 | 80.98% | 3,922 | 79.81% | 3,646 | 78.85% | 3,631 | 77.95% |
| 31-60 hours | 1,248 | 21.14% | 1,007 | 18.70% | 968 | 19.70% | 956 | 20.67% | 762 | 16.36% |
| > 60 hours | 7 | 0.12% | 17 | 0.32% | 24 | 0.49% | 22 | 0.48% | 265 | 5.69% |
| Total | 5,904 | 100.00% | 5,386 | 100.00% | 4,914 | 100.00% | 4,624 | 100.00% | 4,658 | 100.00% |

| Semester Hour Load | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | | Fall 2006 | |
|----------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Less than 3 semester hours | 37 | 0.63% | 24 | 0.45% | 38 | 0.78% | 16 | 0.35% | 14 | 0.30% |
| 3-5 semester hours | 1,035 | 17.53% | 868 | 16.12% | 860 | 17.50% | 816 | 17.65% | 800 | 17.18% |
| 6-8 semester hours | 1,480 | 25.06% | 1,377 | 25.56% | 1,409 | 28.67% | 1,129 | 24.42% | 1,079 | 23.16% |
| 9-11 semester hours | 849 | 14.38% | 774 | 14.37% | 667 | 13.57% | 688 | 14.88% | 664 | 14.26% |
| 12-14 semester hours | 2,138 | 36.21% | 2,018 | 37.47% | 1,599 | 32.54% | 1,617 | 34.96% | 1,660 | 35.64% |
| 15-17 semester hours | 285 | 4.83% | 250 | 4.64% | 276 | 5.62% | 291 | 6.29% | 384 | 8.24% |
| 18 & over semester hours | 80 | 1.36% | 75 | 1.39% | 65 | 1.32% | 67 | 1.45% | 57 | 1.22% |
| Total | 5,904 | 100.00% | 5,386 | 100.00% | 4,914 | 100.00% | 4,624 | 100.00% | 4,658 | 100.00% |

| | | | | | |
|---------------------|-----|-----|-----|-----|-----|
| Average course load | 9.3 | 9.0 | 9.3 | 9.4 | 9.4 |
|---------------------|-----|-----|-----|-----|-----|

| Tuition Status | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | | Fall 2006 | |
|----------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Texas Resident (In-District) | 2,694 | 45.63% | 2,442 | 45.34% | 2,145 | 43.65% | 1,957 | 42.32% | 2,171 | 46.61% |
| Texas Resident (Out-of-District) | 3,115 | 52.76% | 2,797 | 51.93% | 2,618 | 53.28% | 2,510 | 54.28% | 2,342 | 50.28% |
| Non-Resident Tuition | 95 | 1.61% | 147 | 2.73% | 151 | 3.07% | 157 | 3.40% | 145 | 3.11% |
| Total | 5,904 | 100.00% | 5,386 | 100.00% | 4,914 | 100.00% | 4,624 | 100.00% | 4,658 | 100.00% |

Source: CBM001

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 16
STUDENT PROFILE
LAST TEN 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 | 3,208 | 62.35% | 3,269 | 63.54% | 3,497 | 63.62% | 3,460 | 63.92% | 3,727 | 63.86% |
| Male | 1,937 | 37.65% | 1,876 | 36.46% | 2,000 | 36.38% | 1,953 | 36.08% | 2,109 | 36.14% |
| Total | 5,145 | 100.00% | 5,145 | 100.00% | 5,497 | 100.00% | 5,413 | 100.00% | 5,836 | 100.00% |

| Ethnic Origin | Fall 2015 | | Fall 2014 | | Fall 2013 | | Fall 2012 | | Fall 2011 | |
|----------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| White | 3,138 | 60.99% | 3,215 | 62.47% | 3,432 | 62.42% | 3,449 | 63.71% | 3,684 | 63.12% |
| Hispanic | 1,103 | 21.44% | 1,020 | 19.83% | 974 | 17.72% | 939 | 17.35% | 884 | 15.15% |
| African American | 653 | 12.69% | 664 | 12.91% | 815 | 14.83% | 756 | 13.97% | 901 | 15.44% |
| Asian | 51 | 0.99% | 44 | 0.86% | 60 | 1.09% | 40 | 0.74% | 40 | 0.69% |
| Foreign | 17 | 0.33% | 17 | 0.33% | 24 | 0.44% | 25 | 0.46% | 24 | 0.41% |
| Native American | 30 | 0.58% | 34 | 0.66% | 35 | 0.64% | 25 | 0.46% | 31 | 0.53% |
| Native Hawaiian | 3 | 0.06% | 6 | 0.12% | 8 | 0.15% | 3 | 0.06% | 6 | 0.10% |
| Multiracial | 150 | 2.92% | 144 | 2.80% | 144 | 2.62% | 128 | 2.36% | 136 | 2.33% |
| Other | - | 0.00% | 1 | 0.02% | 5 | 0.09% | 48 | 0.89% | 130 | 2.23% |
| Total | 5,145 | 100.00% | 5,145 | 100.00% | 5,497 | 100.00% | 5,413 | 100.00% | 5,836 | 100.00% |

| Age | Fall 2015 | | Fall 2014 | | Fall 2013 | | Fall 2012 | | Fall 2011 | |
|------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 18 | 1,477 | 28.71% | 1,283 | 24.94% | 1,252 | 22.78% | 1,246 | 23.02% | 1,323 | 22.67% |
| 18 - 21 | 1,977 | 38.43% | 2,023 | 39.31% | 2,209 | 40.18% | 2,130 | 39.34% | 2,332 | 39.95% |
| 22 - 24 | 514 | 9.99% | 541 | 10.52% | 603 | 10.97% | 572 | 10.57% | 602 | 10.32% |
| 25 - 35 | 684 | 13.29% | 776 | 15.08% | 842 | 15.32% | 910 | 16.81% | 961 | 16.47% |
| 36 - 50 | 411 | 7.99% | 444 | 8.63% | 491 | 8.93% | 454 | 8.39% | 514 | 8.81% |
| 51 & over | 82 | 1.59% | 78 | 1.52% | 100 | 1.82% | 101 | 1.87% | 104 | 1.78% |
| Total | 5,145 | 100.00% | 5,145 | 100.00% | 5,497 | 100.00% | 5,413 | 100.00% | 5,836 | 100.00% |

| | | | | | |
|-------------|----|----|----|----|----|
| Average Age | 22 | 23 | 23 | 23 | 23 |
|-------------|----|----|----|----|----|

Texas Higher Education Coordinating Board expanded the categories of ethnicity to include Native Hawaiian and Multiracial in Fall 2010.

Source: CBM001 and CBM00A

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 16 (Continued)
STUDENT PROFILE
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Gender | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | | Fall 2006 | |
|---------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Female | 3,663 | 62.04% | 3,348 | 62.16% | 3,170 | 64.51% | 2,919 | 63.13% | 2,947 | 63.27% |
| Male | 2,241 | 37.96% | 2,038 | 37.84% | 1,744 | 35.49% | 1,705 | 36.87% | 1,711 | 36.73% |
| Total | 5,904 | 100.00% | 5,386 | 100.00% | 4,914 | 100.00% | 4,624 | 100.00% | 4,658 | 100.00% |

| Ethnic Origin | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | | Fall 2006 | |
|----------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| White | 3,747 | 63.46% | 4,016 | 74.56% | 3,980 | 80.99% | 3,716 | 80.36% | 3,556 | 76.34% |
| Hispanic | 1,005 | 17.02% | 540 | 10.03% | 398 | 8.10% | 396 | 8.57% | 473 | 10.16% |
| African American | 883 | 14.96% | 707 | 13.13% | 448 | 9.12% | 431 | 9.32% | 572 | 12.28% |
| Asian | 45 | 0.76% | 32 | 0.59% | 23 | 0.47% | 24 | 0.52% | 33 | 0.71% |
| Foreign | 28 | 0.47% | 45 | 0.84% | 27 | 0.55% | 16 | 0.35% | - | 0.00% |
| Native American | 31 | 0.53% | 26 | 0.48% | 8 | 0.16% | 8 | 0.17% | 7 | 0.15% |
| Native Hawaiian | 4 | 0.07% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Multiracial | 121 | 2.05% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Other | 40 | 0.68% | 20 | 0.37% | 30 | 0.61% | 33 | 0.71% | 17 | 0.36% |
| Total | 5,904 | 100.00% | 5,386 | 100.00% | 4,914 | 100.00% | 4,624 | 100.00% | 4,658 | 100.00% |

| Age | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | | Fall 2006 | |
|------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 18 | 1,255 | 21.26% | 1,021 | 18.96% | 1,031 | 20.98% | 868 | 18.77% | 705 | 15.14% |
| 18 - 21 | 2,353 | 39.85% | 2,265 | 42.05% | 2,025 | 41.21% | 1,950 | 42.17% | 1,941 | 41.67% |
| 22 - 24 | 577 | 9.77% | 570 | 10.58% | 485 | 9.87% | 528 | 11.42% | 529 | 11.36% |
| 25 - 35 | 1,017 | 17.23% | 895 | 16.62% | 823 | 16.75% | 802 | 17.34% | 932 | 20.00% |
| 36 - 50 | 584 | 9.89% | 539 | 10.01% | 458 | 9.32% | 391 | 8.46% | 458 | 9.83% |
| 51 & over | 118 | 2.00% | 96 | 1.78% | 92 | 1.87% | 85 | 1.84% | 93 | 2.00% |
| Total | 5,904 | 100.00% | 5,386 | 100.00% | 4,914 | 100.00% | 4,624 | 100.00% | 4,658 | 100.00% |

Average Age 24 24 23 23 24

Texas Higher Education Coordinating Board expanded the categories of ethnicity to include Native Hawaiian and Multiracial in Fall 2010.

Source: CBM001 and CBM00A

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 17
TRANSFERS TO SENIOR INSTITUTIONS
2014 FALL STUDENTS AS OF FALL 2015
(INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)
(UNAUDITED)**

| | Transfer Student Count Academic | Transfer Student Count Technical | Transfer Student Count Tech-Prep | Total of all Angelina Transfer Students | % of all Angelina Transfer Students |
|--|--|---|---|--|--|
| Stephen F. Austin State University | 441 | 42 | 20 | 503 | 55.52% |
| Texas A&M University | 111 | 0 | 1 | 112 | 12.36% |
| Sam Houston State University | 66 | 8 | 4 | 78 | 8.61% |
| Lamar University | 35 | 2 | 3 | 40 | 4.42% |
| Texas State University | 32 | 2 | 0 | 34 | 3.75% |
| The University of Texas at Austin | 25 | 0 | 0 | 25 | 2.76% |
| University of North Texas | 19 | 2 | 0 | 21 | 2.32% |
| The University of Texas at Tyler | 10 | 6 | 0 | 16 | 1.77% |
| University of Houston | 12 | 0 | 2 | 14 | 1.55% |
| Texas Tech University | 13 | 1 | 0 | 14 | 1.55% |
| Prairie View A&M University | 4 | 3 | 0 | 7 | 0.77% |
| Texas A&M University - Corpus Christi | 6 | 1 | 0 | 7 | 0.77% |
| The University of Texas at Arlington | 3 | 2 | 0 | 5 | 0.55% |
| The University of Texas at San Antonio | 4 | 1 | 0 | 5 | 0.55% |
| Tarleton State University | 4 | 0 | 0 | 4 | 0.44% |
| Texas Southern University | 2 | 2 | 0 | 4 | 0.44% |
| The University of Texas at Dallas | 4 | 0 | 0 | 4 | 0.44% |
| Texas Woman's University | 3 | 0 | 0 | 3 | 0.33% |
| Texas A&M University - Kingsville | 2 | 0 | 0 | 2 | 0.22% |
| West Texas A&M University | 2 | 0 | 0 | 2 | 0.22% |
| Texas A&M University at Galveston | 1 | 0 | 0 | 1 | 0.11% |
| Midwestern State University | 0 | 1 | 0 | 1 | 0.11% |
| Angelo State University | 1 | 0 | 0 | 1 | 0.11% |
| Texas A&M University at Commerce | 0 | 0 | 1 | 1 | 0.11% |
| The University of Texas of the Permian Basin | 1 | 0 | 0 | 1 | 0.11% |
| Texas A&M University - San Antonio | 1 | 0 | 0 | 1 | 0.11% |
| Totals | 802 | 73 | 31 | 906 | 100.00% |

Source:

- Automated Student and Adult Learner Follow-Up System 2-Year College Transfer Students at Texas Public Universities Pursuing Additional Education:
<http://www.txhighereddata.org/reports/performance/ctcasalf/ctcaddl/>
- Data includes Graduates, Completers, and Non-Returners

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 18
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Academic Buildings | 12 | 12 | 12 | 12 | 13 | 14 | 13 | 12 | 12 | 12 |
| Square footage (in thousands) | 271 | 271 | 271 | 271 | 278 | 287 | 256 | 245 | 245 | 245 |
| Administrative and Support Buildings | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square footage (in thousands) | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Athletic Facilities | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 4 | 4 | 4 |
| Square footage (in thousands) | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 50 | 50 | 50 |
| Baseball Field | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Gymnasiums | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fitness Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Softball Field | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - |
| Field House | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - |
| Concession/Restrooms | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - |
| Dining Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Average daily customers | 390 | 390 | 390 | 375 | 425 | 425 | 425 | 425 | 425 | 425 |
| Dormitories | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Number of Beds | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 |
| Library | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Number of Volumes | 39,706 | 39,635 | 39,068 | 38,757 | 38,115 | 41,254 | 42,854 | 43,886 | 44,235 | 43,681 |
| Off Campus Facilities | 8 | 8 | 8 | 8 | 6 | 4 | 3 | 2 | 2 | 2 |
| Square footage (in thousands) | 91 | 91 | 91 | 91 | 70 | 55 | 39 | 29 | 29 | 29 |
| Other Housing - President's House | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Other Housing | - | - | - | - | - | - | - | - | 2 | 2 |
| Square footage (in thousands) | - | - | - | - | - | - | - | - | 6 | 6 |
| Plant facilities | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square footage (in thousands) | 22 | 22 | 22 | 22 | 15 | 6 | 6 | 6 | 6 | 6 |
| Transportation | | | | | | | | | | |
| Cars | 3 | 3 | 3 | 2 | 2 | 5 | 4 | 3 | 3 | 2 |
| Light Trucks/Vans | 9 | 9 | 9 | 11 | 11 | 11 | 12 | 11 | 11 | 10 |
| Buses | - | - | - | - | - | - | - | - | - | 1 |
| Fire Truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source: Angelina College Physical Plant Department



**Angelina County
Junior College District**

SINGLE AUDIT SECTION

**Comprehensive Annual
Financial Report**

**For the Fiscal Years Ended
August 31, 2016 and 2015**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Angelina County Junior College District
Lufkin, Texas

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Angelina County Junior College District (the "College") as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated December 12, 2016.

Internal Control over Financial Reporting

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

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

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS - CONTINUED**

Compliance and Other Matters

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

Public Funds Investment Act Compliance

We performed tests designed to verify Angelina County Junior College District's compliance with the Public Funds Investment Act. The results of our tests disclosed no instances of noncompliance with the Public Funds Investment Act.

Purpose of this Report

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

Conclusion

This report is intended for the information and use of management, the audit committee, Board of Trustees, others within the entity, the Texas Higher Education Coordinating Board, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lufkin, Texas
December 12, 2016


CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND THE
STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Board of Trustees
Angelina County Junior College District
Lufkin, Texas

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited Angelina County Junior College District's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular*, which could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2016. The College's major federal and state 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 and state programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2016.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND THE
STATE OF TEXAS SINGLE AUDIT CIRCULAR - CONTINUED**

Report on Internal Control over Compliance

Management of the College, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state 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, and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Angelina County Junior 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 or state 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 or state 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Conclusion

This report is intended for the information and use of management, the audit committee, Board of Trustees, others within the entity, the Texas Higher Education Coordinating Board, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
December 12, 2016

AXLEY & RODE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2016

| Federal Grantor/ Pass Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Expenditures and Pass-Through Disbursements |
|--|---------------------------|-------------------------------------|--|
| U.S. DEPARTMENT OF EDUCATION | | | |
| Direct Programs: | | | |
| Student Financial Assistance Cluster | | | |
| Federal Supplemental Education Opportunity Grants | 84.007 | | \$ 139,507 |
| Federal Work-Study Program | 84.033 | | 114,224 |
| Federal Pell Grant Program | 84.063 | | 8,206,572 |
| Total Student Financial Assistance Cluster | | | 8,460,303 |
| Pass-Through From: | | | |
| Texas Workforce Commission | | | |
| Adult Education and Literacy | 84.002 | 1714AELA00 | 66,497 |
| Adult Education and Literacy | 84.002 | 1714AELB00 | 689,939 |
| Adult Education and Literacy-Career Pathway | 84.002 | 1716AEL000 | 11,857 |
| Adult Education and Literacy | 84.002 | 1716AEL001 | 128,209 |
| | | | 896,502 |
| LCOT East Texas Consortium | | | |
| Adult Education and Literacy | 84.002 | 0814AEL000-3 | 4,613 |
| Adult Education and Literacy | 84.002 | 0816AEL002 | 425 |
| | | | 5,038 |
| Total CFDA 84.002 | | | 901,540 |
| Texas Higher Education Coordinating Board | | | |
| Carl Perkins Vocational Education-Basic | 84.048 | 14863 | 405,633 |
| Stephen F. Austin State University | | | |
| East Texas Gear Up For Success | 84.334 | 11-094-12-051 | 43,073 |
| East Texas Gear Up For Success | 84.334 | 11-094-16-007 | 20,643 |
| | | | 63,716 |
| Total U.S. Department of Education | | | 9,831,192 |
| U.S. DEPARTMENT OF DEFENSE | | | |
| Direct Programs: | | | |
| Procurement Technical Assistance for | | | |
| Small Business Firms | 12.002 | | 66,206 |
| U.S. SMALL BUSINESS ADMINISTRATION | | | |
| Pass-Through From: | | | |
| University of Houston | | | |
| Small Business Development Center | 59.037 | R-15-0016-53801 | 12,907 |
| Small Business Development Center | 59.037 | R-16-0044-53801 | 83,507 |
| Total U.S. Small Business Administration | | | 96,414 |

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE E (Continued)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2016

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Expenditures and Pass-Through Disbursements |
|--|---------------------------|-------------------------------------|--|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Pass-Through From: | | | |
| Texas Workforce Commission | | | |
| Adult Education and Literacy for TANF Recipients | 93.558 | 1714AELB00 | 60,014 |
| Adult Education and Literacy for TANF Recipients | 93.558 | 1716AEL001 | 8,795 |
| | | | 68,809 |
| Deep East Texas Local Workforce Development Board, Inc. | | | |
| Child Care Training | 93.596 | 13-313.2 | 118,584 |
| Child Care Training | 93.596 | 16-338 | 90,130 |
| | | | 208,714 |
| Total U.S. Department of Health and Human Services | | | 277,523 |
| Total Expenditures of Federal Awards | | | \$ 10,271,335 |

NOTE 1: Federal Assistance Reconciliation

| | |
|---|---|
| Additional Operating Revenues - Federal Grants and Contracts - per Schedule A | \$ 1,659,187 |
| Add: Indirect Cost Recoveries - per Schedule A | 39,234 |
| Add: Non-Operating Revenues - Federal Revenue, Non-operating - per Schedule C | 8,460,303 |
| | Total Federal Revenues per Schedule A and C |
| | \$ 10,158,724 |
| Reconciling items: | |
| Add: Cost of Capital Asset Acquisitions | 45,111 |
| Add: Amounts Passed Through by the College | 67,500 |
| | Total Federal Expenditures per Schedule of Expenditures of Federal Awards |
| | \$ 10,271,335 |

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

This schedule is presented using the accrual basis of accounting. The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule. Since the College has an agency approved Indirect Recovery Rate, it has elected not to use the 10% de minimis cost rate as permitted in the UG, section 200.414.

NOTE 3: Amounts Passed Through by the College

A total amount of \$67,500 was passed through to Panola College by the College. Of this total, \$65,000 was from the Adult Education and Literacy Program, CFDA 84.002, and \$2,500 was from the Adult Education and Literacy Program for TANF Recipients, CFDA 93.558. The total amount was passed through the Texas Workforce Commission.

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2016

| Grantor Agency/Program Title | Grant Contract Number | Expenditures |
|--|--------------------------|-------------------|
| TEXAS HIGHER EDUCATION COORDINATING BOARD | | |
| Direct Programs: | | |
| Nursing Innovation Grant Program | 14113 | \$ 18,264 |
| Nursing Shortage Reduction Over 70 Program FY 2014 | | 79,992 |
| Nursing Shortage Reduction Over 70 Program FY 2015 | | 54,367 |
| Nursing Shortage Reduction Regular Program FY 2015 | | 21,425 |
| Texas College Work-Study Program | | 31,267 |
| Texas Education Opportunity Grant | | 399,351 |
| Texas Grant I Program | | 28,728 |
| | | <u>633,394</u> |
| Pass-Through From: | | |
| College of the Mainland | | |
| Accelerate Texas Mentor | THECB15130 | 14,161 |
| Total Texas Higher Education Coordinating Board | | <u>647,555</u> |
| TEXAS WORKFORCE COMMISSION | | |
| Direct Programs: | | |
| Skills Development Fund | 1714SDF000 | 106,950 |
| Skills for Small Business | 1716SSD000 | 20 |
| State Adult Education and Literacy | 1714AELB000 | 158,048 |
| | | <u>265,018</u> |
| Pass-Through From: | | |
| LCOT East Texas Consortium | | |
| State Adult Education and Literacy | 0814AEL000-3 | 10,144 |
| Total Texas Workforce Commission | | <u>275,162</u> |
| UNIVERSITY OF HOUSTON | | |
| Direct Programs: | | |
| Interagency Cooperation Agreement | Hou53-16-1244-A | 7,798 |
| Total Expenditures of State Awards | | <u>\$ 930,515</u> |

NOTE 1: State Assistance Reconciliation

| | |
|---|-------------------|
| Additional Operating Revenues-State Grants and Contracts-per Schedule A | \$ 910,665 |
| Add: Indirect Cost Recoveries - per Schedule A | <u>8,600</u> |
| Total State Revenues per Schedule A | 919,265 |
| Reconciling items: | |
| Add: Amounts Passed Through by the College | <u>11,250</u> |
| Total State Awards per Schedule of Expenditures of State Awards | <u>\$ 930,515</u> |

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

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

NOTE 3: Amounts Passed Through by the College

An amount of \$11,250 was passed through to Panola College, a sub-recipient, by the College. This amount was from the State Adult Education and Literacy Program passed through the Texas Workforce Commission.

See independent auditors' report.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AUGUST 31, 2016**

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: **UNMODIFIED**

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditors' report issued on compliance for major programs: **UNMODIFIED**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Uniform Guidance or TSAC? Yes X No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal or State Program or Cluster*</u> |
|-----------------------|---|
| 84.007 | Federal Supplemental Education Opportunity Grants* |
| 84.033 | Federal Work-Study Program* |
| 84.063 | Federal Pell Grant Program* |
| N/A | Texas Education Opportunity Grant – State Grant |

Dollar threshold used to distinguish between type A and type B programs: **\$750,000**

Auditee qualified as low-risk auditee? X Yes No

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
AUGUST 31, 2016**

B. Financial Statements Findings

Findings related to the financial statements required to be reported under GAS:

None

C. Federal and State Awards Findings and Questioned Costs

Required to be reported in accordance with section 2 CFR 200.516(a) Uniform Guidance or TSAC:

None

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE OF CORRECTIVE ACTION
AUGUST 31, 2016**

There were no current year findings; therefore, no corrective action is required.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AUGUST 31, 2016**

There were no prior year audit findings.