

**KILGORE JUNIOR COLLEGE DISTRICT
KILGORE, TEXAS**

**FINANCIAL STATEMENTS
AUGUST 31, 2013 and 2012**

**WITH REPORT
OF CERTIFIED PUBLIC ACCOUNTANTS**

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KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS

ORGANIZATIONAL DATA

For the Fiscal Year 2013

BOARD OF TRUSTEES

OFFICERS

Charles Hale
James N. Walker
William Roberson

President
Vice-President
Secretary

TERM EXPIRES

2017
2015
2015

MEMBERS

G. Scott Andrews
C.B. "Scooter" Griffin, Jr.
Robert D. Heath
Brian Nutt
Joe Carrington
Larry Woodfin

TERM EXPIRES

2017
2015
2019
2019
2019
2017

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. William M. Holda
Dr. Gerald Stanglin

President
Vice-President of Instruction and
Chief Academic Officer

Duane J. McNaney, CPA

Vice-President of Finance and
Chief Financial Officer

Dr. Michael W. Jenkins

Vice-President of Student
Development and Chief Student
Affairs Officer

Dr. Mike Turpin

Vice-President of Institutional
Planning

Claudia D. Miracle, CPA

Controller

Tony Johnson

Director of Human Resources

Nancy Law

Assistant to the President

Leah Gorman

Director of Development

F. Daniel Beach, CPA

Director of Special Projects and
Liaison to the Board

Louise Wiley

Instructional Dean

Randy Lewellen

Instructional Dean

Dr. Richard Harrison

Instructional Dean

Dr. Julie H. Fowler

Executive Dean

HENRY & PETERS, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

The Board of Trustees
Kilgore Junior College District
Kilgore, Texas

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Kilgore Junior College District (District), as of and for the years ended August 31, 2013 and 2012, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the Kilgore Junior College District at August 31, 2013 and 2012, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8–13 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 basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state awards for the year ended August 31, 2013, included as supplemental schedules, are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits Of States, Local Governments, And Non-Profit Organizations*, and the State of Texas Single Audit Circular (STSAC), and are not a required part of the basic financial statements. The additional supplemental schedules and statistical supplement, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical supplement has 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 it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Henry + Peters, P.C.

Tyler, Texas
December 3, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

**KILGORE JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2013 and 2012**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Kilgore Junior College District's financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2013, with fiscal year 2012 and 2011 data presented for comparative purposes. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes.

USING THIS ANNUAL FINANCIAL REPORT

This annual financial report consists of a series of financial statements. The Texas Higher Education Coordinating Board requires all Texas public junior and community colleges to use the *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* for consistent and uniform reporting. It is intended that each public community and junior college adopt the business-type activities (BTA) model for use in preparing their annual financial reports.

The Statement of Net Position includes all assets and liabilities. The focus of the statement is to report the net resources available to finance future operations. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the good or service is provided; and, expenses and liabilities are recognized when others provide the good or service, regardless of when cash is exchanged. The statement is useful to determine the assets available to fund services, as well as identify what the District owes vendors, bondholders, and others at the end of the year. The Statement of Net Position presents to the readers of the financial statements a fiscal snapshot of the District.

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the activities of the District as a whole and presents a longer-term view of the District's finances. The District is dependent on three primary sources of revenues: state appropriations, tuition and fees, and ad-valorem taxes. Activities are presented as either operating or non-operating. Under this reporting model, state appropriations, ad-valorem taxes and gifts are reported as non-operating revenues. Because of the District's dependency on the non-operating revenues, there is a significant operating deficit. The utilization of long-term assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, non-capital financing, capital and related financing, and investing activities.

STATEMENT OF NET POSITION

The District's combined net position increased \$2.8 million compared to a \$4.2 million increase in the prior year, increasing from \$71.6 million to \$74.4 million.

Condensed Statement of Net Position (\$ in millions)	2012 to 2013			
	2013	2012	2011	Change
Current assets	\$ 27.2	\$ 23.6	\$ 22.9	15.2%
Non-current assets	10.7	10.7	10.5	0.5%
Non-current - Capital assets	44.2	45.3	45.7	-2.5%
Total assets	82.1	79.6	79.1	3.1%
Current liabilities	(5.6)	(5.6)	(9.2)	0.1%
Non-current liabilities	(2.1)	(2.4)	(2.6)	-14.3%
Total liabilities	(7.7)	(8.0)	(11.8)	-4.3%
Net Position:				
Invested in capital assets, net of debt	42.2	43.1	43.1	-1.8%
Restricted	9.9	9.4	9.0	4.3%
Unrestricted	22.3	19.1	15.2	16.8%
Total Net Position	\$ 74.4	\$ 71.6	\$ 67.3	4.0%

The Statement of Net Position helps identify the entity's ability to meet future obligations. One of the analytical tools used to determine this is comparing the current assets to current liabilities, or the current ratio. Current assets are those assets which can be converted quickly to pay current obligations, while current obligations are those obligations which are expected to be satisfied within one business cycle. The District's current assets of \$27.2 million were sufficient to cover current liabilities of \$5.6 million, giving a current ratio of 4.9 compared to 4.2 in fiscal year 2012.

Another analytical tool used to evaluate the financial stability of an entity is to compare expendable net position to operating expenses. As of August 31, 2013 and 2012, the District had expendable net assets of \$23.7 million and \$22.1 million respectively. Operating expenses for the same period were \$46.3 million and \$41.4 million. This represents a ratio of 51.2% and 53.4% respectively.

The District's accumulated cash and cash equivalent balances decreased \$221.4 thousand to \$16.9 million.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total operating revenues for fiscal year 2013 were \$16.4 million. Operating revenues decreased \$0.08 million or 0.4%.

Operating Revenues

(\$ in millions)	2013		2012		2011	
Tuition and fees	52.0%	\$ 8.5	50.1%	\$ 8.3	50.2%	\$ 7.8
Federal grants and contracts	11.4%	1.9	10.7%	1.8	11.3%	1.7
State grant and contracts	4.2%	0.7	5.7%	0.9	6.4%	1.0
Auxiliary enterprises	29.7%	4.9	29.2%	4.8	28.1%	4.4
Other	2.7%	0.4	4.3%	0.7	4.0%	0.6
Total		\$ 16.4		\$ 16.5		\$ 15.5

The District also had \$32.9 million in non-operating state appropriation, tax, federal non-operating, gift, and other revenues. The largest portion of non-operating revenues comes from state appropriations which are generated from four areas: general revenue generated from contact hour reimbursement, employee/retiree group insurance payments, employer retirement contributions, and special allocations or adjustments.

Non-Operating Revenues

(\$ in millions)	2013		2012		2011	
State appropriations	39.2%	\$ 12.8	45.2%	\$ 13.3	40.6%	\$ 15.0
Maintenance ad valorem taxes	19.0%	6.2	20.4%	6	16.0%	5.9
Federal revenue, non-operating	36.7%	12	29.4%	8.7	40.2%	14.9
Gifts	2.8%	0.9	3.1%	0.9	2.1%	0.8
Investment, Endowment and Other	2.3%	0.8	1.9%	0.5	1.1%	0.4
Total		\$ 32.7		\$ 29.4		\$ 37.0

Total operating expenses totaled \$46.3 million, which is a \$4.9 million or a 12% increase from fiscal year 2012. Expenditures for Instruction are the most significant and it had a \$0.2 million or a 1.5% increase.

Operating & Non-Operating Expenses

(\$ in millions)	2013		2012		2011	
Instruction	35.0%	\$ 16.2	38.3%	\$ 16.0	35.7%	\$ 17.2
Public service	2.0%	0.9	2.3%	1.0	2.1%	1.0
Academic support	6.3%	2.9	7.2%	3	6.8%	3.3
Student services	5.5%	2.6	5.6%	2.3	4.9%	2.3
Institutional support	15.2%	7.0	14.7%	6.1	10.8%	5.2
Operation and maintenance of plant and Depreciation	10.2%	4.8	11.1%	4.6	9.8%	4.7
Scholarships and fellowships	9.8%	4.5	1.8%	0.8	13.7%	6.6
Auxiliary enterprises	16.0%	7.4	18.3%	7.6	15.5%	7.5
Total operating expense		46.3		41.4		47.8
Total non-operating expense		0.3%		0.3		0.7%
		\$ 46.4		\$ 41.7		\$ 48.1

There was an operating loss for fiscal year 2013 of \$29.9 million, with an increase in net position of \$2.8 million, compared to fiscal year 2012 when they were \$24.9 and \$4.2, respectively.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the District's ability to generate net cash flows to meet its obligations as they come due, and its need for external financing. The District's total cash and cash equivalents decreased by \$0.2 million to \$16.9 million.

Cash Provided By (Used By)

(\$ in millions)	2013	2012	2011
Operating Activities	\$ (25.8)	\$ (22.1)	\$ (25.3)
Non-Capital Financing Activities	30.0	26.8	33.0
Capital and Related Financing Activities	(0.8)	(1.4)	(6.4)
Investing Activities	(3.6)	(3.0)	0.6
Change in Cash and Cash Equivalents	\$ (0.2)	\$ 0.3	\$ 1.9

The primary cash receipts from operating activities consist of tuition and fees, housing, board, bookstore sales, and grant revenues. Cash outlays include payment of wages, benefits, supplies, utilities, plant maintenance, and scholarships. State and federal allocations and ad-valorem taxes are the primary source of non-capital financing. Accounting standards require that we reflect this source of revenue as non-operating even though these sources are used for operating purposes in the District's budget. Cash flows from capital and capital related financing activities include proceeds from issuing debt and receiving gifts; disbursements are for principal and interest payments on debt, and payment on buildings and other capital acquisitions. Cash flows from investing activities represent the annual effect of the purchase, sale and maturity of investments.

FINANCIAL HIGHLIGHTS

- The District's overall activities remained very stable during this year. The overall activities of the District are considered to be business-type activities. The net assets increased by \$2.8 million or 4.0 percent.
- As of August 31, 2013, assets of the District exceeded liabilities by \$74.4 million. Of this amount, \$22.3 million is unrestricted net assets which may be used to meet ongoing operations, up from \$19.1 million in fiscal year 2012.
- During the year, the District had revenues that were \$2.8 million more than the \$46.4 million generated in expenditures.
- Total cost of all of the District's programs increased by \$4.9 million, or 11.7 percent. This was largely due to the timing of the payments of scholarships and fellowships. All other programs increased \$1.1 million or about 2.7 percent.
- Local property tax rate remained the same as the prior year. Tax revenue collections were up 3.6% or \$217,019.
- Net tuition and fees increased \$273,987 or 3.3%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District has a Capital Asset Policy that requires assets whose original purchase price was over \$5,000 to be recorded as a capital asset. At the end of fiscal year 2013, the District had \$44.2 million invested in a broad range of capital assets, including equipment, buildings, and facilities.

Capital Assets at Year-end (Net of Depreciation, in Millions)	2013	2012	2011
Land	\$ 3.6	\$ 3.6	\$ 3.6
Buildings & Improvements	38.9	39.9	40.7
Equipment	1.2	1.3	1.0
Books and Exhibits	0.5	0.5	0.4
Construction in Progress	-	-	-
Totals	\$ 44.2	\$ 45.3	\$ 45.7

Debt

At year-end, the District had \$1.9 million in bonds and notes outstanding.

Outstanding Debt, at Year-end (\$ in millions)	2013	2012	2011
Current Portion of long term obligations	\$ 0.3	\$ 0.4	\$ 0.3
Revenue bonds and notes (backed by specific fee revenues)	1.6	1.9	2.3
Totals	\$ 1.9	\$ 2.3	\$ 2.6

COMPONENT UNIT / RELATED PARTIES

The Kilgore College Foundation and the Texas Shakespeare Festival Foundation are presented as related parties. Due to the interpretation of Governmental Standards Board Statement No. 39, the District does not feel the foundations meet the requirement of discrete component units. The Kilgore College Foundation and the Texas Shakespeare Festival Foundation contributed gifts of \$47,130 and \$94,000, respectively to the District during fiscal year 2013 as compared to the \$77,015 and \$87,000, respectively contributed in fiscal year 2012.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2014 budget, tax rates, and fees that were charged for the business-type activities. One of those factors is the economy. The District's employment growth has mirrored its population growth during 2003-2013, averaging minimal annual gains.

Although East Texas has not been impacted as much as the rest of the nation with the economic downturn, the District started feeling the impact during of fiscal year 2011, 2012 and 2013 and expect to see a slow recovery. During this period of time Kilgore College has experienced some decline in enrollment. Although not surprising after hitting enrollment highs in 2010, the decreases have been slightly higher than other community colleges across the state.

The District has faced various economic issues centered on the traditional funding sources. A mix of state appropriations, local property taxes, tuition and fees, state and federal grants, and private giving, fund Texas public community college districts. During the 83rd Legislature, funding patterns were changed to where now community colleges receive funding based on three strategies, core operations, student success, and contact hour funding. The legislature also fixed the rate which the state would pay versus the institution would pay for employee insurance and retirement. The District has been able to maintain the same tax rate for the sixth consecutive year, with rate being the lowest since 1995. The District's tax base valuation has increased slightly the past couple of years. Tuition and fee rates remained the same for academic year 2013-14. State and federal grants continue to fluctuate from year to year. The District has been working with the Kilgore College Foundation to begin some major fundraising over the next few years.

To continue to meet our financial challenges will require exploration of non-traditional ways of revenue generation that may include economic development, partnerships with public and private sector entities, increasing emphasis on contract training and adult education, and sophisticated fundraising and development efforts.

Kilgore District has many aging facilities. Beginning in fiscal year 2004 and continuing into fiscal year 2013, the District has done some major renovations and repairs, roof replacement and construction of a new building and a residence hall that has total about \$26.9 million. All were completed without having to take on additional bonded debt. This made a dramatic improvement to the campus. The District has engaged an architect firm to update its facilities master plan, so in the foreseeable future it is expected that the District will be continuing its efforts towards repairs and improvements throughout the campus.

While it is not possible to predict the effects of future economic conditions, management believes the District has a solid and stable financial position and is well equipped to handle the increasing demands for a better educated workforce. The District is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the current fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This discussion is presented in a condensed format as additional analysis. The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Kilgore College Vice President of Finance and CFO, 1100 Broadway, Kilgore, TX 75662.

BASIC FINANCIAL STATEMENTS

EXHIBIT 1

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF NET POSITION
AUGUST 31, 2013 AND 2012

	2013	2012
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 14,850,101	\$ 14,768,004
Short-term investments	8,594,993	4,466,934
Accounts receivable, net	1,473,532	1,968,167
Note receivable, current portion	175,678	166,712
Inventories	1,090,148	1,344,749
Prepaid expenses	926,888	806,226
Other assets	84,760	84,760
Total current assets	27,196,100	23,605,552
Noncurrent assets		
Restricted cash and cash equivalents	2,051,552	2,355,089
Other long-term investments	425,000	425,000
Endowment investments	7,724,218	7,189,014
Note receivable, net of current portion	481,649	657,327
Capital assets, net (see note 5)	44,204,517	45,349,650
Total noncurrent assets	54,886,936	55,976,080
Total assets	\$ 82,083,036	\$ 79,581,632
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	\$ 493,850	\$ 664,327
Accrued liabilities	752,268	512,712
Accrued compensable absences - current portion	226,569	206,799
Funds held for others	821,603	766,684
Deferred revenue	2,746,887	2,895,583
Deposits	151,874	154,740
Long-term liabilities - current portion	383,774	368,774
Total current liabilities	5,576,826	5,569,619
Noncurrent liabilities		
Accrued compensable absences	497,770	465,123
Long-term liabilities	1,598,822	1,982,596
Total noncurrent liabilities	2,096,592	2,447,719
Total liabilities	7,673,418	8,017,338
<u>NET POSITION</u>		
Invested in capital assets, net of related debt	42,221,921	42,998,280
Restricted for:		
Expendable	1,369,065	3,008,174
Nonexpendable	8,476,586	6,429,072
Unrestricted	22,342,046	19,128,768
Total net position (Schedule D)	74,409,618	71,564,294
Total liabilities and net position	\$ 82,083,036	\$ 79,581,632

See accompanying notes to financial statements.

EXHIBIT 2

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>REVENUES</u>		
Operating revenues		
Tuition and fees (net of discounts of \$7,406,098 and \$7,136,244, respectively)	\$ 8,533,498	\$ 8,259,511
Federal grants and contracts	1,865,282	1,775,801
State grants and contracts	688,765	939,569
Non-governmental grants and contracts	228,156	377,775
Sales and services of educational activities	124,057	132,591
Auxiliary enterprises (net of discounts of \$2,598,045 and \$2,782,809, respectively)	4,880,679	4,817,291
General operating revenues	95,973	193,379
Total operating revenues (Schedule A)	<u>16,416,410</u>	<u>16,495,917</u>
<u>EXPENSES</u>		
Operating expenses		
Instruction	16,243,463	16,000,663
Public service	921,883	948,885
Academic support	2,908,436	3,018,885
Student services	2,569,267	2,332,167
Institutional support	7,047,241	6,127,004
Operation and maintenance of plant	3,263,202	3,179,326
Scholarships and fellowships	4,532,132	762,548
Auxiliary enterprises	7,357,459	7,633,764
Depreciation	1,462,446	1,444,912
Total operating expenses (Schedule B)	<u>46,305,529</u>	<u>41,448,154</u>
Operating loss	<u>(29,889,119)</u>	<u>(24,952,237)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State appropriations	12,809,110	13,319,410
Maintenance ad valorem taxes	6,223,116	6,006,097
Federal revenue, non-operating	12,028,588	8,666,917
Gifts	917,941	904,725
Investment income	333,680	296,055
Endowment income	549,941	265,977
Interest on capital related debt	(80,526)	(93,452)
Loss on disposal of fixed assets	(30,483)	-
Other non-operating revenues	3,000	250
Other non-operating expenses	(19,924)	(196,661)
Net non-operating revenues (Schedule C)	<u>32,734,443</u>	<u>29,169,318</u>
Increase in net position	2,845,324	4,217,081
<u>NET POSITION</u>		
Net position - beginning of year	71,564,294	67,347,213
Net position - end of year	<u>\$ 74,409,618</u>	<u>\$ 71,564,294</u>

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 14,025,840	\$ 13,943,901
Receipts of grants and contracts	2,782,202	3,093,145
Other receipts	(24,691)	(203,280)
Payments to or on behalf of employees	(24,331,326)	(23,723,186)
Payments to suppliers for goods and services	(14,212,720)	(14,981,652)
Payments to students under federal grants	(4,115,104)	(375,920)
Other cash payments	93,553	103,924
Net cash used by operating activities	<u>(25,782,246)</u>	<u>(22,143,068)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts of appropriations	10,766,056	11,295,802
Ad valorem tax revenues	6,188,565	6,019,967
Receipts for Title IV transactions	12,028,588	8,666,917
Gifts and grants (other than capital)	917,941	904,725
Receipts for student organization and other agency transactions	14,412,387	13,886,202
Student organization and other agency transactions	(14,341,807)	(13,952,745)
Net cash provided by non-capital financing activities	<u>29,971,730</u>	<u>26,820,868</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(347,797)	(949,442)
Payments on capital debt and leases - principal	(368,774)	(353,774)
Payments on capital debt and leases - interest	(80,526)	(93,452)
Net cash used by capital and related financing activities	<u>(797,097)</u>	<u>(1,396,668)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	882,725	667,187
Investment and endowment purchases	(4,663,264)	(3,763,223)
Receipts on notes receivable	166,712	158,203
Net cash used by investing activities	<u>(3,613,827)</u>	<u>(2,937,833)</u>
(Decrease) increase in cash and cash equivalents	(221,440)	343,299
Cash and cash equivalents beginning of year	<u>17,123,093</u>	<u>16,779,794</u>
Cash and cash equivalents end of year	<u>\$ 16,901,653</u>	<u>\$ 17,123,093</u>

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012
CONTINUED

	<u>2013</u>	<u>2012</u>
Reconciliation of operating loss to net cash used		
by operating activities:		
Operating loss	\$ (29,889,119)	\$ (24,952,237)
Adjustments to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	1,462,446	1,444,912
On-behalf state benefits	2,043,053	1,944,278
Changes in assets and liabilities:		
Receivables, net	494,635	3,053,605
Inventories	254,601	(192,117)
Prepaid expenses	(120,662)	190,975
Accounts payable and accrued liabilities	69,079	29,841
Deferred revenue	(148,696)	(3,770,864)
Compensable absences	52,417	108,539
Net cash used by operating activities	<u>\$ (25,782,246)</u>	<u>\$ (22,143,068)</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS

August 31, 2013 and 2012

1. REPORTING ENTITY

Kilgore Junior College District was established in 1935, in accordance with the laws of the State of Texas, to serve the educational needs of the District and the surrounding communities. The Kilgore Junior College District is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the District receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Guidelines

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

B) 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 Section 56.033). When the student uses the award for tuition and fees and/or auxiliary charges, the amount is recorded as tuition and/or auxiliary revenue and a corresponding amount is recorded as a discount. If the amount is dispersed directly to the student, the amount is recorded as scholarship expense.

Title IV, HEA Program Funds

Certain Title IV HEA Program funds are received by the District to pass through to the student. These funds are initially received by the District and recorded as restricted revenue. When the award is used by the student for tuition and fees and/or auxiliary charges, amounts are recorded as revenues and a corresponding amount is recorded as a discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts

When the award is used by the student for tuition and fees and/or auxiliary charges, the amount is recorded as tuition and/or auxiliary revenue and a corresponding amount is recorded as a discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

C) **Basis of Accounting**

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

D) **Budgetary Data**

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

E) **Cash and Cash Equivalents**

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

F) **Investments**

In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months, but less than one year at time of purchase. [The governing board has designated public fund investment pools comprised of \$166,748 and \$166,573 at August 31, 2013 and August 31, 2012, respectively, to be short-term investments.] Long-term investments have an original maturity of greater than one year at the time of purchase.

G) **Inventories**

Inventories, consisting of consumable office supplies, physical plant supplies, bookstore stock, and food service supplies, are valued at the lower of cost, under the "first in, first out" method, or market, and are charged to expense as consumed.

H) **Capital Assets**

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations of \$100,000 to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H) Capital Assets - continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements, 15 years for library books, 10 years for furniture, machinery, vehicles and other equipment and 5 years for telecommunications and peripheral equipment.

I) Deferred Revenues

Tuition and fees of \$2,746,887 and \$2,895,583 have been reported as deferred revenues at August 31, 2013 and 2012, respectively.

J) Estimates

The preparation of 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.

K) Operating and Non-Operating Revenues and Expenses

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

L) Reclassifications

Certain amounts in the 2012 financial statements have been reclassified to conform to the presentation in 2013.

3. AUTHORIZED INVESTMENTS

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

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

3. AUTHORIZED INVESTMENTS - Continued

Under Attorney General Opinion No. GA-0768, the District, exercising its authority to manage an endowment fund under Education Code section 51.0031(a), is not restricted solely to investments permitted by the Texas Public Funds Investment Act when managing the endowment fund.

4. DEPOSITS AND INVESTMENTS

Deposits and Investments

Cash and deposits included in cash and cash equivalents and short-term investments as reported on Exhibit 1, Statement of Net Position, consist of the items reported below.

Cash and Deposits

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Bank Deposits		
Demand Deposits	\$ 16,881,427	\$ 17,099,969
Time Deposits	8,428,245	4,300,361
	<u>25,309,672</u>	<u>21,400,330</u>
Petty Cash on Hand	20,226	23,124
	<u>20,226</u>	<u>23,124</u>
Total Cash and Deposits	<u>\$ 25,329,898</u>	<u>\$ 21,423,454</u>

Reconciliation of Deposits and Investments to Exhibit 1:

<u>Type of Security</u>	<u>Market Value</u> <u>August 31, 2013</u>	<u>Market Value</u> <u>August 31, 2012</u>
Mutual funds	\$ 7,724,218	\$ 7,189,014
Investment pool	166,748	166,573
Time Deposit	425,000	425,000
Total	<u>7,890,966</u>	<u>7,355,587</u>
Total cash and deposits	25,329,898	21,423,454
Total deposits and investments	<u>\$ 33,220,864</u>	<u>\$ 28,779,041</u>
Cash and short-term investments (Exhibit 1)	\$ 25,496,646	\$ 21,590,027
Investments (Exhibit 1)	8,149,218	7,614,014
Total deposits and investments	<u>\$ 33,645,864</u>	<u>\$ 29,204,041</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

4. DEPOSITS AND INVESTMENTS - Continued

As of August 31, 2013, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities Less than 1 year
Certificates of deposit	\$ 8,428,245	\$ 8,428,245
Investment pool	166,748	166,748
Total	<u>\$ 8,594,993</u>	<u>\$ 8,594,993</u>

As of August 31, 2013, the District's investments in certificates of deposit are a component of the depository contract, under which certificates are renewed and repriced every 91 days. Investments in Texpool have maturities of less than one year. The District had no investments in any one issuer that represented 5 percent or more of net position at August 31, 2013 or 2012.

Interest Rate Risk: While the District's investment policy requires a general portfolio strategy of diversification and maturity limitations, specific maturity limits are not defined.

Mutual funds stated at fair value as of August 31, 2013 and 2012 were:

	2013	2012
Cost	\$ 7,349,804	\$ 7,107,297
Unrealized gain/(loss)	374,414	81,717
Fair value	<u>\$ 7,724,218</u>	<u>\$ 7,189,014</u>

Credit Risk: In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A as well. Investments with Texpool have a credit rating of AAA as of August 31, 2013 and 2012, respectively.

Investments in mutual funds are made up entirely of holdings with Texas Presbyterian Foundation (TPF). Investments managed by TPF are exempt from registration requirements of the federal securities law pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995. Accordingly, these investments are unrated.

Concentration of Credit Risk: The District's investment policy does not place a limit on the amount the District may invest in any one issuer.

Custodial Credit Risk: The District's investments have no custodial credit risk.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

4. DEPOSITS AND INVESTMENTS - Continued

Note Receivable

In connection with the sale of the District's interest in KTPB FM 88.7 during the year ended August 31, 2007, the District received cash and a note receivable. The note, to be received over ten years with interest at 5.25%, had an outstanding balance at August 31, 2013 and 2012 of \$657,327 and \$824,039, respectively.

5. CAPITAL ASSETS

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

	Balance September 1, 2012	Additions	Reductions	Balance August 31, 2013
<u>Not Depreciated:</u>				
Land	\$ 3,569,795	\$ -	\$ -	\$ 3,569,795
Construction in progress	-	-	-	-
Subtotal	<u>3,569,795</u>	<u>-</u>	<u>-</u>	<u>3,569,795</u>
<u>Other Capital Assets:</u>				
Land improvements and infrastructure	3,779,468	60,058	-	3,839,526
Buildings	58,180,049	-	-	58,180,049
Equipment	5,258,459	215,283	43,515	5,430,227
Capital lease	100,144	-	-	100,144
Exhibits	1,910,020	-	-	1,910,020
Library books	1,574,854	72,456	125,950	1,521,360
Subtotal	<u>70,802,994</u>	<u>347,797</u>	<u>169,465</u>	<u>70,981,326</u>
Total cost of capital assets	74,372,789	347,797	169,465	74,551,121
<u>Accumulated Depreciation:</u>				
Land improvements and infrastructure	2,672,343	103,474	13,031	2,762,786
Buildings	19,365,645	978,046	-	20,343,691
Equipment	3,956,786	304,535	-	4,261,321
Capital lease	16,691	16,675	-	33,366
Exhibits	1,855,453	7,060	-	1,862,513
Library books	1,156,221	52,656	125,950	1,082,927
Total accumulated depreciation	<u>29,023,139</u>	<u>1,462,446</u>	<u>138,981</u>	<u>30,346,604</u>
Capital assets - net	<u>\$ 45,349,650</u>	<u>\$ (1,114,649)</u>	<u>\$ 30,484</u>	<u>\$ 44,204,517</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

5. CAPITAL ASSETS - Continued

Capital assets activity for the year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Additions	Reductions	Balance August 31, 2012
<u>Not Depreciated:</u>				
Land	\$ 3,569,795	\$ -	\$ -	\$ 3,569,795
Construction in progress	-	-	-	-
Subtotal	<u>3,569,795</u>	<u>-</u>	<u>-</u>	<u>3,569,795</u>
<u>Other Capital Assets:</u>				
Land improvements and infrastructure	3,779,468	-	-	3,779,468
Buildings	57,866,804	313,245	-	58,180,049
Equipment	4,751,743	506,716	-	5,258,459
Capital Lease	-	100,144	-	100,144
Exhibits	1,850,627	59,393	-	1,910,020
Library books	1,589,157	70,088	84,391	1,574,854
Subtotal	<u>69,837,799</u>	<u>1,049,586</u>	<u>84,391</u>	<u>70,802,994</u>
Total cost of capital assets	73,407,594	1,049,586	84,391	74,372,789
<u>Accumulated Depreciation:</u>				
Land improvements and infrastructure	2,573,486	98,857	-	2,672,343
Buildings	18,389,931	975,714	-	19,365,645
Equipment	3,662,763	294,023	-	3,956,786
Capital Lease	-	16,691	-	16,691
Exhibits	1,844,546	10,907	-	1,855,453
Library books	1,191,892	48,720	84,391	1,156,221
Total accumulated depreciation	<u>27,662,618</u>	<u>1,444,912</u>	<u>84,391</u>	<u>29,023,139</u>
Capital assets - net	<u>\$ 45,744,976</u>	<u>\$ (395,326)</u>	<u>\$ -</u>	<u>\$ 45,349,650</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

6. LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2013 was as follows:

	Balance September 1, 2012	Additions	Reductions	Balance August 31, 2013	Current Portion
<u>Bonds</u>					
Revenue bonds - 2007	\$ 2,275,000	\$ -	\$ 345,000	\$ 1,930,000	\$ 360,000
<u>Other liabilities</u>					
Accrued compensable absences	671,922	138,549	86,132	724,339	226,569
Capital lease	76,370	-	23,774	52,596	23,774
Total other liabilities	748,292	138,549	109,906	776,935	250,343
Total long-term liabilities	<u>\$ 3,023,292</u>	<u>\$ 138,549</u>	<u>\$ 454,906</u>	<u>\$ 2,706,935</u>	<u>\$ 610,343</u>

Long-term liability activity for the year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Additions	Reductions	Balance August 31, 2012	Current Portion
<u>Bonds</u>					
Revenue bonds - 2007	\$ 2,605,000	\$ -	\$ 330,000	\$ 2,275,000	\$ 345,000
<u>Other liabilities</u>					
Accrued compensable absences	563,383	444,219	335,680	671,922	206,799
Capital Lease	-	100,144	23,774	76,370	23,774
Total other liabilities	563,383	544,363	359,454	748,292	230,573
Total long-term liabilities	<u>\$ 3,168,383</u>	<u>\$ 544,363</u>	<u>\$ 689,454</u>	<u>\$ 3,023,292</u>	<u>\$ 575,573</u>

7. DEBT AND LEASE OBLIGATIONS

Debt service requirements at August 31, 2013 were as follows:

Bonds Payable

For the year ended August 31,	Revenue Bonds, Series 2007		
	Principal	Interest	Total
2014	\$ 360,000	\$ 67,026	\$ 427,026
2015	370,000	53,046	423,046
2016	385,000	38,587	423,587
2017	400,000	23,555	423,555
2018	415,000	7,947	422,947
Total Bonds Payable	<u>\$ 1,930,000</u>	<u>\$ 190,161</u>	<u>\$ 2,120,161</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

7. DEBT AND LEASE OBLIGATIONS - Continued

Obligations under capital leases at August 31, 2013, were as follows:

For the year ended August 31,	<u>Total</u>
2014	\$ 23,774
2015	23,774
2016	23,774
2017	<u>3,962</u>
Total minimum lease payments	75,284
Less: Amount representing interest costs	<u>(22,688)</u>
Present value of minimum lease payments	<u>\$ 52,596</u>

Operating Lease Commitments and Rental Agreements

The District had no significant operating leases or rental agreements at August 31, 2013 or 2012.

8. BONDS PAYABLE

General information related to Bonds payable is summarized below:

Combined Fee Revenue Refunding Bonds, Series 2007

Issued May 29, 2007

Purpose of bond: to advance refund Bond Series 1997

\$3,815,000; all authorized bonds have been issued

Source of revenue for debt service -- general fees and tuition (pledged revenues totaled \$8,650,316)

Bonds at 3.83% are due in annual installments varying from \$345,000 to \$415,000, with the final installment due in 2018.

9. ADVANCED REFUNDING BONDS

Refunded \$3,755,000 of Combined Fee Revenue Bonds, Series 1997

Issued refunding bonds on May 29, 2007

All authorized bonds have been issued

Combined Fee Revenue Refunding Bonds, Series 2007

Average interest rate of bonds refunded, 5.25%

Additional \$73,684 of 1997 Series sinking fund monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the 1997 Series bonds.

The 1997 Series bonds are considered fully defeased and the liability for those bonds has been removed.

Advanced refunding of the 1997 Series bonds reduced the District's debt service payments over a ten year period ending in 2018 by approximately \$197,517.

The economic and accounting gains are determined to be immaterial.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

10. EMPLOYEES' RETIREMENT PLAN

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

Teacher Retirement System of Texas – Defined Benefit Plan

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

Funding Policy. Contribution requirements are not actuarially determined, but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% 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 of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2013 and 2012 and a state contribution rate of 6.4% and 6.0% for fiscal year 2013 and 2012, respectively. In certain instances the reporting district is required to make all or a portion of the state's 6.4% and 6.644% contribution for fiscal year 2013 and 2012, respectively.

Optional Retirement Plan – Defined Contribution Plan

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

Funding Policy. Contribution requirements are not actuarially determined, but are established and amended by the Texas legislature. For fiscal years 2013 and 2012, the percentages of participant salaries contributed by the state and by each participant were 6.0% and 6.65%, respectively, of annual compensation. The District contributes 1.31% for employees who were participating in the optional retirement plan program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the state for the District was \$704,918 and \$674,922 for the fiscal years ended August 31, 2013 and 2012, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the District.

The total payroll for all District employees was \$20,864,551 and \$20,428,531 for fiscal years 2013 and 2012, respectively. The total payroll of employees covered by the Teacher Retirement System was \$11,027,570 and \$10,205,527, and the total payroll of employees covered by the Optional Retirement System was \$7,125,429 and \$7,351,158 for fiscal years 2013 and 2012, respectively.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

11. DEFERRED COMPENSATION

The District contributed \$22,000 and \$19,800 as deferred compensation for fiscal years 2013 and 2012, respectively, on behalf of the President of the College, to the State of Texas 457 Plan, administered through the ERS TexaSaver Program. The District had no other deferred compensation programs in effect during fiscal years 2013 or 2012.

12. COMPENSABLE ABSENCES

Full time employees are granted one day of paid sick leave time per scheduled work month. Paid sick leave time that has not been taken accumulates up to a maximum of 90 days, but it is not paid should the employment relationship cease for reasons other than retirement. Full time employees are also granted ten days per year vacation time; a total of five days vacation time may be accumulated and carried forward to the following fiscal year. Unused vacation time is paid at the time employment ceases, regardless of the reason for termination.

Upon official retirement, an eligible employee is paid the greater of one month's salary or one-half of his or her accumulated sick leave time, whichever is greater. Accordingly, the District has included a liability for accrued sick leave time in the amount of \$553,078 and \$516,804 at August 31, 2013 and 2012, respectively, based on employees currently eligible for retirement. Ten percent of the total liability for accrued sick leave is considered a current liability based on historical experience. The District accrued vacation liability in the amount of \$171,261 and \$155,118 at August 31, 2013 and 2012, respectively, all of which has been classified as a current liability.

13. PENDING LAWSUITS AND CLAIMS

The District is not aware of any pending lawsuits or claims.

14. DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables

Primary institution receivables at August 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Student receivables	\$ 1,667,866	\$ 2,060,575
Taxes receivable	708,220	664,545
Federal receivable	81,691	182,107
Accounts receivable	105,401	55,431
Interest receivable	17,222	16,326
Sub-total	<u>2,580,400</u>	<u>2,978,984</u>
Allowance for doubtful accounts	<u>(1,106,868)</u>	<u>(1,010,817)</u>
Total receivables	<u>\$ 1,473,532</u>	<u>\$ 1,968,167</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

14. DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES - Continued

Payables and Accrued Liabilities

Primary institution payables and accrued liabilities at August 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Vendors payable	\$ 493,850	\$ 664,327
Salaries and benefits payable	526,894	337,674
Student payables	92,591	35,673
Sales tax payable	132,783	139,365
Total	<u>\$ 1,246,118</u>	<u>\$ 1,177,039</u>

15. FUNDS HELD IN TRUST BY OTHERS

The balances or transactions of funds held in trust by others on behalf of the District are not reflected in the financial statements. There were no such funds for the benefit of the District at August 31, 2013 or 2012.

16. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2013 and 2012 for which monies have not been received nor funds expended totaled \$287,017 and \$276,107. Of these amounts, \$287,017 and \$186,893 were from Federal Contract and Grant Awards and \$0 and \$89,214 were from State Contract and Grant Awards for fiscal years ended 2013 and 2012, respectively.

17. SELF-INSURED PLANS

The District did not participate in any self-insured plans during fiscal years 2013 or 2012.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

18. POSTEMPLOYEMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

Monthly contributions were \$470.38 and \$438.30 for "Employee Only" coverage, \$739.58 and \$689.04 for "Employee and Spouse" coverage, \$650.62 and \$606.02 for "Employee and Children" coverage, and \$919.82 and \$856.94 for "Employee and Family" coverage for the years ended August 31, 2013 and 2012, respectively.

Certain categories of employees such as physical plant and auxiliary staff are not eligible for state funding of health care benefits. The District uses local funds to pay the premiums for those employees. The state's contribution totaled \$1,338,136 and \$1,269,356 for the years ended August 31, 2013 and 2012, respectively.

The cost of providing those benefits for retirees and active employees as of August 31, 2013 and 2012 was as follows:

	<u>2013</u>	<u>2012</u>
Cost of state's contribution	\$ 1,193,234	\$ 1,082,239
Cost of local contribution	6,481	4,551
Total cost of benefits for retirees	<u>\$ 1,199,715</u>	<u>\$ 1,086,790</u>
Cost of state's contribution	\$ 144,902	\$ 187,117
Cost of local contribution	2,221,118	2,049,024
Total cost of benefits for active employees	<u>\$ 2,366,020</u>	<u>\$ 2,236,141</u>

19. PROPERTY TAX

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

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Assessed Valuation of the District	\$ 4,241,360,539	\$ 4,062,637,214
Less: Exemptions and Abatements	255,678,505	255,719,046
Net Assessed Valuation of the District	<u>\$ 3,985,682,034</u>	<u>\$ 3,806,918,168</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

19. PROPERTY TAX - Continued

	FY 2013 Current Operations	FY 2012 Current Operations
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	0.2000	0.2000
Assessed Tax Rate per \$100 valuation	0.1540	0.1540

There were no taxes authorized or assessed for debt service at August 31, 2013 or 2012. Taxes levied for the years ended August 31, 2013 and 2012, were \$6,137,950 and \$5,862,654, respectively (which includes penalty and interest if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year imposed.

	August 31, 2013	August 31, 2012
Taxes Collected for Current Operations		
Current taxes	\$ 5,905,627	\$ 5,704,961
Delinquent taxes	147,246	151,421
Penalties, interest and fees	154,389	154,155
Total collections	\$ 6,207,262	\$ 6,010,537

Tax collections were 96% and 97% of the current tax levy for the years ended August 31, 2013 and 2012, respectively. There were no tax collections for debt service. Allowances for uncollectible taxes are 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.

20. INCOME TAXES

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The District had no unrelated business income tax liability for the years ended August 31, 2013 and 2012.

21. RELATED PARTIES

The Kilgore College Foundation (Foundation) is a nonprofit organization with the sole purpose of supporting educational, scientific and charitable purposes in order to promote and support the District. The Kilgore College District does not appoint a voting majority nor does it fund or is obligated to pay debt related to this Foundation. However, the District does have the ability to significantly influence the policies of this Foundation. The Foundation is incorporated and chartered entirely separate from the College, with separate management and control, and a separate Board of Directors. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation contributed gifts of \$47,130 and \$77,015 to the District during the years ended August 31, 2013 and 2012, respectively.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

21. RELATED PARTIES - Continued

During both fiscal years, the District furnished certain services, such as office space, utilities and staff assistance to the Foundation. These facilities and services are not required to be repaid.

The Texas Shakespeare Festival Foundation is a nonprofit organization that supports the Texas Shakespeare Festival (Festival) that is presented by the District on an annual basis. During the years ended August 31, 2013 and 2012, \$103,333 and \$87,582, respectively were contributed to the District in support of the Festival.

22. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

ERS issues a publicly available financial report that includes financial statements and required 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 statement 45.

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

The District's contributions to SRHP for the years ended August 31, 2013, 2012 and 2011 were \$6,481, \$4,551, and \$4,605, respectively.

23. COMMITMENTS AND CONTINGENT LIABILITIES

In the ordinary course of business, the District has various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. Several of the District's buildings contain asbestos, which will need to be removed at the time these buildings are renovated or destroyed. The District has no current plans regarding these buildings and the cost of abatement cannot be reasonably determined at this time.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2013 and 2012

23. COMMITMENTS AND CONTINGENT LIABILITIES - Continued

During the 2011 legislative session, there was a shortfall in the appropriated retirement funds from the Texas Legislature. For the year ending August 31, 2012 the District calculated a potential appropriation shortfall in the amount of \$341,327. During the 2013 legislative session the Texas Legislature SB1, General Appropriations Act Article III-200 Section 22 made appropriations for each fiscal year of the 2014-2015 biennium contingent upon making payment to the Teacher Retirement System of any prior appropriated shortfall. Therefore, during fiscal year 2013 the District made a payment in the amount of \$249,261 to the Teacher Retirement System for the retirement appropriation shortfall for fiscal year 2012.

24. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 3, 2013, the date on which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY13 Total	FY12 Total
TUITION						
State funded courses						
In-district resident tuition	\$ 886,674	\$ -	\$ 886,674	\$ -	\$ 886,674	\$ 958,195
Out-of-district resident tuition	2,859,161	-	2,859,161	-	2,859,161	2,712,802
TPEG (set aside)*	206,879	-	206,879	-	206,879	201,756
Non-resident tuition	391,970	-	391,970	-	391,970	366,719
State funded continuing education	1,114,015	-	1,114,015	-	1,114,015	1,132,607
Non-state funded continuing education	18,756	-	18,756	-	18,756	23,286
Total tuition	<u>5,477,455</u>	<u>-</u>	<u>5,477,455</u>	<u>-</u>	<u>5,477,455</u>	<u>5,395,365</u>
FEES						
General education fees	2,903,290	-	2,903,290	483,881	3,387,171	3,280,178
Out-of-district fees	5,920,492	-	5,920,492	-	5,920,492	5,562,851
Laboratory fees	878,801	-	878,801	-	878,801	900,937
Testing fees	172,001	-	172,001	-	172,001	164,825
Administrative fees	22,460	-	22,460	-	22,460	26,746
Special services fees	313,824	-	313,824	-	313,824	318,525
Orientation fees	73,707	-	73,707	-	73,707	71,585
Distance learning fees	177,566	-	177,566	-	177,566	179,386
Total fees	<u>10,462,141</u>	<u>-</u>	<u>10,462,141</u>	<u>483,881</u>	<u>10,946,022</u>	<u>10,505,033</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Remissions and exemptions - state	(355,526)	-	(355,526)	(10,996)	(366,522)	(172,934)
Remissions and exemptions - local	(14,615)	-	(14,615)	(452)	(15,067)	(13,584)
Federal grants to students	(6,271,845)	-	(6,271,845)	(193,975)	(6,465,820)	(6,365,597)
TPEG awards	(283,167)	-	(283,167)	(8,758)	(291,925)	(216,171)
Texas grants	(143,999)	-	(143,999)	(4,454)	(148,453)	(159,069)
Miscellaneous state grants	(35,861)	-	(35,861)	(1,108)	(36,969)	(48,751)
Local scholarships	(301,085)	-	(301,085)	(9,312)	(310,397)	(380,847)
Total scholarship and allowances	<u>(7,406,098)</u>	<u>-</u>	<u>(7,406,098)</u>	<u>(229,055)</u>	<u>(7,635,153)</u>	<u>(7,356,953)</u>
Total net tuition and fees	<u>\$ 8,533,498</u>	<u>\$ -</u>	<u>\$ 8,533,498</u>	<u>\$ 254,826</u>	<u>\$ 8,788,324</u>	<u>\$ 8,543,445</u>

*In accordance with Education Code 56.033, \$206,879 and \$201,756 for years August 31, FY13 and FY12, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)
CONTINUED

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY13 Total	FY12 Total
OTHER OPERATING REVENUES						
Federal grants and contracts	\$ 37,355	\$ 1,827,927	\$ 1,865,282	\$ -	\$ 1,865,282	\$ 1,775,801
State grants and contracts	-	688,765	688,765	-	688,765	939,569
Nongovernmental grants and contracts	110,163	117,993	228,156	-	228,156	377,775
Sales and services of educational activities	124,057	-	124,057	-	124,057	132,591
Other operating revenues	95,973	-	95,973	-	95,973	193,379
Total other operating revenues	367,548	2,634,685	3,002,233	-	3,002,233	3,419,115
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	3,909,616	3,909,616	3,874,987
Scholarship allowances and discounts	-	-	-	(1,722,428)	(1,722,428)	(1,877,581)
Net bookstore	-	-	-	2,187,188	2,187,188	1,997,406
Dormitories	-	-	-	1,002,668	1,002,668	1,007,608
Scholarship allowances and discounts	-	-	-	(441,218)	(441,218)	(396,451)
Net dormitories	-	-	-	561,450	561,450	611,157
Cafeteria	-	-	-	1,301,699	1,301,699	1,430,018
Scholarship allowances and discounts	-	-	-	(205,344)	(205,344)	(288,068)
Net cafeteria	-	-	-	1,096,355	1,096,355	1,141,950
Athletics	-	-	-	40,279	40,279	21,859
East Texas Oil Museum	-	-	-	203,999	203,999	217,765
Texas Shakespeare Festival	-	-	-	195,405	195,405	214,259
Child Development Center	-	-	-	120,584	120,584	115,990
Fitness Center	-	-	-	188,539	188,539	178,563
Student activities	-	-	-	32,054	32,054	34,408
Total net auxiliary enterprises	-	-	-	4,625,853	4,625,853	4,533,357
Total operating revenues	\$ 8,901,046	\$ 2,634,685	\$ 11,535,731	\$ 4,880,679	\$ 16,416,410	\$ 16,495,917
				(Exhibit 2)	(Exhibit 2)	

SCHEDULE B

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)

	Operating Expenses					FY12 Total
	Salaries and Wages	Benefits		Other Expenses	FY13 Total	
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 12,122,858	\$ -	\$ 403,454	\$ 1,495,776	\$ 14,022,088	\$ 13,828,733
Public service	141,263	-	3,544	118,247	263,054	216,546
Academic support	2,153,582	-	73,302	346,516	2,573,400	2,732,696
Student services	1,255,378	-	34,375	422,381	1,712,134	1,567,061
Institutional support	2,320,081	-	2,730,107	1,688,092	6,738,280	5,857,188
Operation and maintenance of plant	488,484	-	121,380	2,649,988	3,259,852	3,178,731
Scholarship and fellowships	-	-	-	417,028	417,028	386,628
Total unrestricted educational activities	18,481,646	-	3,366,162	7,138,028	28,985,836	27,767,583
Restricted - Educational Activities						
Instruction	487,537	1,376,504	72,901	284,433	2,221,375	2,171,930
Public service	364,472	16,040	72,553	205,764	658,829	732,339
Academic support	3,451	244,531	-	87,054	335,036	286,189
Student services	331,055	142,543	59,415	324,120	857,133	765,106
Institutional support	-	263,436	-	45,525	308,961	269,816
Operation and maintenance of plant	3,350	-	-	-	3,350	595
Scholarships and fellowships	-	-	-	4,115,104	4,115,104	375,920
Total restricted educational activities	1,189,865	2,043,054	204,869	5,062,000	8,499,788	4,601,895
Total educational activities	19,671,511	2,043,054	3,571,031	12,200,028	37,485,624	32,369,478
Auxiliary enterprises	1,193,040	-	179,036	5,985,383	7,357,459	7,633,764
Depreciation expense:						
Buildings and other real estate improvements	-	-	-	1,268,743	1,268,743	1,074,568
Equipment and furniture	-	-	-	193,703	193,703	370,344
Total operating expenses	\$20,864,551	\$ 2,043,054	\$ 3,750,067	\$19,647,857	\$ 46,305,529 (Exhibit 2)	\$ 41,448,154 (Exhibit 2)

See accompanying notes to financial statements.

SCHEDULE C

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>FY13 Total</u>	<u>FY12 Total</u>
NON-OPERATING REVENUES					
State Appropriations:					
Education and general state support	\$ 10,659,235	\$ -	\$ -	\$ 10,659,235	\$ 11,295,802
State group insurance	-	1,338,136	-	1,338,136	1,269,356
State retirement matching	-	704,917	-	704,917	674,922
State nursing grants	-	106,822	-	106,822	79,330
Total state appropriations	<u>10,659,235</u>	<u>2,149,875</u>	<u>-</u>	<u>12,809,110</u>	<u>13,319,410</u>
Maintenance ad valorem taxes	6,223,116	-	-	6,223,116	6,006,097
Federal revenue, non-operating	-	12,028,588	-	12,028,588	8,666,917
Gifts	4,400	650,561	262,980	917,941	904,725
Investment income	330,145	-	3,535	333,680	296,055
Endowment income	-	549,941	-	549,941	265,977
Other non-operating revenue	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>250</u>
Total non-operating revenues	17,219,896	15,378,965	266,515	32,865,376	29,459,431
NON-OPERATING EXPENSES					
Interest on capital related debt	80,526	-	-	80,526	93,452
Disposal of fixed assets	30,483	-	-	30,483	-
Other non-operating expenses	<u>19,924</u>	<u>-</u>	<u>-</u>	<u>19,924</u>	<u>196,661</u>
Total non-operating expenses	<u>130,933</u>	<u>-</u>	<u>-</u>	<u>130,933</u>	<u>290,113</u>
Net non-operating revenues	<u>\$ 17,088,963</u>	<u>\$ 15,378,965</u>	<u>\$ 266,515</u>	<u>\$ 32,734,443</u>	<u>\$ 29,169,318</u>
				(Exhibit 2)	(Exhibit 2)

SCHEDULE D

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 For the Year Ended August 31, 2013

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 11,342,000	\$ -	\$ -	\$ -	\$ 11,342,000	\$ 11,342,000	\$ -
Restricted	-	939,997	-	-	939,997	939,997	-
Auxiliary enterprises	1,608,474	-	-	-	1,608,474	1,608,474	-
Endowment	-	-	8,476,586	-	8,476,586	-	8,476,586
Plant:							
Unexpended	9,391,572	-	-	-	9,391,572	-	9,391,572
Debt Service	-	429,068	-	-	429,068	-	429,068
Investment in plant	-	-	-	42,221,921	42,221,921	-	42,221,921
Total net position, August 31, 2013	22,342,046	1,369,065	8,476,586	42,221,921	74,409,618 (Exhibit 1)	13,890,471	60,519,147
Total net position, August 31, 2012	19,128,768	3,008,174	6,429,072	42,998,280	71,564,294 (Exhibit 1)	13,194,383	58,369,911
Net increase (decrease) in net position	\$ 3,213,278	\$ (1,639,109)	\$ 2,047,514	\$ (776,359)	\$ 2,845,324 (Exhibit 2)	\$ 696,088	\$ 2,149,236

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster:			
SEOG Grant	84.007		\$ 78,557
Federal College Workstudy Program	84.033		133,829
Pell Grant Program	84.063		11,833,362
Direct Student Loans	84.268		13,431,938
Total Student Financial Assistance Cluster *			<u>25,477,686</u>
TRIO Cluster:			
TRIO - Student Support Services	84.042		229,746
TRIO - Upward Bound	84.047		217,956
Total TRIO Cluster			<u>447,702</u>
Passed-Through From:			
Texas Education Agency Adult Education	84.002	134100017110444	423,228
Texas Higher Education Coordinating Board Carl Perkins Vocational Education	84.048	134237	437,926
Texas Higher Education Agency/Harris County Department of Education Adult Education/Workforce Investment Act Incentive Project	17.267		10,141
Total U.S. Department of Education			<u>26,796,683</u>
<u>U.S. Small Business Administration</u>			
Passed Through Dallas County Community College			
SBDC - Federal	59.037	3-603001-Z-0046C	179,834
SBDC - Small Business Jobs Act	59.037	1-603001-Z-0152	4,179
Total - U.S. Small Business Administration			<u>184,013</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Texas Education Agency			
TANF Cluster			
Adult Education - TANF	93.558	133625017110418	25,574
Total - U.S. Department of Health and Human Services			<u>25,574</u>
Total Federal Financial Assistance			<u>\$ 27,006,270</u>
* Denotes major program			
<u>Note 1: Federal Assistance Reconciliation</u>			
Federal Grants and Contracts Revenue - per Schedule A			\$ 1,865,282
Add: Non Operating Federal Revenue - per Schedule C			12,028,588
Total Federal Revenues per Statement of Revenues, Expenses and Changes in Net Assets			<u>13,893,870</u>
Reconciling Item:			
Add: Direct Student Loans			13,431,938
Less: Programs Not Subject to Federal Single Audit			(319,538)
Total Federal Revenues per Schedule of Expenditures of Federal Awards			<u>\$ 27,006,270</u>

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013**

Note 2: Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The format for the accompanying schedule has been prescribed by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Such format includes revenue recognized in Kilgore Junior College District's (District) basic financial statements. See Note 2 to the financial statements for the District's significant accounting policies.

Note 3: Significant accounting policies used in preparing schedules

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all applicable federal financial assistance programs of Kilgore Junior College District. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule. The expenditures included in the Schedule are reported on the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District for the purpose 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 District has followed all applicable guidelines by various entities in the preparation of the schedule.

Note 4: Expenditures not subject to federal single audit

The following federal funds were not subject to federal single audit -

CFDA 64.027 Post 9/11 Veterans Educational Assistance	\$ 319,538
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These funds were not subject to a federal single audit as indicated in the Catalog of Federal Domestic Assistance distributed by the Office of Management and Budget.

SCHEDULE F

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2013**

Pass-Through Grantor/Program Title	Grant Contract Number	Pass-Through Disbursements and Expenditures
Texas Education Agency Adult Basic Education	130100017110444	\$ 97,359
Dallas County Community College District Small Business Development Center	3-603001-Z-0046C	71,974
Texas Higher Education Coordinating Board		
Texas Grant *		277,644
EHS Graduate		744
Professional Nursing Shortage Reduction Over 70 Program		106,822
Texas Educational Opportunity Grant *		100,493
Texas Top Ten Percent		15,311
Intensive Summer Program for General Education		43,403
JET Welding Grant	6095-5112-2	81,837
Total State Financial Assistance		\$ 795,587

* Denotes major program

Note 1: State Assistance Reconciliation

State Grants and Contracts - per Schedule A	\$ 688,765
Add: State Nursing Grant - per Schedule C	106,822
Total State Revenues per Statement of Revenues, Expenses and Changes in Net Assets	\$ 795,587

Note 2: Basis of Accounting

The accompanying Schedule of Expenditures of State Awards is presented using the accrual basis of accounting. The format for the accompanying schedule has been prescribed by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Such format includes revenue recognized in the Organization's basic financial statements. See Note 2 to the financial statements for the Kilgore Junior College District's significant accounting policies. State awards are subject to the Office of the Governor's State of Texas Single Audit Circular. Such guidelines are consistent with those required under the single audit act of 1996, OMB Circular A-133 and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Note 3: Significant accounting policies used in preparing schedules

The accompanying Schedule of Expenditures of State Awards presents the activity of all applicable state financial assistance programs of Kilgore Junior College District. State financial assistance received directly from state agencies as well as state financial assistance passed through other government agencies is included on the schedule. The expenditures included in the Schedule are reported on the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District for the purpose 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 District has followed all applicable guidelines by various entities in the preparation of the schedule.

HENRY & PETERS, PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Kilgore Junior College District
Kilgore, Texas

Independent Auditors' Report

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

Members of the Board:

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 basic financial statements of the Kilgore Junior College District which comprise the statements of net position as of August 31, 2013 and 2012, and the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kilgore Junior College District'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 *Government Auditing Standards*.

Purpose of this Report

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

Henry + Peters, P.C.

Tyler, Texas
December 3, 2013

HENRY & PETERS, PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Kilgore Junior College District
Kilgore, Texas

Independent Auditors' Report

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Members of the Board:

Report on Compliance for Each Major Federal Program

We have audited Kilgore Junior College District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Kilgore Junior College District's major federal programs for the year ended August 31, 2013. Kilgore Junior College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Kilgore Junior College District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2013.

Report on Internal Control Over Compliance

Management of Kilgore Junior College District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Kilgore Junior College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Kilgore 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Henry + Peters, P.C.

Tyler, Texas
December 3, 2013

**KILGORE JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2013**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs? Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A - 133? _____ Yes X No

Identification of major programs:
CFDA Number(s) Name of Federal Program / Cluster
Various Student Financial Assistance Cluster

Dollar threshold used to distinguish between type A and type B \$ 300,000

Auditee qualified as low - risk auditee? _____ Yes X No

State Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs? Unqualified

KILGORE JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF FEDERAL AND STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2013

FEDERAL PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:

None

STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:

None

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STATISTICAL SUPPLEMENT (UNAUDITED)

Kilgore Junior College District
Statistical Supplement 1
Net Position by Component
Fiscal Years 2004 to 2013
(unaudited)
(amounts expressed in thousands)

		For the Year Ended August 31,									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Invested in capital assets, net of related debt	\$	42,222	\$ 42,998	\$ 43,140	\$ 38,218	\$ 37,714	\$ 33,062	\$ 32,585	\$ 32,913	\$ 27,376	\$ 24,074
Restricted - expendable		1,369	3,008	2,496	1,414	616	2,145	1,693	1,435	1,776	1,077
Restricted - nonexpendable		8,477	6,429	6,516	7,152	6,930	5,520	5,641	5,310	5,677	5,413
Unrestricted		22,342	19,129	15,195	16,088	14,149	14,467	10,002	6,425	6,433	9,211
Total primary government net position	\$	74,410	\$ 71,564	\$ 67,347	\$ 62,872	\$ 59,409	\$ 55,194	\$ 49,921	\$ 46,083	\$ 41,262	\$ 39,775

Kilgore Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2004 to 2013
(unaudited)

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and fees (net of discounts)	\$ 8,533	\$ 8,259	\$ 7,802	\$ 8,122	\$ 7,337	\$ 6,947	\$ 6,215	\$ 5,341	\$ 4,983	\$ 4,447
Federal grants and contracts	1,865	1,776	1,752	2,024	1,525	1,466	6,910	7,090	7,319	7,433
State grants and contracts	689	940	995	1,247	1,285	1,908	743	575	543	485
Non-governmental grants and contracts	228	378	407	426	709	478	444	471	445	412
Sales and services of educational activities	124	133	109	163	116	124	125	122	143	118
Auxiliary enterprises (net of discounts)	4,881	4,817	4,371	5,118	4,916	4,687	3,868	3,519	3,391	3,135
Other operating revenues	96	193	114	129	112	179	69	54	104	117
Total operating revenues	16,416	16,496	15,550	17,229	16,000	15,789	18,374	17,172	16,928	16,147
State appropriations	12,809	13,319	15,031	15,101	13,280	13,467	12,958	12,851	12,450	12,473
Maintenance ad-valorem taxes	6,223	6,006	5,900	5,937	6,175	5,012	4,968	4,421	3,944	3,833
Federal revenue, non-operating	12,029	8,667	14,902	12,978	8,039	6,384	-	-	-	-
Gifts	918	905	790	718	1,238	831	955	4,259	769	1,158
Investment income	334	296	285	214	374	496	612	664	321	121
Endowment income	550	266	130	130	180	282	315	236	121	133
Insurance proceeds	-	-	-	138	1,023	804	-	-	-	-
Gain on sale of radio station	-	-	-	-	-	-	1,899	-	-	-
Other non-operating revenues	3	-	3	7	6	48	3	7	12	34
Total non-operating revenues	32,866	29,459	37,041	35,223	30,315	27,324	21,710	22,438	17,617	17,752
Total revenues	\$ 49,282	\$ 45,955	\$ 52,591	\$ 52,452	\$ 46,315	\$ 43,113	\$ 40,084	\$ 39,610	\$ 34,545	\$ 33,899

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and fees (net of discounts)	17.31%	17.97%	14.84%	15.48%	15.84%	16.11%	15.50%	13.48%	14.42%	13.12%
Federal grants and contracts	3.78%	3.86%	3.33%	3.86%	3.29%	3.40%	17.24%	17.90%	21.19%	21.93%
State grants and contracts	1.40%	2.05%	1.89%	2.38%	2.77%	4.43%	1.85%	1.45%	1.57%	1.43%
Non-governmental grants and contracts	0.46%	0.82%	0.77%	0.81%	1.53%	1.11%	1.11%	1.19%	1.29%	1.22%
Sales and services of educational activities	0.25%	0.29%	0.21%	0.31%	0.25%	0.29%	0.31%	0.31%	0.41%	0.35%
Auxiliary enterprises (net of discounts)	9.90%	10.48%	8.31%	9.76%	10.61%	10.87%	9.65%	8.88%	9.82%	9.25%
Other operating revenues	0.19%	0.42%	0.22%	0.25%	0.24%	0.42%	0.17%	0.14%	0.30%	0.35%
Total operating revenues	33.31%	35.90%	29.57%	32.85%	34.55%	36.63%	45.84%	43.35%	49.00%	47.63%
State appropriations	25.99%	28.98%	28.58%	28.79%	28.67%	31.24%	32.33%	32.44%	36.04%	36.79%
Maintenance ad-valorem taxes	12.63%	13.07%	11.22%	11.32%	13.33%	11.63%	12.39%	11.16%	11.42%	11.31%
Federal revenue, non-operating	24.41%	18.86%	28.34%	24.74%	17.36%	14.81%	0.00%	0.00%	0.00%	0.00%
Gifts	1.86%	1.97%	1.50%	1.37%	2.67%	1.93%	2.38%	10.75%	2.23%	3.42%
Investment income	0.68%	0.64%	0.54%	0.41%	0.81%	1.15%	1.53%	1.68%	0.93%	0.36%
Endowment income	1.12%	0.58%	0.25%	0.25%	0.39%	0.65%	0.79%	0.60%	0.35%	0.39%
Insurance proceeds	0.00%	0.00%	0.00%	0.26%	2.21%	1.86%	0.00%	0.00%	0.00%	0.00%
Gain on sale of radio station	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.74%	0.00%	0.00%	0.00%
Other non-operating revenues	0.01%	0.00%	0.01%	0.01%	0.01%	0.10%	0.01%	0.02%	0.03%	0.10%
Total non-operating revenues	66.69%	64.10%	70.43%	67.15%	65.45%	63.37%	54.16%	56.65%	51.00%	52.37%
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Kilgore Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2004 to 2013
(unaudited)

For the Year Ended August 31,										
(amounts expressed in thousands)										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	\$ 16,243	\$ 16,001	\$ 17,160	\$ 17,298	\$ 15,501	\$ 14,298	\$ 13,599	\$ 12,554	\$ 11,855	\$ 10,891
Public service	922	949	1,042	973	955	769	614	828	773	756
Academic support	2,909	3,019	3,272	3,322	2,956	2,658	2,753	2,755	2,608	2,364
Student services	2,569	2,332	2,352	2,326	2,223	2,296	2,213	2,200	2,099	1,917
Institutional support	7,047	6,127	5,186	5,228	5,044	4,205	4,177	3,805	3,945	3,500
Operation and maintenance of plant	3,263	3,179	3,345	3,407	3,494	3,199	3,197	3,285	2,858	2,692
Scholarships and fellowships	4,532	762	6,571	6,661	3,792	2,781	2,284	2,585	2,728	2,846
Auxiliary enterprises	7,358	7,634	7,462	7,714	6,543	5,853	5,711	5,090	4,887	4,424
Depreciation	1,463	1,445	1,387	1,369	1,302	1,236	1,210	1,134	940	946
Total operating expenses	46,306	41,448	47,777	48,298	41,810	37,295	35,758	34,236	32,693	30,336
Interest on capital related debt	81	93	106	120	139	189	301	268	236	237
Loss on disposal of fixed assets	30	-	3	29	6	28	20	10	121	28
Other non-operating expenses	20	197	230	543	144	328	167	274	9	133
Total non-operating expenses	131	290	339	692	289	545	488	552	366	398
Total expenses	\$ 46,437	\$ 41,738	\$ 48,116	\$ 48,990	\$ 42,099	\$ 37,840	\$ 36,246	\$ 34,788	\$ 33,059	\$ 30,734

For the Year Ended August 31,										
(amounts expressed in thousands)										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	34.98%	38.34%	35.66%	35.31%	36.82%	37.79%	37.52%	36.09%	35.86%	35.44%
Public service	1.99%	2.27%	2.17%	1.99%	2.27%	2.03%	1.69%	2.38%	2.34%	2.46%
Academic support	6.26%	7.23%	6.80%	6.78%	7.02%	7.02%	7.60%	7.92%	7.89%	7.69%
Student services	5.53%	5.59%	4.89%	4.75%	5.28%	6.07%	6.11%	6.32%	6.35%	6.24%
Institutional support	15.18%	14.68%	10.78%	10.67%	11.98%	11.11%	11.52%	10.94%	11.93%	11.39%
Operation and maintenance of plant	7.03%	7.62%	6.95%	6.95%	8.30%	8.45%	8.82%	9.44%	8.65%	8.76%
Scholarships and fellowships	9.76%	1.83%	13.66%	13.60%	9.01%	7.35%	6.30%	7.43%	8.25%	9.26%
Auxiliary enterprises	15.85%	18.29%	15.51%	15.75%	15.54%	15.47%	15.76%	14.63%	14.78%	14.39%
Depreciation	3.15%	3.46%	2.88%	2.79%	3.09%	3.27%	3.34%	3.26%	2.84%	3.08%
Total operating expenses	99.72%	99.31%	99.30%	98.59%	99.31%	98.56%	98.65%	98.41%	98.89%	98.71%
Interest on capital related debt	0.17%	0.22%	0.22%	0.24%	0.33%	0.50%	0.83%	0.77%	0.71%	0.77%
Loss on disposal of fixed assets	0.06%	0.00%	0.01%	0.06%	0.01%	0.07%	0.06%	0.03%	0.37%	0.09%
Other non-operating expenses	0.04%	0.47%	0.48%	1.11%	0.34%	0.87%	0.46%	0.79%	0.03%	0.43%
Total non-operating expenses	0.28%	0.69%	0.70%	1.41%	0.69%	1.44%	1.35%	1.59%	1.11%	1.29%
Total expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Kilgore 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-Dist Tuition	Out-of-Dist Fee	Gen Education 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		
2012-13	\$ 29	\$ 29	\$ 67	\$ 28	\$ 684	\$ 1,488	7.55%	8.77%		
2011-12	27	27	61	26	636	1,368	8.16%	9.62%		
2010-11	25	25	55	24	588	1,248	8.89%	8.33%		
2009-10	23	23	51	22	540	1,152	2.27%	3.23%		
2008-09	22	22	49	22	528	1,116	2.33%	3.33%		
2007-08	21	21	47	22	516	1,080	2.38%	3.45%		
2006-07	20	20	45	22	504	1,044	20.00%	19.18%		
2005-06	18	18	38	17	420	876	2.94%	4.29%		
2004-05	17	17	36	17	408	840	3.03%	6.06%		
2003-04	16	16	33	17	396	792	6.45%	17.86%		

Non - Resident						
Fees per Semester Credit Hour (SCH)						
Academic Year (Fall)	Non-Resident Tuition Out of State	Out-of-District Fee	Gen Education Fee	Cost for 12 SCH Out of State	Increase from Prior Year Out of State	
2012-13	\$ 77	\$ 67	\$ 28	\$ 2,064	8.86%	
2011-12	71	61	26	1,896	9.72%	
2010-11	65	55	24	1,728	9.09%	
2009-10	59	51	22	1,584	3.94%	
2008-09	56	49	22	1,524	4.10%	
2007-08	53	47	22	1,464	4.27%	
2006-07	50	45	22	1,404	15.84%	
2005-06	46	38	17	1,212	5.21%	
2004-05	43	36	17	1,152	6.67%	
2003-04	40	33	17	1,080	25.00%	

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

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

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total Direct Rate (a)
2012-13	\$ 4,241,361	\$ 255,679	\$ 3,985,682	93.97%	0.15400	-	0.15400
2011-12	4,062,637	255,719	3,806,918	93.71%	0.15400	-	0.15400
2010-11	4,046,853	247,797	3,799,056	93.88%	0.15400	-	0.15400
2009-10	4,074,768	248,904	3,825,864	93.89%	0.15400	-	0.15400
2008-09	4,064,079	297,288	3,766,791	92.68%	0.15400	-	0.15400
2007-08	3,377,204	165,814	3,211,390	95.09%	0.01640	-	0.01640
2006-07	3,071,017	131,882	2,939,135	95.71%	0.01640	-	0.01640
2005-06	2,635,907	130,507	2,505,400	95.05%	0.17400	-	0.17400
2004-05	2,344,797	131,677	2,213,120	94.38%	0.17890	-	0.17890
2003-04	2,327,071	327,789	1,999,282	85.91%	0.17890	-	0.17890

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Kilgore Junior College District
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2012-13	\$ 10,659,235	4,637	2,299	1,812	1,003	2,815	3.79
2011-12	11,295,802	4,637	2,436	1,963	992	2,955	3.82
2010-11	11,645,557	4,770	2,441	2,101	1,026	3,127	3.72
2009-10	11,831,682	4,969	2,381	2,049	1,019	3,068	3.86
2008-09	10,274,995	4,115	2,497	1,750	904	2,654	3.87
2007-08	10,480,707	4,121	2,543	1,688	846	2,533	4.14
2006-07	10,170,125	3,558	2,858	1,564	741	2,305	4.41
2005-06	10,170,125	3,675	2,767	1,656	741	2,397	4.24
2004-05	10,156,900	3,718	2,732	1,688	718	2,406	4.22
2003-04	10,157,067	3,779	2,688	1,714	1,114	2,828	3.59

Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

- (a) Source CBM001
- (b) Source CBM00A

Kilgore Junior College District
 Statistical Supplement 7
 Principal Taxpayers
 Tax Years 2005 - 2012
 (unaudited)

		Taxable Assessed Value (TAV) by Tax Year								
Taxpayer	Type of Business	2012	2011	2010	2009	2008	2007	2006	2005	
Halliburton Energy Services	Oilfield service	\$ 96,810,390	\$ 146,259,090	\$ 118,009,705	\$ 107,198,701	\$ 104,912,980	\$ 75,420,732	\$ 78,818,860	\$ 51,141,240	
B J Services Inc	Oilfield service	31,211,641	46,707,143	41,938,960	45,704,545	69,693,340	36,753,659	44,591,980	25,593,710	
Alcoa-Southern Plastics	Manufacturing	38,196,104	36,126,623	34,235,061	26,620,129	28,659,380	-	-	-	
Cudd Pressure Control	Oilfield service	75,131,818	35,524,026	40,161,695	27,116,838	42,577,660	-	-	-	
Danmark Energy Services Co	Oilfield service	44,866,883	26,184,415	24,772,730	20,370,779	34,596,730	61,953,659	26,188,370	11,016,190	
EES Leasing	Oilfield service	18,265,584	24,224,675	-	-	-	-	-	-	
AEP Southwestern Elec Co	Power company	20,776,623	19,681,168	20,045,454	18,975,974	-	18,240,377	21,102,190	6,090,420	
Basa Resources, Inc.	Oilfield production	29,109,741	16,390,909	-	-	-	59,646,341	-	-	
Quantum Resources	Oilfield production	13,773,377	15,829,870	26,798,701	-	-	-	-	-	
Exco Partners	Oilfield production	16,675,974	15,446,753	27,021,433	71,055,194	46,329,630	-	-	-	
XTO Energy Inc	Oilfield production	-	-	-	22,747,402	33,728,660	54,021,951	31,944,110	38,947,970	
Exxonmobile Corporation	Oilfield production	-	-	-	17,175,971	25,099,740	69,169,512	43,615,100	60,642,160	
Geo-Vest of Texas	Oilfield production	-	-	-	-	36,401,200	36,837,805	34,485,420	-	
Burlington Resources	Oilfield production	-	-	-	-	24,029,190	39,907,317	24,925,700	26,720,850	
TXOK Energy Resources Co.	Oilfield production	-	-	-	-	-	54,876,829	54,991,430	76,292,590	
Anadarko E&P Co	Oilfield production	-	-	-	-	-	24,747,562	19,443,700	29,529,900	
Hunt Petroleum Corp	Oilfield production	-	-	-	-	-	-	14,322,440	20,811,940	
Samson Lone Star	Oilfield service	-	-	17,017,531	-	-	-	-	-	
SND Operating	Oilfield service	24,751,299	-	14,818,202	-	-	-	-	-	
Totals		\$ 409,569,434	\$ 382,374,672	\$ 364,819,472	\$ 356,965,533	\$ 446,028,510	\$ 531,575,744	\$ 394,429,300	\$ 346,786,970	
Total Taxable Assessed Value		\$ 3,985,682,034	\$ 3,806,918,168	\$ 3,825,864,360	\$ 3,766,791,404	\$ 3,766,791,404	\$ 2,939,134,922	\$ 2,505,399,574	\$ 2,213,119,992	

		% of Taxable Assessed Value (TAV) by Tax Year								
Taxpayer	Type of Business	2012	2011	2010	2009	2008	2007	2006	2005	
Halliburton Energy Services	Oilfield service	2.43%	3.84%	3.08%	2.85%	2.79%	2.57%	3.15%	2.31%	
B J Services Inc	Oilfield service	0.78%	1.23%	1.10%	1.21%	1.85%	1.25%	1.78%	1.16%	
Alcoa-Southern Plastic	Manufacturing	0.96%	0.95%	0.89%	0.71%	0.76%	0.00%	0.00%	0.00%	
Cudd Pressure Control	Oilfield service	1.89%	0.93%	1.05%	0.72%	1.13%	0.00%	0.00%	0.00%	
Danmark Energy Services Co	Oilfield service	1.13%	0.69%	0.65%	0.54%	0.92%	2.11%	1.05%	0.50%	
EES Legacy	Oilfield service	0.46%	0.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
AEP Southwestern Elec Co	Power Company	0.52%	0.52%	0.52%	0.50%	0.00%	0.62%	0.84%	0.28%	
Basa Resource, Inc.	Oilfield production	0.73%	0.43%	0.00%	0.00%	0.00%	2.03%	0.00%	0.00%	
Quantum Resources	Oilfield production	0.35%	0.42%	0.70%	0.00%	0.00%	0.00%	0.00%	0.00%	
Exco Partners	Oilfield production	0.42%	0.41%	0.71%	1.89%	1.23%	0.00%	0.00%	0.00%	
XTO Energy Inc	Oilfield production	0.00%	0.00%	0.00%	0.60%	0.90%	1.84%	1.28%	1.76%	
Exxonmobile Corporation	Oilfield production	0.00%	0.00%	0.00%	0.46%	0.67%	2.35%	1.74%	2.74%	
Geo-Vest of Texas	Oilfield production	0.00%	0.00%	0.00%	0.00%	0.97%	1.25%	1.38%	0.00%	
Burlington Resources	Oilfield production	0.00%	0.00%	0.00%	0.00%	0.64%	1.36%	0.99%	1.21%	
TXOK Energy Resources Co.	Oilfield production	0.00%	0.00%	0.00%	0.00%	0.00%	1.87%	2.19%	3.45%	
Anadarko E&P Co	Oilfield production	0.00%	0.00%	0.00%	0.00%	0.00%	0.84%	0.78%	1.33%	
Hunt Petroleum Corp	Oilfield production	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%	0.94%	
Samson Lone Star	Oilfield service	0.00%	0.00%	0.44%	0.00%	0.00%	0.00%	0.00%	0.00%	
SND Operating	Oilfield service	0.62%	0.00%	0.39%	0.00%	0.00%	0.00%	0.00%	0.00%	
Totals		10.28%	10.04%	9.54%	9.48%	11.84%	18.09%	15.74%	15.67%	

Source: Local County Appraisal District and Local Tax Office
 This institution previously did not present this schedule and chose to implement prospectively.

Kilgore 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	Collected within the Fiscal Year of the Levy				Total Collections to Date			
	Total Tax Levy (a)	Amount	Percentage of Levy	Collections in Subsequent Years (b)	Amount	Percentage of Levy		
2013	\$ 6,137	\$ 5,906	96.24%	\$ 147	\$ 6,053	98.63%		
2012	5,862	5,705	97.32%	151	5,856	99.90%		
2011	5,850	5,672	96.96%	155	5,827	99.61%		
2010	5,891	5,606	95.16%	151	5,757	97.73%		
2009	5,801	5,584	96.26%	185	5,769	99.45%		
2008	5,267	4,988	94.70%	126	5,114	97.10%		
2007	4,820	4,671	96.91%	134	4,805	99.69%		
2006	4,362	4,222	96.80%	154	4,376	100.33%		
2005	3,959	3,794	95.82%	143	3,937	99.44%		
2004	3,577	3,401	95.08%	168	3,569	99.78%		

Source: Local Tax Assessor/Collector's and District records.

(a) As reported in notes to the financial statements for the year of the levy.

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

**Kilgore 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)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Bonded Debt										
Net General Bonded Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Debt										
Revenue Bonds	\$ 1,930	\$ 2,275	\$ 2,605	\$ 2,925	\$ 3,230	\$ 3,530	\$ 3,815	\$ 4,010	\$ 4,255	\$ 4,485
Notes	-	-	-	80	540	1,020	1,500	975	1,273	168
Capital Lease Obligations	53	76	-	-	-	-	-	-	-	-
Less: Funds Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 1,983	\$ 2,351	\$ 2,605	\$ 3,005	\$ 3,770	\$ 4,550	\$ 5,315	\$ 4,985	\$ 5,528	\$ 4,653
Per Capita	\$ 5.68	\$ 2.14	\$ 2.37	\$ 2.73	\$ 3.43	\$ 4.14	\$ 4.83	\$ 3.56	\$ 3.93	\$ 3.31
Per Student	\$ 43	\$ 51	\$ 55	\$ 60	\$ 92	\$ 110	\$ 129	\$ 214	\$ 237	\$ 199
As a percentage of Taxable Assessed Value	0.06%	0.07%	0.09%	0.10%	0.13%	0.16%	0.19%	0.17%	0.19%	0.16%

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

**Kilgore 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)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Taxable Assessed Value	\$ 3,985,682	\$ 3,806,918	\$ 3,799,056	\$ 3,825,864	\$ 3,766,791	\$ 3,211,390	\$ 2,939,135	\$ 2,505,400	\$ 2,213,120	\$ 1,999,282
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 19,928	\$ 19,035	\$ 18,995	\$ 19,129	\$ 18,834	\$ 16,057	\$ 14,696	\$ 12,527	\$ 11,066	\$ 9,996
Less: Funds Restricted for Repayment of General Obligation Notes	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	19,928	19,035	18,995	19,129	18,834	16,057	14,696	12,527	11,066	9,996
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 19,928	\$ 19,035	\$ 18,995	\$ 19,129	\$ 18,834	\$ 16,057	\$ 14,696	\$ 12,527	\$ 11,066	\$ 9,996
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Kilgore 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)			
	Tuition	General Education Fee	Student Services Fees	Out-of- District Fees	Other	Total	Principal	Interest	Total	Coverage Ratio
2013	\$ 1,369,364	\$ 3,387,171	\$ 878,801	\$ 5,920,492	\$ 759,557	\$ 12,315,385	\$345,000	\$ 80,526	\$ 425,526	28.94
2012	1,348,841	3,280,178	900,937	5,562,851	761,067	11,853,874	330,000	93,452	423,452	27.99
2011	1,310,117	3,303,165	598,898	5,420,044	757,680	11,389,904	320,000	105,900	425,900	26.74
2010	1,226,420	2,412,835	529,647	4,989,075	1,416,828	10,574,805	305,000	117,868	422,868	25.01
2009	1,005,649	2,098,495	490,645	4,153,019	902,508	8,650,316	300,000	129,454	429,454	20.14
2008	908,308	2,123,981	466,240	3,952,678	785,719	8,236,926	285,000	140,657	425,657	19.35
2007	166,373	1,942,021	426,297	3,398,162	-	5,932,853	255,000	194,926	449,926	13.19
2006	169,118	1,613,509	410,770	3,079,715	-	5,273,112	245,000	206,426	451,426	11.68
2005	168,698	1,487,945	444,451	2,848,009	-	4,949,103	230,000	217,236	447,236	11.07
2004	169,710	1,484,266	468,732	2,635,570	-	4,758,278	225,000	227,361	452,361	10.52

**Kilgore Junior College District
Statistical Supplement 12
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)**

Calendar Year	District (a) Population	District (a) Personal Income	District (a) Personal Income Per Capita	District (a) Unemployment Rate
2012	34,884	b	b	6.3%
2011	34,689	b	b	6.3%
2010	34,925	b	b	6.2%
2009	34,344	b	b	5.8%
2008	34,112	b	b	4.4%
2007	33,606	b	b	4.7%
2006	32,405	b	b	4.9%
2005	31,770	3,493,234,400	109,954	4.9%
2004	31,147	3,260,246,800	104,673	5.9%
2003	30,536	2,985,100,450	97,757	7.0%

Sources:

Texas Labor Market Information
Texas Workforce Commission

Notes:

- a. District data is unavailable. Amounts are based on weighted averages for Gregg and Rusk Counties.
- b. Not available

**Kilgore Junior College District
Statistical Supplement 13
Principal Employers
Current Year
(unaudited)**

Employer	2012 Number of Employees	2011 Number of Employees	2010 Number of Employees	2009 Number of Employees	2008 Number of Employees	Percentage of Total Employment (a)
Halliburton	711	705	705	731	316	-
Kilgore ISD	612	601	606	606	543	-
Vertex, RSI/General Dynamics	543	550	550	499	497	-
Kilgore College	326	320	363	363	411	-
Region VII Education Service Ctr	294	290	290	290	254	-
Martin Midstream Partners, LP	257	241	241	241	194	-
Cudd Pressure Controls	242	225	225	-	-	-
Pak-Sher, Inc	218	227	160	160	58	-
Orgill, Inc	172	185	178	-	-	-
BJ Services	-	156	155	155	157	-
City of Kilgore	163	160	155	155	144	-
Skeeter Boats	-	151	151	153	182	-
Total	3,538	3,811	3,779	3,353	2,756	-

Source:

Kilgore Economic Development Corporation
Gladewater Economic Development Corporation
White Oak Economic Development Corporation

Note:

- a. Total employment of District is undeterminable.
- b. This District previously did not present this schedule and chose to implement prospectively.

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Faculty										
Full-Time	157.00	144.00	151.00	166.00	124.00	119.00	116.25	110.25	115.75	116.75
Part-Time	53.00	50.00	53.00	73.00	51.00	58.80	50.00	48.40	45.30	44.25
Total	210.00	194.00	204.00	239.00	175.00	177.80	166.25	158.65	161.05	161.00
Percent										
Full-Time	74.76%	74.23%	74.02%	69.46%	70.86%	66.93%	69.92%	69.5%	71.9%	72.5%
Part-Time	25.24%	25.77%	25.98%	30.54%	29.14%	33.07%	30.08%	30.5%	28.1%	27.5%
Staff and Administrators										
Full-Time	186.00	209.00	221.00	221.00	283.00	205.00	214.54	219.00	217.00	208.00
Part-Time	56.00	44.00	43.00	41.00	33.00	28.25	31.00	35.00	30.50	22.50
Total	242.00	253.00	264.00	262.00	316.00	233.25	245.54	254.00	247.50	230.50
Percent										
Full-Time	76.86%	82.61%	83.71%	84.35%	89.56%	87.89%	87.37%	86.22%	87.68%	90.24%
Part-Time	23.14%	17.39%	16.29%	15.65%	10.44%	12.11%	12.63%	13.78%	12.32%	9.76%
Students per Full-Time Faculty	39.69	44.38	44.31	38.40	44.46	43.28	44.30	42.60	41.88	42.46
Students per Full-Time Staff Member	33.50	30.58	30.28	28.85	19.48	25.12	24.00	21.45	22.76	23.76
Average Annual Faculty Salary	\$54,962	\$60,700	\$58,070	\$51,710	\$54,549	\$53,690	\$55,700	\$53,783	\$50,154	\$46,271

Notes:
Information provided according to the IPED definition for faculty and staff

**Kilgore Junior College District
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)**

Student Classification	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	3,681	71.48%	4,561	71.37%	4,899	73.22%	4,686	73.51%	3,977	72.14%
Sophomore	1,074	20.85%	1,357	21.23%	1,352	20.21%	1,239	19.44%	1,158	21.00%
Unclassified	236	4.58%	207	3.24%	192	2.87%	193	3.03%	288	5.22%
Associate Degree	91	1.77%	228	3.57%	219	3.27%	226	3.55%	53	0.96%
Baccalaureate or Above	68	1.32%	38	0.59%	29	0.43%	31	0.49%	37	0.67%
Total	5,150	100.00%	6,391	100.00%	6,691	100.00%	6,375	100.00%	5,513	100.00%

Semester Hour Load	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	37	0.72%	30	0.47%	40	0.60%	52	0.82%	38	0.69%
3-5 semester hours	922	17.90%	1,098	17.18%	1,239	18.52%	1,331	20.88%	1,073	19.46%
6-8 semester hours	784	15.22%	1,278	20.00%	1,274	19.04%	1,150	18.04%	937	17.00%
9-11 semester hours	733	14.23%	1,004	15.71%	939	14.03%	865	13.57%	809	14.67%
12-14 semester hours	1,934	37.55%	2,092	32.73%	2,257	33.73%	2,219	34.81%	1,863	33.79%
15-17 semester hours	636	12.35%	753	11.78%	824	12.32%	625	9.80%	678	12.30%
18 & over	104	2.02%	136	2.13%	118	1.76%	133	2.09%	115	2.09%
Total	5,150	100.00%	6,391	100.00%	6,691	100.00%	6,375	100.00%	5,513	100.00%

Average course load 10.0 sch 9.7 sch 9.6 sch 9.5 sch 10.0 sch

Tuition Status	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,560	30.29%	1,793	28.06%	1,933	28.89%	1,786	28.02%	1,588	28.80%
Texas Resident (out-of-District)	3,300	64.08%	4,387	68.64%	4,479	66.94%	4,267	66.93%	3,647	66.15%
Non-Resident Tuition	290	5.63%	211	3.30%	279	4.17%	322	5.05%	278	5.04%
Total	5,150	100.00%	6,391	100.00%	6,691	100.00%	6,375	100.00%	5,513	100.00%

**Kilgore Junior College District
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)**

Gender	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,888	62.40%	3,995	62.51%	4,140	61.87%	3,907	61.29%	3,448	62.54%
Male	2,343	37.60%	2,396	37.49%	2,551	38.13%	2,468	38.71%	2,065	37.46%
Total	6,231	100.00%	6,391	100.00%	6,691	100.00%	6,375	100.00%	5,513	100.00%

Ethnic Origin	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Multi-Racial	140	2.25%	167	2.61%	241	3.60%	N/A	N/A	N/A	N/A
White	3,755	60.26%	4,050	63.37%	4,160	62.17%	4,201	65.90%	3,630	65.84%
Hispanic	1,318	21.15%	1,280	20.03%	718	10.73%	1,281	20.09%	1,057	19.17%
African American/Black	811	13.02%	693	10.84%	1,295	19.35%	556	8.72%	422	7.65%
Asian/Pacific Islander	50	0.80%	48	0.75%	60	0.90%	78	1.22%	49	0.89%
International	29	0.47%	35	0.55%	90	1.35%	32	0.50%	26	0.47%
Amer Indian/Alaskan	64	1.03%	83	1.30%	24	0.36%	120	1.88%	122	2.21%
Unknown	60	0.96%	32	0.50%	95	1.42%	107	1.68%	207	3.75%
Hawaiian/Pacific Islander	4	0.06%	3	0.05%	8	0.12%	N/A	N/A	N/A	N/A
Total	6,231	100.00%	6,391	100.00%	6,691	100.00%	6,375	100.00%	5,513	100.00%

Age	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	854	13.71%	817	12.78%	827	12.36%	835	13.10%	499	9.05%
18-21	2,628	42.18%	2,711	42.42%	2,897	43.30%	2,867	44.97%	2,685	48.70%
22-24	714	11.46%	726	11.36%	789	11.79%	775	12.16%	640	11.61%
25-30	820	13.16%	876	13.71%	883	13.20%	841	13.19%	755	13.69%
31-35	449	7.21%	459	7.18%	486	7.26%	388	6.09%	343	6.22%
36-50	632	10.14%	649	10.15%	659	9.85%	550	8.63%	490	8.89%
51-64	123	1.97%	141	2.21%	136	2.03%	108	1.69%	89	1.61%
65 & over	11	0.18%	12	0.19%	14	0.21%	11	0.17%	12	0.22%
Total	6,231	100.00%	6,391	100.00%	6,691	100.00%	6,375	100.00%	5,513	100.00%

Average Age	24	25	24	24	24
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**Kilgore Junior College District
Statistical Supplement 17A
Transfers to Senior Institutions
2011 Fall Students as of Fall 2012
(Includes only public senior colleges in Texas)
(unaudited)**

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 U. OF TEXAS AT TYLER	37	7	53	97	35.5%
2 STEPHEN F. AUSTIN STATE UNIV	19	0	25	44	16.1%
3 UNIVERSITY OF NORTH TEXAS	9	0	9	18	6.6%
4 TEXAS A&M UNIVERSITY-TEXARKANA	2	4	10	16	5.9%
5 TEXAS A&M UNIVERSITY	2	0	10	12	4.4%
6 U. OF TEXAS AT ARLINGTON	4	1	5	10	3.7%
7 TEXAS TECH UNIVERSITY	2	0	6	8	2.9%
8 TEXAS STATE UNIV - SAN MARCOS	4	0	2	6	2.2%
9 SAM HOUSTON STATE UNIVERSITY	2	0	5	7	2.6%
10 UNIVERSITY OF HOUSTON	0	0	7	7	2.6%
11 U OF TEXAS AT AUSTIN	1	0	6	7	2.6%
12 TEXAS WOMAN'S UNIVERSITY	3	0	4	7	2.6%
13 TEXAS A&M UNIVERSITY-COMMERCE	1	0	4	5	1.8%
14 OTHER PUBLIC 4YR INSTITUTIONS	9	1	19	29	10.6%
	95	13	165	273	100.00%

Kilgore Junior College District
 Statistical Supplement 17B
 Transfers to Senior Institutions¹
 Fall First Time Transfer Students
 (Includes only public senior colleges in Texas)
 (unaudited)

	Fall 2011				Fall 2010				Fall 2009				Fall 2008				Fall 2007			
	Earned Academic Associate Prior to Transfer	Earned Core Curriculum Completer	Total Transfer Student Count ²	% Total Transfers	Earned Academic Associate Prior to Transfer	Earned Core Curriculum Completer	Total Transfer Student Count ²	% Total Transfers	Earned Academic Associate Prior to Transfer	Earned Core Curriculum Completer	Total Transfer Student Count ²	% Total Transfers	Earned Academic Associate Prior to Transfer	Earned Core Curriculum Completer	Total Transfer Student Count ²	% Total Transfers	Earned Academic Associate Prior to Transfer	Earned Core Curriculum Completer	Total Transfer Student Count ²	% Total Transfers
SAM HOUSTON STATE UNIVERSITY	2	3	5	2.4%	0	1	1	0.5%	2	3	5	2.6%	2	2	4	2.1%	2	2	4	1.8%
STEPHEN F. AUSTIN STATE UNIV	19	21	40	19.1%	8	16	24	11.1%	20	32	52	26.5%	10	13	23	11.9%	9	17	26	11.7%
TARLETON STATE UNIVERSITY	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%
TEXAS A&M UNIVERSITY	1	1	2	1.0%	3	3	6	2.8%	0	0	0	0.0%	2	2	4	2.1%	5	7	12	5.4%
TEXAS A&M UNIVERSITY-COMMERCE	4	3	7	3.3%	1	0	1	0.5%	1	1	2	1.0%	2	2	4	2.1%	2	1	3	1.4%
TEXAS A&M UNIVERSITY-TEXARKANA	4	4	8	3.8%	8	9	17	7.9%	8	8	16	8.2%	5	7	12	6.2%	6	7	13	5.9%
TEXAS STATE UNIV - SAN MARCOS	2	3	5	2.4%	2	3	5	2.3%	3	5	8	4.1%	1	3	4	2.1%	2	4	6	2.7%
TEXAS TECH UNIVERSITY	2	2	4	1.9%	1	2	3	1.4%	3	3	6	3.1%	1	1	2	1.0%	3	3	6	2.7%
TEXAS WOMAN'S UNIVERSITY	3	4	7	3.3%	2	2	4	1.9%	8	10	18	9.2%	4	3	7	3.6%	4	4	8	3.6%
U. OF HOUSTON - DOWNTOWN	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	2	1	3	1.6%	0	0	0	0.0%
U. OF TEXAS AT ARLINGTON	2	2	4	1.9%	5	5	10	4.6%	4	4	8	4.1%	5	5	10	5.2%	5	6	11	5.0%
U. OF TEXAS AT AUSTIN	0	0	0	0.0%	5	5	10	4.6%	5	5	10	5.1%	2	2	4	2.1%	0	0	0	0.0%
U. OF TEXAS AT DALLAS	1	3	4	1.9%	5	5	10	4.6%	5	5	10	5.1%	2	2	4	2.1%	0	0	0	0.0%
U. OF TEXAS AT TYLER	37	51	88	42.1%	43	50	93	43.1%	15	26	41	20.9%	44	49	93	48.2%	43	52	95	42.8%
UNIVERSITY OF HOUSTON	0	0	0	0.0%	3	3	6	2.8%	1	2	3	1.5%	1	0	1	0.5%	0	0	0	0.0%
UNIVERSITY OF NORTH TEXAS	9	7	16	7.7%	8	8	16	7.4%	3	8	11	5.6%	6	7	13	6.7%	9	11	20	9.0%
OTHER PUBLIC 4-YR INSTITUTION	9	10	19	9.1%	4	6	10	4.6%	2	4	6	3.1%	2	3	5	2.6%	9	9	18	8.1%
TOTAL	95	114	209	100.0%	98	118	216	100.0%	80	116	196	100.0%	91	102	193	100.0%	99	123	222	100.0%

¹Students who were coded as first time transfer in fall semesters on CBM001, tracked back 6 years in CTC to see if they earned at least 30 hours.

²Transfers may have earned both an associate degree and core curriculum completer.

**Kilgore Junior College District
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2004 to 2013
(unaudited)**

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Academic buildings	15	15	15	15	14	14	13	13	13	13
Square footage (in thousands)	353	353	353	339	335	335	331	331	331	331
Libraries	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	38	38	38	38	38	38	38	38	38	38
Number of volumes (in thousands)	101	101	101	101	101	101	101	101	101	101
Administrative and support buildings	6	6	6	6	6	6	6	6	6	6
Square footage (in thousands)	115	115	115	115	115	115	115	115	115	115
Dormitories	5	5	5	5	5	5	5	5	4	4
Square footage (in thousands)	136	136	136	136	136	136	136	136	101	101
Number of beds	490	490	490	490	490	490	490	490	410	410
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	23	23	23	23	23	23	23	23	23	23
Average daily customers	410	410	410	410	410	410	410	410	410	410
Athletic Facilities	5	5	5	5	5	5	5	5	5	5
Square footage (in thousands)	119	119	119	119	119	119	119	119	119	119
Stadiums	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Fitness centers	1	1	1	1	1	1	1	1	1	1
Tennis court	1	1	1	1	1	1	1	1	1	1
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	20	20	20	20	20	20	20	20	20	20
Transportation										
Cars	12	12	12	12	12	12	12	13	12	12
Light Trucks/Vans	16	16	16	23	23	23	23	24	24	22
Buses	0	0	0	0	0	0	0	0	0	0

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